

# Scrutiny Review of the Government Plan: 2020 - 2023

Government Plan Review Panel:  
Consolidated Scrutiny Report

11th November 2019

S.R.13/2019



**WE**  
**SCRUTINISE**  
**GOVERNMENT.**

**GOV  
PLAN  
2020-23**

States of Jersey  
States Assembly



États de Jersey  
Assemblée des États

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## Section 1 – Government Plan Review Panel

### 1.1 Panel membership

The Panel comprised of the following States Members:



Senator Kristina Moore,  
Chair



Senator Sarah Fergusson



Deputy Kirsten Morel



Deputy Mary Le Hegarat



Deputy Rob Ward



Connétable Mike Jackson

## 1.2 Chair's Foreword



We appreciate that it is the first time that a Government Plan has been presented. Naturally, there will always be learning points to take from any new project. In delivering this report on the Government Plan, we hope that the comments and amendments will be seen as they are intended, for being constructive and helpful, to improve the Plan and its relevance to the public.

Scrutiny Panels and their officers have worked hard since the publication of the Plan in late July. I would like to start by thanking all of those involved in this process. It has not been easy and this report describes the considerable hurdles that have been placed in our way, which have made the process harder than it should have been.

Despite claims that plenty of time was allocated for sufficient scrutiny, we have had to wait for considerable periods to receive background information and Ministers and their officials were consistently unavailable over the Summer period which made it very difficult to carry out our work.

When we were able to question Ministers and Officials, there has been a sometimes hostile response and some have chosen to criticise Scrutiny Members for playing personality politics.

Challenge may at times be uncomfortable, it is supposed to be. However I would like to take this opportunity to remind Government once again, that if their proposals stand up to challenge, then they will receive greater credibility and confidence from the public. A reluctance to accept challenge only gives cause for concern and places at risk some of the positive investments in public services that are proposed.

The scrutiny process goes to great lengths to work in an objective, fair and evidence based manner. Any suggestion to the contrary is rejected.

It is accepted that the quest for public sector efficiency has been on the agenda for many years and despite the work and reforms that have gone before, there remains an appetite to seek further improvements on value for money.

Following many months of anticipation, the efficiencies programme was presented in a Report (R.130/2019) late in October. There are many questions to ask about these proposals. So far it has only been possible to conduct one public hearing with the Chief Minister on this topic.

Scrutiny would like to have time to hear the views from all angles, particularly from the people working within the States of Jersey. Time is also needed to consider how achievable some of the changes are. The Fiscal Policy Panel declared the target "ambitious" and said that "Achievement of this target should be considered as a fiscal risk."

As a result of the late presentation of the efficiencies, the concern expressed about them and the lack of time we have had to seek further information about them, the Government Plan Review Panel is bringing an amendment to the Government Plan. We are calling for the efficiencies plan to be brought back to the Assembly as a stand alone item, in order that there is a proper opportunity to scrutinise them. We do not consider that this will cause any detriment to the continuing work of the Government of Jersey's services, as any savings derived through

the efficiencies will only be seen in the Consolidated fund (essentially the States' current account).

Thank you for reading these reports, I hope that they will be useful.

**Senator Kristina Moore**  
**Chair, Government Plan Review Panel**



## 1.3 Executive Summary

**Section 1** of this report outlines the work undertaken by the Government Plan Review Panel. The Government Plan replaces the previous Medium Term Financial Plan, and details income and expenditure forecasts for the subsequent four financial years following States Assembly approval.

The Government Plan Review Panel was formed to coordinate the scrutiny of the Government Plan. It is responsible for the distribution of work to other Panels to ensure that all projects in the Government Plan are reviewed by the most appropriate Panel in a consistent manner without any duplication.

The Scrutiny review of the Plan has taken a thorough approach, looking at each Action, Business Case for Additional Revenue Expenditure, and Business Case for Capital Expenditure in as much detail as possible with the information provided by Government.

The Government Plan Review Panel has made several findings and recommendations that focus on overall Government Plan process from the perspective of Scrutiny.

The subsequent sections of this report are made up of individual reports by the Scrutiny Panels that include:

- Commentary on Departmental Budgets and Efficiencies
- Reports on the Actions, Business Cases for Additional Revenue Expenditure, and Business Cases for Capital Expenditure that were allocated to them by the Government Plan Review Panel
- Panel Comments; and
- A summary of witnesses and evidence gathered by that Panel.

**Section 2** of this report outlines the work undertaken by the Corporate Services Scrutiny Panel.

**Section 3** of this report outlines the work undertaken by the Economic and International Affairs Scrutiny Panel.

**Section 4** of this report outlines the work undertaken by the Environment, Housing and Infrastructure Scrutiny Panel.

**Section 5** of this report outlines the work undertaken by the Health and Social Security Scrutiny Panel.

**Section 6** of this report outlines the work undertaken by the Education and Home Affairs Scrutiny Panel.

**Section 7** of this report outlines the work undertaken by the Care of Children Review Panel.

### Evidence and witnesses

Overall

- 21 hearings were held
- 42 submissions were received
- 28 written responses were received
- 146 background documents were reviewed, and
- 304 Actions, Business Cases for Additional Revenue Expenditure, and Business Cases for Capital Expenditure were reviewed

## 1.4 Summary of findings and recommendations

**NB:** the findings and recommendations below are specific to the Government Plan Review Panel. Each subsequent section contains findings and recommendations specific to the work of the relevant Panel.

### *Key Findings*



#### **FINDING 1.1**

Greater cooperation from Government prior to the Plan being lodged would have allowed for a smoother scrutiny process.



#### **FINDING 1.2**

Scrutiny requires more time in future to undertake scrutiny of the Government Plan.



#### **FINDING 1.3**

The availability of Ministers for hearings was inadequate during the summer period.



#### **FINDING 1.4**

The scrutiny process suffered due to information not being provided in a timely manner.



#### **FINDING 1.5**

Not enough information has been placed in the public domain.



#### **FINDING 1.6**

There is a lack of detailed financial information in the Government Plan.



#### **FINDING 1.7**

The Government has effectively presented Modernising Government as a sixth CSP priority without seeking the formal approval of the Assembly.



#### **FINDING 1.8**

Better linkages are needed between Government Plan Actions and new programmes, as well as better budget information and performance measures.



#### **FINDING 1.9**

The detail of the efficiencies programme was released too late for adequate scrutiny to occur and the Government's definition of efficiencies is flawed.



**FINDING 1.10**

The published business cases lacked the necessary financial breakdown required for proper scrutiny and were inconsistent.



**FINDING 1.11**

The Government Plan fails to explicitly address how Actions take the sustainable well-being of Islanders into account.

### *Key Recommendations*



#### **RECOMMENDATION 1.1**

Government should share information on the structure and presentation of the Government Plan at an earlier stage.



#### **RECOMMENDATION 1.2**

If Government plans to lodge major policies around the time of a period of recess, consideration must be given to extending the time available to Scrutiny.



#### **RECOMMENDATION 1.3**

Ministers should ensure that they make themselves available for hearings during the entire period of scrutiny of the Government Plan.



#### **RECOMMENDATION 1.4**

Full business cases and other relevant background material should be provided to Scrutiny upfront and in full at the time the Government Plan is lodged.



#### **RECOMMENDATION 1.5**

Department budgets and business plans should accompany the Government Plan at the time of lodging.



#### **RECOMMENDATION 1.6**

More detailed information should be made available to the public. This could be in a separate document/set of documents so as not to make the main Government Plan document too large.



#### **RECOMMENDATION 1.7**

There needs to be a greater emphasis on the Government Plan as a budget document, rather than a policy document.



#### **RECOMMENDATION 1.8**

The Government should not make unilateral decisions on broad policy direction without the approval of the Assembly. On this basis, Modernising Government should not have been effectively presented as a sixth CSP priority but as a stand-alone, supportive section.



#### **RECOMMENDATION 1.9**

New programmes are to link to specific Actions which, in turn, are to be outcomes focussed, fully costed and measurable.

**RECOMMENDATION 1.10**

Detail on efficiencies should be released at the same time as the Government Plan is lodged.

**RECOMMENDATION 1.11**

Efficiencies should only be defined as genuine saving measures. A separate definition should be used for increased fees or charges.

**RECOMMENDATION 1.12**

The full Efficiencies Programme, including business cases for planned savings measures, should form part of the Government Plan and be approved by the Assembly.

**RECOMMENDATION 1.13**

Detailed analysis is required on how efficiencies have been scoped and calculated.

**RECOMMENDATION 1.14**

Business plans such as those found in the R.91 document should contain a more detailed breakdown of, and justification for, spending and also need to be more consistent.

**RECOMMENDATION 1.15**

The performance framework for Government Plan Actions, to be developed in January 2020, needs to include details on how the sustainable well-being of Islanders has been taken into account in Government Plan proposals and how this will be measured.

**RECOMMENDATION 1.16**

All future Government Plans need to include details on how the sustainable well-being of Islanders has been taken into account in Government Plan proposals and how this will be measured.

## 1.5 Background

The Government Plan (the Plan) <sup>1</sup> replaces the previous Medium Term Financial Plan, and details income and expenditure forecasts for the subsequent four financial years following Assembly approval.

The Plan will include a definitive plan for the first succeeding financial year, and similar projections for the following three financial years. A new Government plan will be devised and approved by the Assembly annually with a 12 week lodging period.

Details of the plan include:

- Estimated income and expenditure of the Consolidated Fund
- Amounts to be internally transferred between States funds
- Any other proposed financing
- Government Actions and priorities, under Common Strategic Policy themes.<sup>2</sup>
- Major new projects and their proposed costs
- Estimated income and expenditure from States trading operations to be paid into the States trading operations Fund
- Amounts to be appropriated from the Consolidated and States trading operations funds for the next financial year
- Estimated amounts in States funds at the start and finish of each financial year

The Government Plan aims to shift the general focus from income and expenditure to the underlying projects and strategic priorities being funded.

Key Issues:

- Will the Government Plan meet the requirements of the Public Finances (Jersey) Law 2019?
- Will the Government Plan meet the Common Strategic Policy priorities?
- Is expenditure appropriately apportioned to projects and departments?
- Does income balance with expenditure?

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<sup>1</sup> [Proposed Government Plan 2020-2023](#)

<sup>2</sup> [Common Strategic Policy](#)

## 1.6 The Government Plan Review Panel

The Government Plan Review Panel was formed to coordinate the scrutiny of the Government Plan. This is a new document and a new way of budgeting for the States of Jersey. As such, it was important that Scrutiny moved with these changes and instigated a new way of undertaking scrutiny through a coordinated and targeted approach.

This Panel has been responsible for the management of the large programme of work that Scrutiny undertook on the Government Plan. We distributed work to other Panels to ensure that all projects in the Government Plan were reviewed by the most appropriate Panel in a consistent manner without any duplication.

While the Review Panel coordinated the programme of work, each Panel ran its own review on the projects allocated to it by this Panel. These reviews form the subsequent sections of this consolidated report.

## 1.7 Methodology

The Proposed Plan is presented as a series of Actions aimed at meeting the Government's five Common Strategic Policy priorities, as well as a new sixth priority of Modernising Government.

A supplementary document<sup>3</sup> has also been lodged to accompany the Plan, detailing planned expenditure over and above that budgeted in previous years for additional programmes and capital projects.

This document provides the most detail of proposed Government expenditure for 2020, even though it only represents less than 20% of the total budget<sup>4</sup>, while the actions in the Plan proper have limited, or no, information on expenditure.

The Scrutiny review of the Plan has taken a thorough approach, looking at each Action, Business Case for Additional Revenue Expenditure, and Business Case for Capital Expenditure in as much detail as possible with the information provided by Government.

Actions, Programmes and Capital Projects reviewed by each Panel can be found through the link to the Panel's Section of the report in 1.8 below.

All Scrutiny Panels have agreed to use a common system to report on the status of each project, as follows:



This status means that the Panel has reviewed the background information on the project and is satisfied with it.



This status means that the Panel has reviewed this and either has concerns or considers that it needs more work, or further detail should be provided. It might also mean that the Panel considers it too early to make an informed decision. This may or may not lead to recommendations and/or amendments.



This status means that the Panel has reviewed this and is not satisfied or does not agree with the proposal. This may or may not lead to an amendment.

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<sup>3</sup> [Government Plan 2020-2023: Further Information on Additional Revenue Expenditure and Capital and Major Projects Expenditure](#)

<sup>4</sup> [Proposed Government Plan 2020-2023](#)






## 1.8 Actions, Programmes and Capital Projects Reviewed




In total, all Panels have reviewed:

- 135 Actions
- 85 Business Cases for Additional Revenue Expenditure, and
- 84 Business Cases for Capital Expenditure

The tables below outline the breakdown of these into green, amber and red status<sup>5</sup>:

Actions (not linked to a business case)		Number
		20
		8
		1

Business Cases for Additional Revenue Expenditure		Number
		70
		59
		2

Business Cases for Capital Expenditure		Number
		46
		44
		1

<sup>5</sup> Some Actions have been linked to Business Cases and therefore assessed as part of that instead of in isolation.

The table below provides links through to each Panel's report where a summary of all Actions, Business Cases for Additional Revenue Expenditure, and Business Cases for Capital Expenditure reviewed by that Panel is provided.

Panel	Page
<b>Corporate Services Scrutiny Panel</b>	<a href="#"><u>67</u></a>
<b>Economic and International Affairs Scrutiny Panel</b>	<a href="#"><u>131</u></a>
<b>Environment, Housing and Infrastructure Scrutiny Panel</b>	<a href="#"><u>222</u></a>
<b>Health and Social Security Scrutiny Panel</b>	<a href="#"><u>291</u></a>
<b>Education and Home Affairs Scrutiny Panel</b>	<a href="#"><u>347</u></a>
<b>Care of Children Review Panel</b>	<a href="#"><u>420</u></a>

## 1.9 Full list of Amendments

The table below outlines the amendments being lodged and by which Panel. Full details of these amendments can be found in the amendments lodged as part of the Government Plan Proposition (P.71) on the [States Assembly](#) website.

<b>Amendment</b>	<b>Panel</b>
<b>Temporarily Remove the Efficiencies Programme from the Government Plan</b>	Government Plan Review Panel
<b>Increase stamp duty rate for properties above £1 million</b>	Corporate Services Scrutiny Panel
<b>Allocate £5 million in 2020 for a loan deposit scheme for first time buyers</b>	Corporate Services Scrutiny Panel
<b>Reduce the proposed increase to Long Term Care from 1% to 0.5%</b>	Corporate Services Scrutiny Panel
<b>Increase tax allowances for children</b>	Corporate Services Scrutiny Panel
<b>Increase the Food Cost Bonus in line with inflation</b>	Corporate Services Scrutiny Panel
<b>Increase spending on the maintenance of sports facilities by £125,000 to a total of £250,000</b>	Economic and International Affairs Scrutiny Panel
<b>Remove the Financial Stability Board project completely from the Government Plan</b>	Economic and International Affairs Scrutiny Panel
<b>To change the source of the transfer of £5m in funds to the Climate Emergency Fund from the Consolidated Fund (as currently proposed) to the Strategic Reserve Fund</b>	Environment, Housing and Infrastructure
<b>Reduce the proposed increase in fuel duty from 6p to 4p</b>	Environment, Housing and Infrastructure

## 1.10 The Government Plan scrutiny process

This was the first Government Plan and, as such, this is also the first time that a Government Plan has been scrutinised. While the Panel recognises that this is a learning experience for both Government and Scrutiny, there are many areas in which greater cooperation and foresight could have created a smoother scrutiny process.

The Panel found it somewhat unfortunate that the Government chose to keep the format and structure of the Plan from Scrutiny until the Plan was lodged. This was despite repeated informal requests from Scrutiny to view the structure of the Plan, without the content. This would have allowed better planning for the review process by Scrutiny and a better understanding of the information that would be required for the review. In turn, this would have streamlined the process for the Government in the provision of this information and would have also shown a greater willingness to collaborate.



### FINDING 1.1

Greater cooperation from Government prior to the Plan being lodged would have allowed for a smoother scrutiny process.



### RECOMMENDATION 1.1

Government should keep Scrutiny in the loop on how the Government Plan will be presented and share information at an earlier stage.

The Chief Minister stated many times (in private briefings) prior to the Government Plan being lodged that Scrutiny would have plenty of time to undertake its review. However, given the lack of cooperation noted above, the sheer size of the undertaking, and the timing of lodging of the Plan over summer (meaning that both Minister and Scrutiny availability was limited) this was not the case. Although Scrutiny has planned out the review very carefully, time has been the greatest restriction in this review as Scrutiny has sought to undertake a review of unprecedented scale.

In total, 304 individual Actions and Projects have been reviewed through this process (including a vast amount of additional information for the majority of them, such as full business cases – some running into the hundreds of pages), all Government financial information has been assessed, 21 hearings have been held, 42 stakeholder submissions have been received, and all available efficiency and Departmental financial information has been reviewed.

The length of time required for proper scrutiny of the Plan, combined with the proximity of the debate to the end of the session (it is due for debate on 26<sup>th</sup> November, the second last sitting of 2019), does not allow enough time for the Assembly to properly consider the Plan, associated Proposition, and amendments without feeling undue pressure to approve it. This is compounded by the uncertainty around what may happen should the Plan not be approved:

#### **17 Approval still pending at start of financial year**

(1) *This Article applies if the States have not approved a lodged government plan before the start of the first financial year covered by the plan.*

(2) *For each month of that year during which the government plan remains unapproved, an amount up to the maximum set out in paragraph (4) may be withdrawn from the Consolidated Fund in*

*respect of a proposed head of expenditure set out in the unapproved plan if there is an equivalent head of expenditure set out in the most recently approved government plan.<sup>6</sup>*



### FINDING 1.2

Scrutiny requires more time in future to undertake scrutiny of the Government Plan.



### RECOMMENDATION 1.2

If Government plans to lodge major policies around the time of a period of recess, consideration must be given to extending the time available to Scrutiny.

The lodging of the Plan in summer also meant that the availability of Ministers and Officers was significantly diminished. This led to hearings being compressed into a short time period, with some of them being held very late in the process. The Panel felt that this issue was compounded by the quantity and timing of the background information released to Scrutiny, with some information coming after hearings had been held while, other information had to be reviewed prior to a meaningful hearing being held. Furthermore, with some hearings being held very late in the scrutiny period, there is little time for follow up on, or distillation of, evidence gathered.



### FINDING 1.3

The availability of Ministers for hearings was inadequate during the summer period.



### RECOMMENDATION 1.3

Ministers should ensure that they make themselves available for hearings during the entire period of scrutiny of the Government Plan.

The Government worked with Scrutiny on the provision of background information, but only after being requested to do so and with considerable delay. A proactive and cooperative approach to the provision of information from Government to Scrutiny would have led to a smoother and better developed scrutiny process, and the provision of more streamlined and relevant information. This applies to both financial and detailed project information and is a point that has been acknowledged by the Chief Minister when discussing departmental financial information:

***The Chief Minister:***

*... and it was something we identified as politicians, that there was a gap in terms of that not having been provided previously and that was provided to you a couple of weeks ago.*

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<sup>6</sup> [Public Finances Law \(Jersey\) 2019](#)

**Senator S.C. Ferguson:**

*Yes, and it could have been more helpful, put it like that, if it had been published as quickly as it had been in 2016.*

**The Chief Minister:**

*I agree. We made the point very clearly, as Richard and others will probably certify to, and that is one of the things that we will take into account next time around as well.<sup>7</sup>*

While we appreciate this acknowledgement, much of this information was previously made available through the MTFP process, it is a mystery to the Panel as to why it was omitted from the Government Plan.

The Chief Executive stated that the aim of holding back this information was to avoid overloading the document.

**Chief Executive:**

*...I do not think you can accommodate everything in the Government Plan but I do think you have to read the Government Plan as part of a family of documents that represent the Government's strategic agenda. Individual Ministers will bring that forward and we would expect, in the same way we have had the conversation today, aspects of that to be subject to more rigorous scrutiny where appropriate, business plans to be brought forward... You would not put that in the Government Plan because then it would not be read by Islanders because the Government Plan would be this big.<sup>8</sup>*

Some of the information also came far too late for Scrutiny to effectively scrutinise. For example, the full details of both the efficiencies programme and departmental business plans were not made available to Scrutiny until the 18<sup>th</sup> of October and were not provided with any context as to how they may, or may not, amend the Government Plan.

According to the Chief Minister, this was actually earlier than the Government planned to release these documents, meaning that Scrutiny would have had even less time to review this vital information.

**Chief Executive:**

*I think there is also the bit about what is the plan, ... One of the things that I think everyone wants to do is provide it earlier. The second is I think there is now some learning about the granular detail that is required by Scrutiny, picking up your points, ... so the bit that sits with this is the departmental accounting officers' business plans, which are about to be released, which are going to use Scrutiny again...*

**Senator K.L. Moore:**

*A lot of the communication ... go on, sorry.*

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<sup>7</sup> [Transcript of Panel hearing with the Chief Minister – 10<sup>th</sup> October 2019](#)

<sup>8</sup> [Transcript of Panel hearing with the Chief Minister – 10<sup>th</sup> October 2019](#)

**The Chief Minister:**

*I was going to say, you have missed the point that those are coming out a lot earlier than they would ordinarily come out.*<sup>9</sup>

**FINDING 1.4**

The scrutiny process suffered due to information not being provided in a timely manner.

**RECOMMENDATION 1.4**

Full business cases and other relevant background material should be provided to Scrutiny upfront and in full at the time the Government Plan is lodged.

**RECOMMENDATION 1.5**

Department budgets and business plans should accompany the Government Plan at the time of lodging.

We also felt that more information should have been made available to the public. This did not need to form part of the main Plan, but could have been available as appendices. Scrutiny received several hundred pages of background material in confidence. However, it is our contention that much of this information was suitable for public consumption.

**FINDING 1.5**

Not enough information has been placed in the public domain.

**RECOMMENDATION 1.6**

More detailed information should be made available to the public. This could be in a separate document/set of documents so as not to make the main Government Plan document too large.

The Plan itself appears to be confused. The Public Finances Law (Jersey) 2019<sup>10</sup> sets out that the Government Plan is, for all intents and purposes, a budget document. However, there is a distinct lack of detailed financial information in the Plan or supplementary documents. Instead, pages are filled with aspirational targets with little detail on how they will be achieved or financed. This point is borne out in the work of the Corporate Services Scrutiny Panel, which undertook focus groups on the Government Plan (see page 61).

**FINDING 1.6**

There is a lack of detailed financial information in the Government Plan.

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<sup>9</sup> [Transcript of Panel hearing with the Chief Minister – 10<sup>th</sup> October 2019](#)

<sup>10</sup> [Public Finances Law \(Jersey\) 2019](#)



### RECOMMENDATION 1.7

There needs to be a greater emphasis on the Government Plan as a budget document, rather than a policy document.

We were also concerned that the Government took the decision to effectively introduce a sixth Common Strategic Policy<sup>11</sup> (CSP) priority of Modernising Government. The CSP was introduced in 2018 and did not include Modernising Government (other than in supporting text). However, the Government Plan gives Modernising Government the same status as, and considerably more funding than, the five actual CSP priorities, adding to the confusion outlined above.



### FINDING 1.7

The Government has effectively presented Modernising Government as a sixth CSP priority without seeking the formal approval of the Assembly.



### RECOMMENDATION 1.8

The Government should not make unilateral decisions on broad policy direction without the approval of the Assembly. On this basis, Modernising Government should not have been effectively presented as a sixth CSP priority but as a stand-alone, supportive section.

We do acknowledge that the Government has made an effort to have strong linkages to the CSP through its Actions, but we are of the opinion that there is insufficient detail on how Actions will be achieved. This is a view that is backed up by the Children's Commissioner in speaking to the Panel about the Plan in relation to the voice of children:

***The Children's Commissioner:***

*...I welcome its publication, it is important for any government to set out its plans for how it is going to promote and protect children's rights. Particularly pleased on the focus of we will put children first. What I would be saying to the Government is what do you mean by that?<sup>12</sup>*

While the Actions in the Plan link to CSP priorities, there is insufficient detail on how Actions will be funded and how newly funded programmes link to Actions. Some of this information was provided to Scrutiny upon request, but it is unclear whether it existed in the planning stages of the Government Plan or if it was prepared after Scrutiny requested the information.

We are also of the opinion that a more robust performance framework should have been included within the Plan, rather than being developed in January 2020.<sup>13</sup> Without this, the Actions within the Plan are not outcomes focussed or measurable and, as mentioned above, cannot be adequately costed. This means that Scrutiny is being asked to review these Actions without the full set of information it requires to do so.

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<sup>11</sup> [Common Strategic Policy](#)

<sup>12</sup> [Transcript of Panel hearing with the Children's Commissioner – 2<sup>nd</sup> October 2019](#)

<sup>13</sup> [Government Plan – How we will measure progress](#)



**FINDING 1.8**

Better linkages are needed between Government Plan Actions and new programmes, as well as better budget information and performance measures.

**RECOMMENDATION 1.9**

New programmes are to link to specific Actions which, in turn, are to be outcomes focussed, fully costed and measurable.

We have significant concerns surrounding the entire efficiencies programme. These concerns include:

- The definition of efficiencies, with the Government including increased revenue as efficiency savings:

***Definition of an efficiency***

*An efficiency is defined as a level of performance that uses the least amount of input to achieve the highest amount of output.*

*Reflecting the broader strategic and operational objectives of the Government of Jersey, Programme efficiencies include:*

1. *A reduction in cost, delivering better-quality services for less, through:*
  - *reducing non-essential spend and developing lower-cost alternatives*
  - *streamlining processes*
  - *integrating services and functions and reducing duplicate activity*
2. *More efficient collection of existing income, and better debt management*
3. *Increasing the Government's revenue through further recovery of existing costs, moving towards full cost recovery of services as required by the Public Finances Manual*
4. *The extension and increase of existing charges, or introduction of new charges as revenue raising measures.*<sup>14</sup>

The Chief Minister noted in a hearing that this definition is not accurate in terms of the true meaning of efficiencies:

***The Chief Minister:***

*We were very clear, I think I have said all the way through, that we have got to be demonstrating that we are seeing efficiencies and I accept from that terminology is that going to be 100 per cent efficiencies or majority*

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<sup>14</sup> [Efficiencies Plan 2020-23](#)

*efficiencies using the proper term of “efficiencies” by the way and there are always some tweaks around this...<sup>15</sup>*

- The way in which the figure of £40 million of efficiency savings for 2020 was arrived at – i.e. it would seem as though it was identified as the target amount rather than analysis being undertaken regarding what could be reasonably achieved (the Chartered Institute of Public Finance and Accountancy backs this up in their report on the Government Plan)<sup>16</sup>:

**Deputy K.F. Morel:**

*Just quickly, would it be fair to say that in terms of £40 million it was what you needed to achieve, rather than what you knew you could achieve, and then you found the way to achieve it?*

**The Chief Minister:**

*I think we knew that to go beyond that was going to be really tough, and we also knew that that last £10 million was going to be tougher than that first £25 million to £30 million.*

**Deputy K.F. Morel:**

*Yes, so start with the need to achieve and then work down.<sup>17</sup>*

- The timing of the information being presented both to scrutiny and the public, with efficiency information being released only at the end of October, preventing full and proper scrutiny and adding weight to the point above.
- The lack of integration of efficiencies into the Government Plan. The report on efficiencies was released on 21<sup>st</sup> October but will not amend the Government Plan. Instead, it appears to be a series of aspirational targets for the Government to impose upon departments.
- The lack of detailed analysis behind the business cases for efficiencies is also a major concern for the Panel, but given the time allowed to review efficiencies it is not something we are able to address as we were only informed that impact assessments for all efficiencies were available in a hearing with the Chief Minister on 29<sup>th</sup> October.<sup>18</sup>



**FINDING 1.9**

The detail of the efficiencies programme was released too late for adequate scrutiny to occur and the Government’s definition of efficiencies is flawed.



**RECOMMENDATION 1.10**

Detail on efficiencies should be released at the same time as the Government Plan is lodged.

<sup>15</sup> [Transcript of Panel hearing with the Chief Minister – 10<sup>th</sup> October 2019](#)

<sup>16</sup> See part 2.16, page 8 of Appendix 8 - Page [501](#) of report

<sup>17</sup> [Transcript of Panel hearing with the Chief Minister – 10<sup>th</sup> October 2019](#)

<sup>18</sup> [Transcript of Panel hearing with the Chief Minister on the Efficiencies Programme – 29<sup>th</sup> October 2019](#)

**RECOMMENDATION 1.11**

Efficiencies should only be defined as genuine saving measures. A separate definition should be used for increased fees or charges.

**RECOMMENDATION 1.12**

The full Efficiencies Programme, including business cases for planned savings measures, should form part of the Government Plan and be approved by the Assembly.

**RECOMMENDATION 1.13**

Detailed analysis is required on how efficiencies have been scoped and calculated.

**Amendment – Temporarily Remove the Efficiencies Programme from the Government Plan:**

The Panel will lodge an amendment to temporarily remove the Efficiencies Program from the Government Plan and ask that the Council of Ministers reintroduces the Program as an amendment to the approved Government Plan, to be voted on by the Assembly. This will allow for a full and proper debate on the Efficiencies Program by the Assembly and a standard scrutiny period.

While we acknowledge that a large amount of information was provided as business cases for new projects in the *Government Plan 2020-2023: Further Information on Additional Revenue Expenditure and Capital and Major Projects Expenditure* document, there was a lack of consistency in how these business cases were presented. Some were very detailed, while others contained only a single sentence.<sup>19</sup>

**FINDING 1.10**

The published business cases lacked the necessary financial breakdown required for proper scrutiny and were inconsistent.

**RECOMMENDATION 1.14**

Business plans such as those found in the R.91 document should contain a more detailed breakdown of, and justification for, spending and also need to be more consistent.

A final concern of the Panel is that part 9(9) of the Public Finances Law<sup>20</sup> states:

- (9) The Council of Ministers must –
  - (a) in preparing the government plan, take into account the sustainable well-being (including the economic, social,

<sup>19</sup> [Government Plan 2020-2023: Further Information on Additional Revenue Expenditure and Capital and Major Projects Expenditure](#)

<sup>20</sup> [Public Finances \(Jersey\) Law 2019](#)

environmental and cultural well-being) of the inhabitants of Jersey over successive generations; and

(b) set out in the government plan how the proposals in the plan take that sustainable well-being into account.

Our expectation is that this would be achieved through explicit mention of how initiatives take sustainable well-being into account, with specific measures in place relating to this. However, there is little mention of sustainable well-being across the Government Priorities and it is not given the attention that is required by law.



#### **FINDING 1.11**

The Government Plan fails to explicitly address how Actions take the sustainable well-being of Islanders into account.



#### **RECOMMENDATION 1.15**

The performance framework for Government Plan Actions, to be developed in January 2020, needs to include details on how the sustainable well-being of Islanders has been taken into account in Government Plan proposals and how this will be measured.



#### **RECOMMENDATION 1.16**

All future Government Plans need to include details on how the sustainable well-being of Islanders has been taken into account in Government Plan proposals and how this will be measured.

Like the Government Plan itself, scrutiny of Government projects contained within the Government Plan continue throughout their life-cycle. This may be through future Government Plan reviews or specific Scrutiny reviews of projects as they are implemented.

The scrutiny of the Plan will also develop over time and Scrutiny will undertake an internal evaluation of its own review to ensure that we are adding value to the entire Government Plan process. We hope that these findings and recommendations are taken on board by the Government and used to improve next year's Government Plan process.

## 1.11 Witnesses and Evidence Gathered

The Panel held three hearings:

- [Children's Commissioner – 2<sup>nd</sup> October 2019](#)
- [Chief Minister on the Government Plan process in general – 10<sup>th</sup> October 2019](#)
- [Chief Minister on the Efficiencies Programme – 29<sup>th</sup> October 2019](#)

The Panel received one submission:

- [Children's Commissioner – 24<sup>th</sup> September 2019](#)

## Section 2 – Corporate Services Scrutiny Panel

### 2.1 Panel membership

The Panel is comprised of the following States Members:



[Senator Kristina Moore, Chair](#)



[Deputy Steve Ahier, Vice-Chair](#)



[Connétable Karen Shenton Stone](#)



[Connétable Richard Vibert](#)



[Deputy Jess Perchard](#)

## 2.1 Chair's Foreword

The scrutiny process is public-facing. We are, after all, asking questions of Government on behalf of the people who elected us. Yet, as with most consultations, it is often difficult to truly engage with the community, even on really important matters such as public spending and revenue-raising.

In an attempt to gain an additional insight into what people are thinking and to learn more about why they hold those views, we held a number of focus groups. These groups have provided rich and interesting feedback. They have also given a clear and timely reminder; one of the issues that most impacts upon the lives of islanders is the cost of living.

Having received that message, the Panel has looked at the plan with that question in mind and found that, rather than helping with the cost of living, the Government Plan risks taking more money out of the pockets of its people at a time of global economic uncertainty. We have heard warnings of a potential downturn in the economy from the Fiscal Policy Panel, the Income Forecasting Group and, most recently, the Business Tendency Survey.

It is for that reason that the Corporate Services Panel is pleased to bring a number of amendments to the Government Plan. In the main, they are aimed at reducing the impact of revenue-raising measures or spreading the burden of them, as we are concerned by the variety of revenue-raising exercises within this Plan and the impact they will cumulatively have upon the disposable income of islanders, particularly upon those who already find the cost of living a struggle.

We have also given serious consideration to some of the major spending plans, particularly the £100m+ projects to update technology to modernise government. Although we have concluded that for 2020 it was not prudent to amend the plans in this area - due to the need to improve cyber security- that decision comes with a health warning; we have concerns about the level of spending in this area and will look at it again next year. We would like to see the spend reduced and spread over a greater period of time in order to restrain the acceleration of Government spending. We also want to have a better understanding of how this 6th government priority will make people's lives better.

When the new Public Finances Law was agreed, it adopted a requirement to consider the sustainable wellbeing of the Island. We have been disappointed to note that there is not an adequate demonstration of this commitment within the Government Plan. In a recent informal briefing for States members, some Ministers appeared to dismiss the connection between their proposals, the cost of living, and wellbeing.

It is often said that timing is everything. As a small island nation that performs on a global stage, we weather the effects of international economic cycles just as we have felt the remnants of recent hurricanes across the Atlantic.

Alarm bells have been sounded by the Fiscal Policy Panel (FPP), the Income Forecasting Group (IFG) and the recent Business Tendency Survey. All have warned the Treasury to plan for a downturn in the economy.

In August the IFG downgraded revenue forecasts. The Treasury has followed the FPP's recommendation by proposing a transfer to the stabilisation fund in order to be prepared for a downturn in the economic cycle. But that appears to be the only measure to take into account the possibility of a slowdown in the economy. The Ministers have chosen to follow the FPP's recommendation to:

*consider implementing revenue-raising measures or expenditure cuts now, when the economy is above trend, to increase the ability of the public finances to support the economy in a future period of below trend output.*

In light of the number of various revenue-raising measures in this plan, coupled with the submissions received and evidence gathered by Panels, it is perhaps too late to be imposing these measures as a package without regard for the impact it will have on the community and its wellbeing.

The Chartered Institute of Public Finance and Accountancy have produced an assessment of the Government Plan for the Corporate Services Scrutiny Panel. They note:

*It is significant that Average Earnings retrenches by 1.4% to 2.6%. As Income Tax (personal and corporate) accounts for approximately 74.5% of all General Tax Revenue the expected Income Tax achievement of £586m this year (2019) from £544m in 2018 then grow to £614m for 2020 appears to be extremely optimistic - particularly in a climate of significant uncertainty. The FPP state that "Growth in average earnings slowed markedly in 2019 to 2.6%. In real terms, after inflation, earnings fell for a second consecutive year."*

Yet, the Government is proposing a significant increase in duties, employer's contributions, the Long-Term care charge, and an increase in the Upper-earnings limit to pay for a spending hike of 12% each year, plus a doubling of the usual capital spend. The Panel holds the view that there is insufficient evidence to demonstrate the impact that these measures will have on members of the public and we call on States Members to support our amendments in an attempt to bring some protection to those who need it.

This process has been lengthy and we have been very grateful to our officers, who have worked diligently to keep across the process and provide us with excellent advice. We have been very sad to learn that one member of the team will be leaving their role in Scrutiny soon. They have made a great contribution to our work and although we wish them well in their new job, they will be greatly missed.



**Senator Kristina Moore**

**Chair, Corporate Services Scrutiny Panel**



## 2.2 Findings and Recommendations

### *Key Findings*

#### FINDING 2.1

States revenue expenditure will increase from a base budget of £735 million in 2019 to £824 million in 2020 (a 12% increase).

#### FINDING 2.2

Combined capital and revenue spending will exceed £1 billion by 2023.

#### FINDING 2.3

Modernising Government accounts for £76.7m of States spending in 2020. This is larger than the allocations for improving the economy (£65.9 million) and protecting the environment (£27.8 million).

#### FINDING 2.4

The highest allocation of new investment within the Government Plan is £25.4m to Modernising Government. This compares to new investment of £20.7m in Putting Children First.

#### FINDING 2.5

The Capital programme in the Government Plan amounts to £90 million. The Fiscal Policy Panel have welcomed the investment but say that there is a “significant risk” in delivering it.

#### FINDING 2.6

There is no published IT Strategy covering all IT spending in the Government Plan.

#### FINDING 2.7

The IT spend in the Government Plan is based on the minimum period in which it could be delivered.

#### FINDING 2.8

There is no increase to the child tax allowance or additional child tax allowance in the Government Plan. These allowances have not been increased since before 2011.

#### FINDING 2.9

Duty increases are intended to promote changing behaviours around health and the environment, but it is not apparent that consideration has been given to impact on the economy or local industries such as transport and hospitality.

#### FINDING 2.10

The food costs bonus has not been reviewed since 2014. In that time, RPI has increased by 13.8%.

#### FINDING 2.11

The Government plans to use hypothecated taxes more in the future, which is contrary to the advice of the Fiscal Policy Panel.

#### FINDING 2.12

We have a number of concerns about the information provided on the Efficiencies Programme. We consider that the detail presented calls into question the deliverability of the programme.

## FINDING 2.13

Changes to end inequality in the personal tax system have been delayed due to possible adverse impacts on certain groups.

## FINDING 2.14

The Chief Minister aims to develop stronger working ties between the Government and the States Greffe, although details on what this will entail are not provided.

## FINDING 2.15

The Treasury and Exchequer Department aims to increase its tax policy team to meet tax treaty commitments and improve tax transparency.

## FINDING 2.16

The quality of information provided for additional funding for the tax policy team was poor, and not of the standard expected for a request for additional revenue totalling almost £7 million.

## FINDING 2.17

Revenue Jersey aims to increase its use of digital systems and services and gradually phase out face-to-face services.

## FINDING 2.18

The business case for additional funding for commercial services lacks the expected level of detail regarding how the Chief Operating Office aims to spend the additional revenue requested.

## FINDING 2.19

The intended outcomes for the additional funding for tax compliance are not sufficiently clear.

## FINDING 2.20

The Panel has concerns about the ability to recruit to the 21 additional tax compliance posts in 2020 and therefore that the full funding allocation might not be used.

## FINDING 2.21

The budget for Human Resources (now called People and Corporate Services) for 2020 has increased by over 100%. The rationale for this is that Human Resources has been under resourced in the past and has been an easy target for savings.

## FINDING 2.22

The Supply Jersey procurement system is due to be replaced once the Government's new integrated technology system has been implemented.

## FINDING 2.23

The information provided in support of the additional funding for the One Government project is not convincing, and lacks detailed up-to-date information.

## FINDING 2.24

The Technology Transformation Programme is planned over a 7 year period and includes spending of £42 million (Revenue) and £99 million (capital) during the next 4 years. The spending has been planned over the shortest period possible in order to release the benefits sooner.

**FINDING 2.25**

The business case and supporting information for the “Delivering Effective Financial Management” project lacks the level of detail we would expect for a request for additional revenue of almost £10 million.

**FINDING 2.26**

The business case for £20 million (£5million per year) of funding for replacement IT assets consisted of 7 words. This level of detail does not enable the Panel to have confidence in this business case.

**FINDING 2.27**

There is no explanation or business case provided for the capital programme central risk and inflation funding of £1 million in 2020 (£6.3 million in total over 4 years)

**FINDING 2.28**

We have not been provided with enough information to make an assessment of the £1 million pre-feasibility funding for the States’ Office Strategy. This is in part down to delays in the Panel receiving a briefing from ministers on the project.

### *Key Recommendations*

#### RECOMMENDATION 2.1

To build public confidence and allow public scrutiny, the Government should publish a strategy covering all Government IT projects for the next 4 years and beyond.

#### Recommendation 2.2

The Minister for Treasury and Resources should give greater consideration to children's allowances in the future and how they can be used to help families meet the rising cost of living.

#### Recommendation 2.3

The Council of Ministers should bring forward proposals in the next Government Plan to address the impact of inflation on the rising cost of essential items such as food.

#### RECOMMENDATION 2.4

The Chief Minister should lodge the Efficiencies Programme for separate debate by the States Assembly and allow for a suitable period of scrutiny beforehand.

#### RECOMMENDATION 2.5

The Minister for Treasury and Resources should aim to prioritise the changes to the personal tax system to end the existing inequalities as soon as possible.

#### RECOMMENDATION 2.7

The Chief Minister should provide greater clarity as to what the new working protocols between the Government and the States Greffe will be, and how they will affect the interaction between Government departments and the States Greffe.

#### RECOMMENDATION 2.8

The Council of Ministers should aim to ensure that a house style and minimum standard of quality is met by each business case within future Government Plans.

#### RECOMMENDATION 2.9

The Minister for Treasury and Resources should provide a clearer outline of the methodology used to calculate the figures within Treasury and Exchequer's business cases, and avoid the inclusion of guesswork at all costs, particularly in regards to cases where considerable levels of additional revenue are requested.

#### RECOMMENDATION 2.10

In future Government Plans, the Council of Ministers should aim to provide greater clarity on how additional revenue requested in business cases will be used.

#### RECOMMENDATION 2.11

The Minister for Treasury and Resources should report back to the Panel on a quarterly basis on progress in delivering the outcomes of the additional funding for domestic tax compliance.

#### RECOMMENDATION 2.12

The Chief Minister should clearly explain why a budget increase of over 100% for People and Corporate Services is necessary, and how ministers assessed and challenged the business case put forward.

#### RECOMMENDATION 2.13

The Chief Minister should provide an update to the Corporate Services Panel every six months on the progress on delivering the additional funding into People and Corporate Services.

**RECOMMENDATION 2.14**

The Council of Ministers should subject each business case to a thorough review before including them within the Government Plan.

**RECOMMENDATION 2.15**

The Assistant Chief Minister with responsibility for digital technology should remain alert to the potential flexibility of the timeframe of the technology transformation project, due to its scale and financial investment.

**RECOMMENDATION 2.16**

The Assistant Chief Minister should ensure that subsequent IT projects and their overall spend are reviewed by Officers on an annual basis for future Government Plans, with a view to re-profiling the investment over a longer period of time if deemed suitable.

**RECOMMENDATION 2.17**

The Council of Ministers should give greater emphasis in each business case as to why additional investment is required and what it will be spent on, instead of providing a statement of need.

**RECOMMENDATION 2.18**

The Council of Ministers should ensure that each business case within future Government Plan's contains an adequate level of detail to support the funding being requested.

**RECOMMENDATION 2.19**

The Minister for Treasury and Resources should provide a separate business case for central risk and inflation funding in future Government Plans explaining how the amounts have been calculated, in order to provide assurance to States Members and the public regarding the amounts requested.

**RECOMMENDATION 2.20**

The Council of Ministers should provide greater levels of detail on pre-feasibility capital funding in future Government Plans.

## 2.3 Government Plan overview and context

The Government Plan 2020-2023 sets out the Government of Jersey's detailed income and spending plans for 2020 and indicative amounts for 2021-23. As part of our review, we have looked at the overarching construction of the Government Plan, as well as the specific policy initiatives which fall within our remit.

We engaged the Chartered Institute of Public Finance and Accountancy (CIPFA) to provide expert advice on the financial structure of the plan, and also commissioned a series of focus groups in order to understand the views of members of the public on the plan.

CIPFA were positive about the overall structure and presentation of the Government Plan, but critical of the lack of detail within it. This was particularly in relation to financial detail that should have formed the basis of the budgets included in the plan, yet was not available when CIPFA completed their work 2 months after the plan was lodged.

The Government Plan process is a new one for Jersey, replacing the previous Medium Term Financial Plan (MTFP) process, which fixed government spending over a 4 year cycle. 2019 is the final year of the current MTFP cycle, and there have been criticisms that the process is too rigid and does not allow any change to spending plans in response to emerging pressures. For example, during the public sector pay dispute over the last 12 months, the Government has repeatedly said that the rigidity of the MTFP structure has not allowed it to offer additional money to resolve the dispute.

The Government Plan brings income and spending plans together on an annual basis, while still keeping an eye on the medium-term position by providing indicative amounts for the following 3 years. This will allow spending plans to be revisited each year, and changes made should circumstances require it. For the first time, the Government Plan also links spending with outcomes and service priorities, which CIPFA have complemented.

The Government plan proposes **£824 million of spending on public services in 2020** by States departments. This compares to a budget of **£735 million in 2019**<sup>21</sup>. This is a 12% increase in spending. This amount includes **new spending totalling £81 million**<sup>22</sup> in 2020, and **£40 million of efficiency savings**<sup>23</sup>.

In addition to this, the Government plan proposes **£91 million of spending on capital projects** (buildings, infrastructure and IT systems). This compares with a budget of **£32.5 million in 2019**<sup>24</sup>.

To fund this expenditure, the Government is forecasting **income of £892 million in 2020**. The balance of spending will be paid for from accrued surpluses. There are also transfers of **£36 million to the Stabilisation Fund** (to support the Island's economy in a downturn) and **£5 million to the Climate Emergency Fund**.

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<sup>21</sup> [See Government Plan Table 56, p196-197](#). It should be noted that actual spending in 2019 is forecasted at £801 million.

<sup>22</sup> [See Government Plan Table 56, p196-197](#)

<sup>23</sup> [See Government Plan p110](#)

<sup>24</sup> [See Government Plan Table 51, p192](#). It should be noted that actual capital spending in 2019 is forecasted at £70.9 million

## 2.4 Government Spending

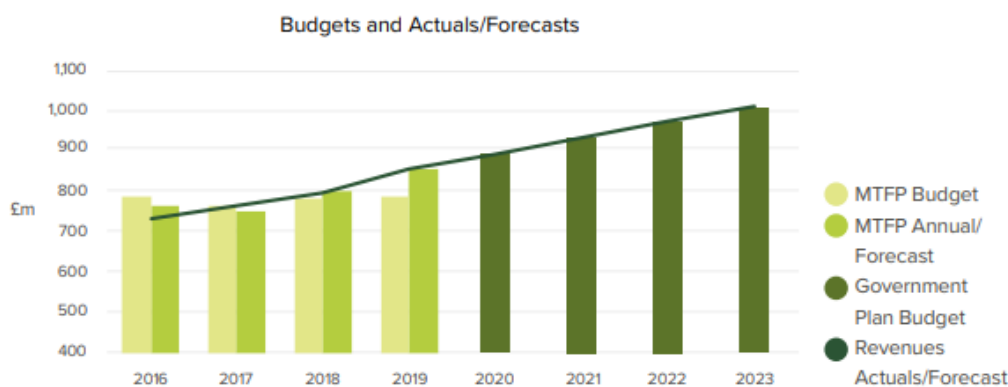
The Government Plan proposes a budget of £824 million for spending by States departments in 2020. That is an increase of £89 million (12%) compared to the 2019 budget of £735 million.

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	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
<b>Opening base budget</b>	<b>734,845</b>	<b>823,775</b>	<b>858,695</b>	<b>895,584</b>
New investment in CSP priorities	80,693	27,753	20,712	6,357
Inflation and Legislative Decisions	41,237	24,567	33,877	40,810
Efficiencies <sup>1</sup>	(33,000)	(17,400)	(17,700)	(18,900)
<b>Total net departmental expenditure</b>	<b>823,775</b>	<b>858,695</b>	<b>895,584</b>	<b>923,851</b>
Capital programme	90,640	91,801	87,478	78,868
<b>Total Government Net Expenditure</b>	<b>914,415</b>	<b>950,496</b>	<b>983,062</b>	<b>1,002,719</b>

In a public hearing on 10th October, the Chief Minister explained that out of the £89 million increase, around £30 million was due to projects started in 2019 that required continued funding. The remainder of the increase was for areas like Children’s Services and IT, which he referred to as “legacy issues”.

When the spending on buildings and infrastructure (the Capital programme), and the impact of inflation is taken into account, Government spending will be over £1 billion by 2023.



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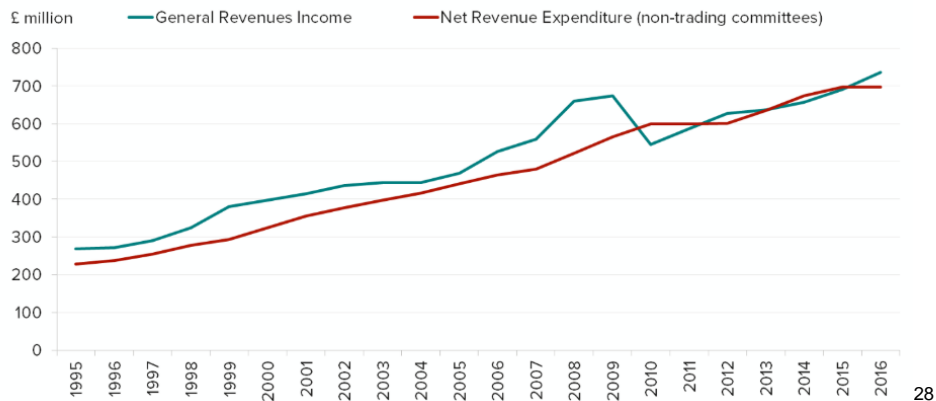
Over a longer period, it can be seen that Government spending (excluding the capital programme) increased from £522 million in 2008, to £698 million in 2016<sup>27</sup>. The latest forecast shows that 2019 spending is expected to be £800 million, rising to a budgeted amount of £924 million in 2023.

<sup>25</sup> [See Government Plan Table 56, p196-197](#). It should be noted that actual spending in 2019 is forecasted at £801 million.

<sup>26</sup> [Government Plan, Figure 6, p135](#)

<sup>27</sup> [States of Jersey income and expenditure](#), Statistics Jersey

**General funds income and expenditure 1996 to 2016**



**FINDING 2.1**

**States revenue expenditure will increase from a base budget of £735 million in 2019 to £824 million in 2020 (a 12% increase).**



**FINDING 2.2**

**Combined capital and revenue spending will exceed £1 billion by 2023.**

**Spending on Strategic Priorities**

Spending

- Children's Services and schools
- New health model and mental health
- More money for the economy, arts, culture and overseas aid
- £10m for affordable housing
- £5m for Climate Emergency Fund

A notable difference between the Government Plan and the previous MTFP is that spending is linked to the Government’s five strategic priorities. The plan also outlines the actions that the Government will take to deliver its priorities and the high level indicators which it will use to measure its progress. The plan notes that a performance framework will be published by January 2020.

CIPFA told us that this was one of the strengths of the Government Plan: *The Government Plan clearly outlines service priorities in a way that previous MTFPs have not and attempts to integrate priorities with estimated/planned financial exposure – this is not common within UK public bodies.*<sup>29</sup>

However, a consistent theme in our focus groups was that the Government Plan needs to have clearer measures and key performance indicators so that progress can be demonstrated.<sup>30</sup>

The “Corporate Performance Framework” which is due to be published by January 2020<sup>31</sup> might address some of these comments.

<sup>28</sup> [States of Jersey income and expenditure](#), Statistics Jersey

<sup>29</sup> CIPFA report, page 10 (See Appendix 8)

<sup>30</sup> [Focus Groups report](#) (in particular the “Lift Ride” comments p.39-40)

<sup>31</sup> [Government Plan, page 20](#)



The breakdown of planned spending in 2020 by strategic priority is outlined in the table below. In addition to the five Strategic priorities, the Government Plan also includes categories for spending under “Modernising Government” and “Supporting Services outside the CSP”.

<b>2020 Spending<sup>32</sup></b>	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>
<b>Improve Wellbeing</b>	£223.9m	£21.1m	<b>£245.0m</b>
<b>Reduce inequality</b>	£188.9m	£0m	<b>£188.9m</b>
<b>Put Children first</b>	£137.9m	£5.0m	<b>£142.9m</b>
<b>Supporting services outside the CSP, inflation, efficiencies</b>	£107.6	£3.7m	<b>£111.3m</b>
<b>Modernising Government</b>	£76.8m	£28.0m	<b>£104.8m</b>
<b>Vibrant Economy</b>	£65.9m	£3.7m	<b>£69.6m</b>
<b>Protect our environment</b>	£27.8m <sup>33</sup>	£29.2m	<b>£57.0m</b>
<b>TOTAL</b>	<b>£828.8m</b>	<b>£90.7m</b>	<b>£919.5m</b>

There was a mixed reaction in the focus groups to the relative amounts for each category. Some groups questioned why “Modernising Government” had such a large budget, while others thought that this may improve efficiency within the government, particularly through better use of technology.<sup>34</sup> Some participants questioned why “protect our environment” has the lowest budget.

The Government Plan also breaks down spending at both department and ministerial level. In percentage terms, the biggest increases in spend in 2020 are in the Strategic Policy, Performance and Population Department (102%), the Chief Operating Office (73%) and the Office of the Chief Executive (51%). The lowest percentage increase is in the Customer and Local Services Department (0.5%)<sup>35</sup>. These are all new departments which have been created following the restructure of the Government during 2018/19. Their budgets were created through transfers of amounts previously held in different departments in the old structure. The transfers were detailed in a [‘Transition Report’](#) published in December 2018.

<sup>32</sup> [Government Plan Table 52](#), p193

<sup>33</sup> Includes £5m Climate Emergency Fund allocation

<sup>34</sup> [Focus Groups report](#), p19

<sup>35</sup> [Figures taken from Government Plan, Table 56](#), p196-197



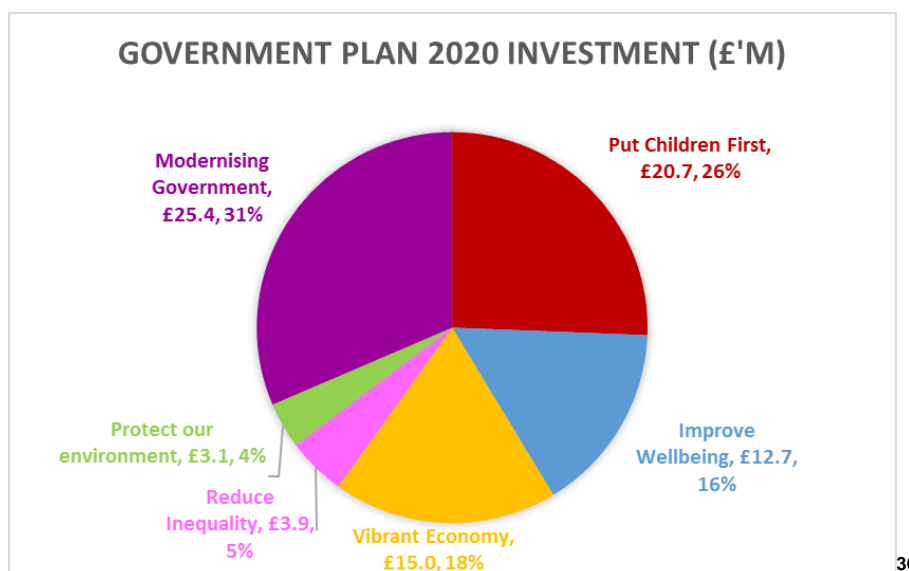
**FINDING 2.3**

**Modernising Government accounts for £76.7m of States spending in 2020. This is larger than the allocations for improving the economy (£65.9 million) and protecting the environment (£27.8 million).**

**Investment**

Included within the Government Plan is a total of £80.7m for “investment in CSP priorities”. This is new spending over and above the services that are currently delivered. Business cases for the projects that make up the total of £80.6 million have been published in a [supplementary report](#) to the Government Plan.

The scale of the investment is much larger than seen in the 2016-2019 financial cycle. In 2016 (the first year of the current Medium Term Financial Plan), investment in new projects was budgeted at £21.9 million. The figure for 2019 has been £20.5 million. The biggest single allocation of investment is to “Modernising Government” (£25.4m), followed by “Put Children First” (£20.7m).



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**FINDING 2.4**

**The highest allocation of new investment within the Government Plan is £25.4m to Modernising Government. This compares to new investment of £20.7m in Putting Children First.**

**Capital spending**

In common with the “investment” in new services, the capital budget for 2020 is significantly bigger than in recent years. A total of £90.6 million is proposed to be spent on projects ranging from the sewage treatment works (£7.8m), mental health facilities (£3.9m), an Integrated Technology Solution (£7.4m) and feasibility studies for the new hospital (£5m). CIPFA told us

<sup>36</sup> Chart prepared by Scrutiny Panel

that it is unlikely that this level of investment will be achieved, and highlighted that the comparative spend in 2018 was £18m and in 2017 it was £47.6m.

CIPFA also said: *Such levels of delivery require capacity in terms of skilling and availability of suitable/contractors suppliers. We remain to be convinced that such attributes will be available to deliver the size and complexity of the investment programmes included within the Government Plan. For example, there does not appear to be a realistic overall appreciation of slippage or optimism bias*

In economic terms, the Fiscal Policy Panel welcomed the investment in the capital programme, but commented that “the scale of the expansion is clearly a significant risk within the Government Plan”.<sup>37</sup> The FPP goes on to highlight the “recent history of capital expenditure failing to be delivered on time (an issue not by any means unique to Jersey)”<sup>38</sup>.

The following graph in the FPP’s report shows the level of forecast capital spent, combining the capital programme in the Government Plan, with forecast spending by trading operations and subsidiary companies such as Andium.

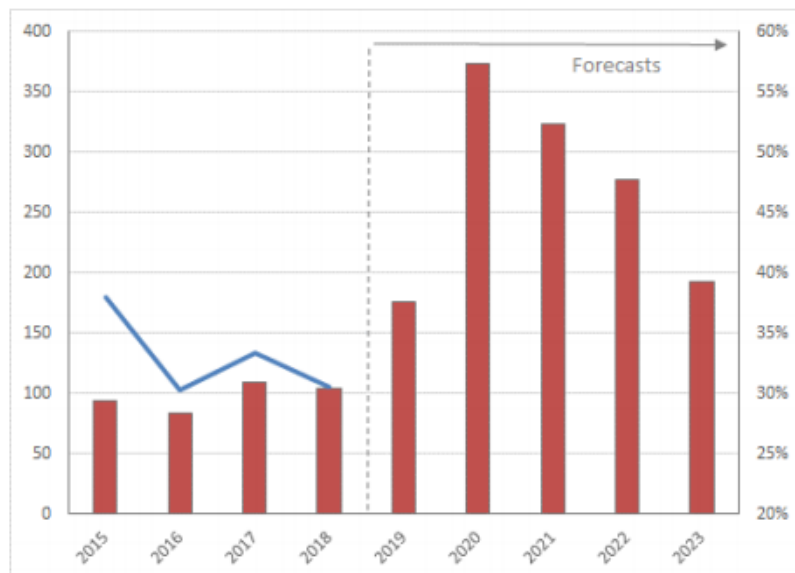
**Figure 2.6**

Capital spending, outturn and forecast cashflow

£ million (current prices) including trading operations and subsidiary companies: Andium, Ports of Jersey and JDC (LHS).

% construction GVA (RHS)

Source: Treasury and Exchequer



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We asked the Chief Minister about the inflationary impact of the capital spending in light of existing competition in the construction history. The Chief Minister told us that I.T. is a significant tranche of the spending, so would not impact on the construction industry. He also highlighted that workers could be brought in from outside the Island if required.

**Senator K.L. Moore:**

*One of the very few members of the public who were in attendance at the public meeting earlier this week on the Government Plan asked the question of the inflationary impact of such a significant amount of capital spending and how the*

<sup>37</sup> [Fiscal Policy Panel Annual Report – October 2019, p32](#)

<sup>38</sup> [Fiscal Policy Panel Annual Report – October 2019, p33](#)

<sup>39</sup> [Fiscal Policy Panel Annual Report – October 2019, p32](#)

*economy can sustain that when there is already considerable competition, particularly in the construction market. How do you propose to alleviate that pressure on the economy, Chief Minister?*

**The Chief Minister:**

*I was going to say it is a multifaceted answer again, because it is not just construction. As we said, I.T. is a significant tranche. That is not in competition with the construction industry, obviously. There is a twofold thing here. One is, which is positive both ways, in the context of Brexit if we have a slowdown this gives us some flexibility as to how we can help the economy, because potentially at the moment some of the plans, which we can talk about a bit more, if it is construction, for the sake of argument, might mean more prefab and might mean bringing staff in from outside, so you are not hitting the tighter job pool here. If that job pool slows down, you can turn that round and do more work on Island, so it will depend.*



**FINDING 2.5**

**The Capital programme in the Government Plan amounts to £90 million. The Fiscal Policy Panel have welcomed the investment but say that there is a “significant risk” in delivering it.**

**Technology spending**

The Government Plan refers to a ‘technology debt’, as a result of historical lack of investment in IT.<sup>40</sup> The Plan sets out over £100 million of spending on IT projects over 4 years.

**Senator K.L. Moore:**

*Okay, but could you just remind us exactly the sum that we are looking at in terms of capital and revenue expenditure on I.T. programmes for the States of Jersey?*

**Chief Operating Officer:**

*Over the 4 years, the capital programme is, I believe, £99 million and the revenue is £42 million.<sup>41</sup>*

We note that the £42 million referred to by the Chief Operating Officer only covers the ‘Technology Transformation Programme’, however other projects also incorporate revenue spending on IT (for example £18.75 million on ‘Modernisation and Digital – enhanced capabilities’<sup>42</sup>), meaning the actual spending across the States on IT is even higher.

In 2020, the proposed new spending on IT is £32.2m.<sup>43</sup>

Most of the spending is in the later years (2023-24) of the Government Plan. We were told that was because of the need to develop detailed business cases for each project and that some projects are spread over a longer period (up to 7 years).

The biggest IT projects set out in the Government Plan are:

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<sup>40</sup> [Government Plan, p143](#)

<sup>41</sup> Public Hearing with Deputy Wickenden and Chief Operating Officer, 17th September 2019, p.4

<sup>42</sup> [R.91/2019](#), p104

<sup>43</sup> Capital spending of £24.4m and Revenue Spending of £6.75m

- £42 million - Technology Transformation Programme (Revenue project)
- £28 million - Integrated Technology Solution (Capital project)
- £20 million - Replacement Assets (Capital)
- £18.75 million - Modernisation and Digital – enhanced capabilities (Revenue)
- £13.8 million - Cyber Security (Capital)
- £9 million - MS Foundation Project (Capital)

Despite the levels of spending being proposed, there is no clear IT Strategy outlined in the Government Plan or published elsewhere. We were, however, provided with a confidential Strategic Outline Business Case for a “Technology Transformation Fund”. This provides the supporting information for much of the IT spending in the Government Plan.<sup>44</sup> We are not able to publish this Business Case or question Ministers publicly on it.

We also asked about the Government’s poor track record on delivering IT projects and whether this new spending would be any different:

***Deputy K.F. Morel:***

*One of the things that bothers me, before we go into individual business cases, is the Government’s track record, and both on I.T. development and privacy, I believe the Government has got a very poor track record. Why should we trust the Government to get these things right now, given that you have had responsibility, Assistant Minister, in this area for years?*

***Assistant Chief Minister and Assistant Minister for Social Security:***

*Yes. In the past, certainly in the last term when I was head of the eGov programme, we did not really have a Corporate Portfolio Management Office that oversaw the projects. We did not have the authority and were not given the authority by the Chief Executive Officer to enforce on the Chief Officers getting information on how they were delivering projects, were they hitting their targets, were they over or underspending in those areas. That is changing in this one. We are putting together a proper Corporate Portfolio Management Office that is not done by people part-time on the side of their desk. It is going to be a proper office.*

The States has spent significant amounts on IT projects in recent years, including £50 million on the Information Services team and £20 million on capital projects in the last MTFP (2016-19)<sup>45</sup>. £15 million was also allocated from contingencies in the last year of office of the previous Council of Ministers for spending on IT related projects<sup>46</sup>. We feel that a clearer explanation needs to be provided on what previous allocations were spent on and what the outcomes have been. It appears that ministers and officers are simply blaming previous regimes, with no accountability or demonstrated benefits for the significant amounts spent in the past.

We asked about the timescales for delivering the IT programme. The Chief Operating Officer told us in a public hearing that “*We looked to see how quickly we could do this, and this is*

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<sup>44</sup> Despite the reference on page 186 of the Government Plan to an IT Investment Fund being considered, we were told in a public hearing with the Assistant Chief Minister that a decision had been taken not to proceed with a separate investment fund (Public Hearing with Deputy Wickenden and Chief Operating Officer, 17th September 2019, p.54)

<sup>45</sup> [MTFP Addition Annex](#), page 34

<sup>46</sup> From analysis of relevant ministerial decisions between 1/1/17 and 16/05/18

spread out over the minimum time it would take". He also explained that extending the time period would delay the benefits of the projects:

**Deputy K.F. Morel:**

*Why could you not spread these 4 years further? Why not? Why could you not spend half as much each year?*

**Chief Operating Officer:**

*We could. I mean, there are some burning platforms that have to be addressed.*

**Deputy K.F. Morel:**

*I appreciate that.*

**Chief Operating Officer:**

*The later you complete the longer you put off the benefits, so in terms of going back to how do you get some of these benefits in by the end of the Government Plan, like I say, we did not do the technology case as a 4-year case. If you look at the thing it is a 7-year case, because we did not think that 7 years was ... but to finish in 7 years you have to have started everything within 4 years.*

In our comments above on the capital programme, we highlighted the views of CIPFA in relation to the scale and deliverability of the capital programme in general. Given that IT spending makes up 25% of the capital programme, we are concerned that the IT programme is not deliverable in the proposed timeframe. It should also be seen in the context of significant increases in government spending in 2020.



**FINDING 2.6**

***There is no published IT Strategy covering all IT spending in the Government Plan.***



**FINDING 2.7**

***The IT spend in the Government Plan (over £100 million) is based on the minimum period in which it could be delivered.***



**RECOMMENDATION 2.1**

***To build public confidence and allow public scrutiny, the Government should publish a strategy covering all Government IT projects for the next 4 years and beyond.***

## **Reserve/ Contingency**

To deal with unforeseen costs, the government usually includes a 'contingency' amount in its budgeting. Under the new Public Finance Law, this has been renamed the "Reserve".

The Government Plan allocates £33.5 million to a 'Reserve for centrally held items' and £11.6 million to a 'General Reserve'. There is a short explanation of these headings on page 136 of the Government Plan, but no breakdown of the totals. We have since been provided with a breakdown, [which we have published](#) on our website and include below.

**Reserves breakdown GP 2020-23**

<b>General reserve</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Restructuring reserve	5,650	-	-	-
Annually Managed Expenditure (AME) contingency	-	2,000	2,000	2,000
Departmental Expenditure Limited (DEL) contingency	5,000	5,000	5,000	5,000
Provision for pilot schemes	1,000	1,000	1,000	1,000
	<u>11,650</u>	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>

<b>Reserve for centrally held items</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Pay awards	26,560	40,116	54,119	68,584
Pensions and Soc Sec increases	2,155	7,981	8,337	8,696
Non-Pay - net inflation 2020+	4,857	9,874	15,057	20,411
Revenue consequences of capital schemes	-	234	245	305
	<u>33,572</u>	<u>58,205</u>	<u>77,758</u>	<u>97,996</u>

The trade unions were critical that the Government Plan does not contain details on what provisions have been put in place for public sector pay awards during the period<sup>47</sup>, noting that, “unless there is some form of financial commitment within the budgets for future years”, the States Employment Board will be in the position of not having adequate funds approved to offer cost of living pay awards<sup>48</sup>.

From the information we have seen, there appears to be some provision in the Reserve for future increases in public sector pay. However, we cannot verify the amounts or percentage increases budgeted for,<sup>49</sup> and there is no express commitment in the Government Plan to planning for pay awards at a particular level.

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<sup>47</sup> [JCSA Prospect and Unite Submission, p.3](#)

<sup>48</sup> [JCSA Prospect and Unite Submission, p.3](#)

<sup>49</sup> We were provided with a more detailed confidential breakdown of the Reserve, but this did not show how the figures within it had been arrived at.

## 2.5 Financial forecast and the economy

We have considered the financial forecasts and economic outlook as part of our work. This includes the relevant section of the Government Plan, starting from [page 127](#). We have also reviewed the [Spring 2019 Revised Income Forecasts](#) and the Fiscal Policy Panel's [September 2019 Update](#) and [Annual Report \(October 2019\)](#).

### Economic slowdown

With regard to the economic outlook, the FPP have pointed to a global economic slowdown and the increased likelihood of 'downward pressure on Jersey's economy in 2020 than was anticipated six months ago'. As a result, the FPP's [latest economic assumptions](#) are downgraded for 2020. The forecasts remain unchanged for 2021 and 2022, but this is dependent on the outcome of Brexit and the duration of the global economic slowdown. The FPP have also provided a [further set of economic assumptions](#) for a no-deal Brexit scenario (either on 31 October, or in early 2020).

*Though GVA rose in 2018, the balance of recent indicators (in particular earnings, responses to the Business Tendency Survey and social security contributor numbers) suggests a cooling in the economy this year. Whereas the Panel's central assumption is for a continued expansion of 1% or higher for the next two years, this is highly dependent on a favourable outcome to Brexit negotiations.*

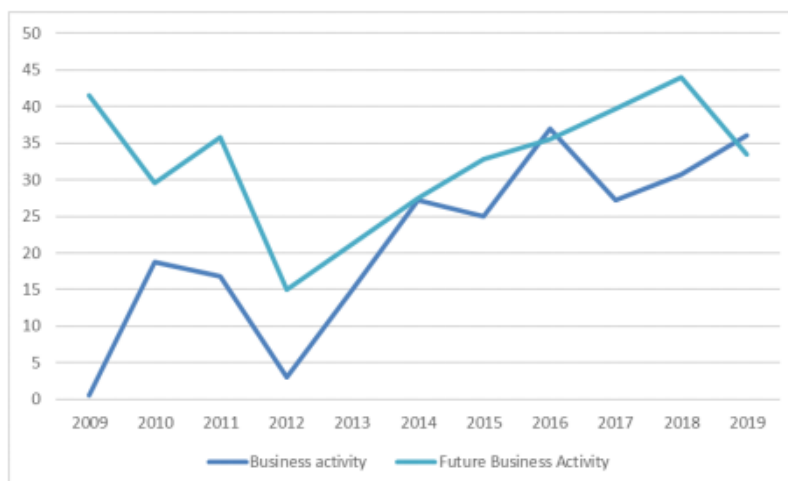
The Business Tendency Survey is a measure of business activity, as reported by the directors of private sector organisations. The Fiscal Policy Panel reports shows that responses from both finance and non-finance organisations report a dip in business activity in 2019.<sup>50</sup>

**Figure 1.11**

#### Finance business tendency

% net balance of respondents reporting an increase in business activity and future business activity (both weighted by employment). Annual average of quarterly results to June 2019.

Source: Statistics Jersey



<sup>50</sup> [Fiscal Policy Panel Annual Report](#), October 2019, p12 and 15

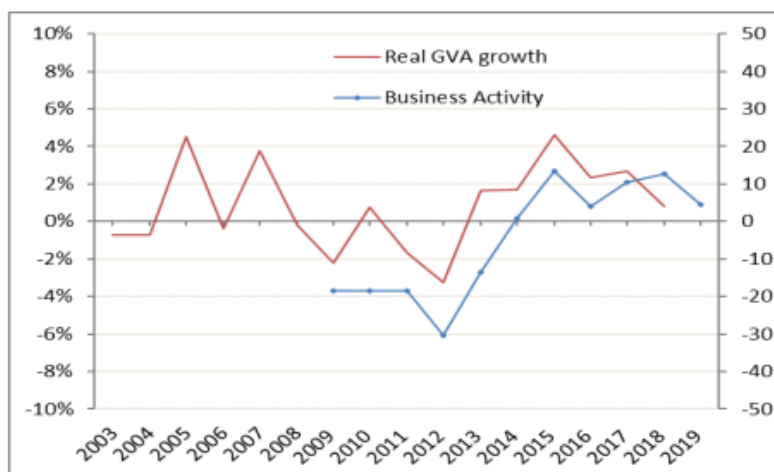


**Figure 1.15****Non-Finance GVA Growth**

Annual real GVA growth excluding financial services and rental (left-hand scale)

Non-finance responses to business activity question averaged over each year (right-hand scale). Note: 2019 based on average of responses to "business activity" in March to June, plus "future business activity" from the June survey

Source: Statistics Jersey

**Income Forecasts**

The Government Plan is based on the FPP's Spring economic assumptions, rather than the downgraded September 2019 assumptions. This means that there is a risk that income in 2020 might be lower than the forecasts that the Government Plan is based on. This is something that CIPFA highlighted to us;

*However, at this point in time we are of the view that there may be significant risks in running with income tax yield estimates embedded within the Government Plan. The IFG based income forecasts were influenced by the FPP's spring economic assumptions.<sup>51</sup>*

When asked for the latest information on tax collection in 2019, the Treasury and Exchequer Department was not able to provide the information. CIPFA therefore have not been able to assess the likely 2019 income against the forecasts and go on to say that income tax forecasts for 2020 appear to be "extremely optimistic".

*As Income Tax (Personal and Corporate) accounts for approximately 74.5% of all General Tax Revenue the expected Income Tax achievement of £586m this year (2019) from £544m in 2018 then grow to £614m for 2020 appears to be extremely optimistic – particularly in a climate of significant uncertainty. The FPP state that "Growth in average earnings slowed markedly in 2019 to 2.6%. In real terms, after inflation, earnings fell for a second consecutive year."<sup>52</sup>*

We asked the Treasury team about the actions they would take in the event of a downturn in the economy. The Treasurer told us that one of the actions would be to stop the transfer of £36 million into the Stabilisation Fund and use that money to support government spending instead:

*"...in the event of the economic forecast changes or very likely in the case of a day one no deal we would have to consider changes to the plan. The first layer of changes to that plan would be not to put money into the Stabilisation Fund, because you would*

<sup>51</sup> CIPFA Report, page 11 (Appendix 8)

<sup>52</sup> CIPFA Report, page 14 (Appendix 8)

*expect your income forecast to drop and the question would be: do you want to still consider the level of spending you are considering? Most economic theory will say that the best a government can do for an economy that is in recession is to continue spending, and in particular on capital.*<sup>53</sup>

## **Productivity**

The Fiscal Policy Panel highlighted the longer term challenge of improving productivity. In its October report, it made the following recommendation:

*The Panel looks forward to the development of the Economic Framework and recommends that funding should be made available in future Government Plans to support initiatives with genuine potential to raise private sector productivity.*<sup>54</sup>

The Government Plan includes an action to develop an economic framework (page 60), with a 'productivity support scheme' due to be introduced in 2021 (page 65). However, there is no specific government funding for initiatives to improve productivity in 2020. The 2016-19 Medium Term Financial Plan included specific provision of £5 million per year for an 'Economic and Productivity Growth Drawdown Provision'.

We note from the evidence taken by the Economic and International Affairs Scrutiny Panel that productivity funding originally planned for 2020 was scaled back and will now be phased in in future years.

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<sup>53</sup> [Public Hearing with the Minister for Treasury and Resources](#), 3rd October 2019

<sup>54</sup> [Fiscal Policy Panel Annual Report](#), October 2019, page 42

## 2.6 Tax raising measures

The Government Plan includes a number of tax raising measures, as outlined in the following table<sup>55</sup>:

2020 Proposed revenue measures	(Benefit for taxpayers) / cost for taxpayers versus base (£000)	(Benefit for taxpayers) / cost for taxpayers versus forecast (£000)
Personal income tax threshold increases	(6,000)	Nil
GST de-minimis reduction	400	400
Alcohol duty increases	1,647	962
Tobacco duty increases	1,389	888
Road fuel duty increases	925	925
<b>General Revenue Total before earmarked road fuel duty increases</b>	<b>(1,639)</b>	<b>3,175</b>
Earmarked Road fuel duty increases - Climate Emergency Fund	1,849	1,849
<b>General Revenue Total</b>	<b>210</b>	<b>5,024</b>
<b>Social Security Contributions</b>		
Long-Term Care charge	23,700	23,700
Social Security Contribution rates - family friendly benefits	3,350	3,350
<b>Contributions Total</b>	<b>27,050</b>	<b>27,050</b>

Table 25 – Summary of revenue measures

### Tax exemption thresholds

The following tax exemption thresholds are proposed to increase by 3.1% in 2020:

- Single person exemption (increase from £15,400 to £15,900)
- Married couple/civil partnership (increase from £24,800 to £25,550)
- Second earners allowance (increase from £6,000 to £6,250)

There are no increases proposed to the child allowance (£3,000) or additional child allowance (£4,500). We note that these allowances have not been increased since before 2011<sup>56</sup>.

<sup>55</sup> [Government Plan, page 163](#)

<sup>56</sup>

<https://www.gov.ie/TaxesMoney/IncomeTax/Individuals/AllowancesReliefs/Pages/AllowancesReliefs2011.aspx>

**FINDING 2.8**

***There is no increase to the child tax allowance or additional child tax allowance in the Government Plan. These allowances have not been increased since before 2011.***

**RECOMMENDATION 2.2**

***The Minister for Treasury and Resources should give greater consideration to children's tax allowances in the future and how they can be used to help families meet the rising cost of living.***

**Stamp Duty**

The Government Plan states that there are no changes to Stamp Duty proposed in the Government Plan, as the Housing Policy Development Board is continuing to develop its work around Housing Policy.

In our [report](#) on the 2019 Budget last year, we recommended that the Minister reduce the number of Stamp Duty Bands and take action to address the slow turnover rate in some sections of the housing market.

The Minister's [response](#) said that this would be addressed by the Housing Policy Development Board. The Panel is disappointed that no progress has been made on this matter in the last 12 months. In fact, a review of [the work of the Housing Development Board](#) in 2019 suggests that Stamp Duty has not featured in the Board's discussions.

We questioned the Minister and her Assistant Minister in a public hearing on what they are doing to address the housing crisis in 2020, and they again pointed to the work of the Policy Development Board;

**Senator K.L. Moore:**

*The Assistant Minister referred to some of the work that the Policy Development Board have looked at and my question really is the public would like to hear, rather than looking at things, what is being done to address the issues that people live with on a day-to-day basis?*

**Assistant Minister for Treasury and Resources:**

*Yes, and they will as soon as the board has finished and finalised its work.<sup>57</sup>*

In light of the lack of progress, we have lodged an amendment to increase Stamp Duty on properties above £1 million. The amended rates we have proposed are still well below the rates in England and Scotland.

**Alcohol, Tobacco and Fuel Duty increases**

The Government Plan proposes increases in alcohol duty in line with inflation for low and standard strength alcohol. Duty on high strength alcohol is increased above inflation. For example, duty on Spirits on will be increased by 10.9% above inflation. Tobacco duty is also subject to above-inflation increases.

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<sup>57</sup> [Public Hearing with the Minister for Treasury and Resources](#), 3rd October 2019

In their submission, Randalls suggested that there is a “double standard approach” at play, where alcohol sold in supermarkets “is deemed less harmful than the alcoholic drinks sold in our regulated on-licensed outlets.” They support this claim by noting that supermarkets are able to offer promotions on alcohol and are often promoted as loss leaders allowing supermarkets to cover any duty losses lost by shoppers buying high margin own-brand products.<sup>58</sup>

In the focus groups, some recognised that the tax increases might have health benefits. However, others queried whether the increases would really stop people from drinking or smoking and thought people would carry on and would just have to pay more. Social Media comments that we received tended to reflect this view. Some people also commented on the impact on tourism of continued duty rises.

Fuel Duty is planned to increase by 6p per litre. Part of this increase (4p per litre) is directed to the Climate Emergency Fund to fund work to tackle the Climate Emergency. The Government’s [initial report](#) on tackling the climate emergency indicates that further above inflation increases in fuel duty are planned for 2021 and 2022 (as set out on page 161 of the Government Plan).

Participants in the focus groups had some concerns about the inflationary impact of the Fuel Duty increase and the general pressure on motorists. We also note the comments (see page 234) of the Environment, Housing and Infrastructure Panel about the impact on the commercial sector and the lack of consultation on the increase.

#### FINDING 2.9



***Duty increases are intended to promote changing behaviours around health and the environment, but it is not apparent that consideration has been given to impact on the economy or local industries such as transport and hospitality.***

#### Other tax measures

The de-minimis level on GST is proposed to reduce from £240 to £135 from 1 July 2020. We did not receive any evidence raising concerns about this. Participants in the focus groups felt that it would not make much of a difference, as goods bought online would likely still be cheaper. The reduction would result in additional GST of approximately £5 on an item worth £240.

The Panel notes that the Food Cost Bonus for low income households (£227.00), which is intended to mitigate the impact of GST on food, was last reviewed in 2014.<sup>59</sup> A mechanism in the law to link it to inflation (RPI) was removed in 2016<sup>60</sup>. Since that time, inflation has increased by 13.8% but the food cost bonus has remained at the 2014 level. Citizens Advice Jersey told us that based on the increase in RPI, the bonus should be set at £258.25 in 2020.

The Long-Term Care Charge is planned to increase from 1% to 2% on 1 January 2020. This is a larger increase than the 0.5% increase recommended by an actuarial review of the Long-

<sup>58</sup> [Randalls Submission](#), 30 September 2019

<sup>59</sup> [Citizens Advice Submission](#), 6th November 2019

<sup>60</sup> [See P.83/2016 Draft Food Costs Bonus \(Jersey\) Regulations](#)

Term Care Fund in 2017. However, the proposed increase follows the advice of the Fiscal Policy Panel in March 2019 that *“increasing the rate while the economy is above trend could allow a balance to be built up in the Fund that might allow a temporary reduction of the rate in future when the economy dips below trend.”*<sup>61</sup>

The FPP commented on the proposed 1% increase in their October 2019 report: *“However, in the case of the Long-Term Care (LTC) charge, the full increase in the contribution will not be spent in 2020 but will contribute to the longer-term sustainability of the LTC Fund. Raising this additional revenue now is appropriate, and likely to be less harmful than doing so at a time when the economy is below trend.”*<sup>62</sup>

The following graph in the Government Plan shows the projected balance of the Long-Term Care Fund with and without the increase.<sup>63</sup>

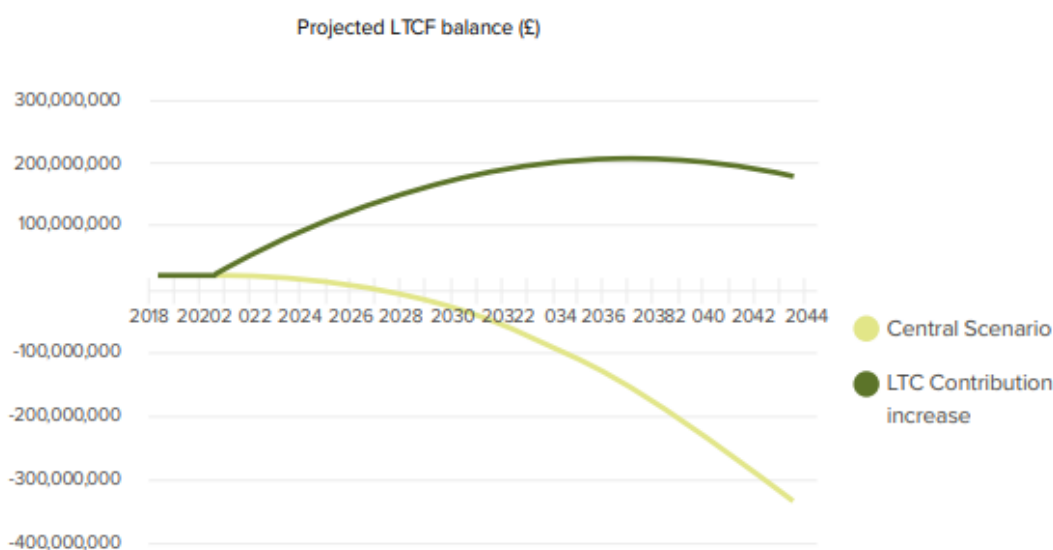


Figure 36 – Projected Long-Term Care Fund balance

Increases to social security contributions are also proposed in the Government Plan, in order to fund the provision of new family friendly employment rights and associated benefits.

- The ‘Upper Earnings Limit’ is increased from £176,232 to £250,000. This will mean additional employers social security contributions are due for people earning above £176,232.
- The contribution rate for employers will increase from 2% to 2.5% on all earnings between £53,304 and £250,000.

The proposed increases will raise £3.35 million in 2020, covering the estimated £3 million cost of the new benefits.

<sup>61</sup> [Fiscal Policy Panel Advice for the 2020-23 Government Plan](#), March 2019, page 44

<sup>62</sup> [Fiscal Policy Panel Annual Report](#), October 2019, page 29

<sup>63</sup> [Government Plan, p175](#)

**FINDING 2.10**

***The Food Costs Bonus has not been reviewed since 2014. In that time, RPI has increased by 13.8%.***

**RECOMMENDATION 2.3**

***The Council of Ministers should bring forward proposals in the next Government Plan to address the impact of inflation on the rising cost of essential items such as food.***

**Focus Group reactions to tax increases**

In the Focus Groups, there were mixed responses to the planned increases<sup>64</sup>.

*"At the moment a pack of cigarettes is around £9.80 and I think taking the price of the £10 mark will be a psychological limit to a lot of people smoking. Maybe at that point you may see a health benefit"*

*"I don't know how much this is an incentive to stop drinking, if there are people who drink and smoke too much they are going to continue to do that"*

*"I hope that that reduces the number of cars on the road"*

*"tax going up has a massive impact like buses go up, everything goes up, it's not just petrol it actually has a much wider effect"*

One particular comment in the focus groups summed up the likely impact of all the tax increases:

*"Very personally for me, my evening job, I work in pub. So immediately I am losing more customers, the ones that are in are going to spend less because of the duty rises, it will cost me more to get to and from work. My employer then has got to pay more social security for me, which they are going to end up just letting me go. Which means I will then go to income support claim more money, give less back to the government. It makes absolutely no sense whatsoever! And I know that is me personally, but there are lots more of me!"<sup>65</sup>*

**Tax policy**

The allocation of the 4p increase in Fuel Duty to Climate Emergency Work is referred to by the Fiscal Policy Panel as a 'hypothecated tax'. This where a tax is directly linked to a particular part of government spending.

The FPP also draws attention to a policy statement in the Government Plan that suggests the Government intends to use this approach more in the future and warns against it:

<sup>64</sup> [Focus Group report](#), p27

<sup>65</sup> [Focus Group report](#), p27

*“More generally, the Government Plan goes further than this, by setting out a principle that promotes hypothecation:*

*“For new areas of significant investment, such as initiatives designed to respond to the climate emergency declared by the States Assembly, investment should be tied to a funding mechanism, such as a hypothecated tax.” (p. 132)*

*This principle appears overly cumbersome and will be difficult to implement in practice. Indeed, it is not clear that the Government Plan follows this principle as there is significant new spending in priority areas that is not tied to a matched income stream.”<sup>66</sup>*



**FINDING 2.11**

***The Government plans to use hypothecated taxes more in the future, which is contrary to the advice of the Fiscal Policy Panel.***

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<sup>66</sup> [Fiscal Policy Panel October 2019 report](#), page 29



## 2.7 Efficiencies

The Government Plan sets out an aim to provide ‘more efficient and effective public services’ and for Government to ‘transform the way in which it delivers public services, to do more with less’. The Government has set itself a target of making £100 million of efficiencies from 2020-2023, with £40 million of that total to come in 2020.

However, the plan does not explain where the £40 million of efficiencies will come from. Instead, it provides a high level summary of £19.7 million of the efficiencies, and commits to publishing an efficiencies plan prior to the debate of the Government Plan.

The [efficiencies plan](#) was then subsequently published on 21st October 2019. This timeline has been a source of considerable frustration among Scrutiny Panels and other States Members, as it allows only 3 weeks for States Members to consider the proposed efficiencies before the deadline for lodging amendments to the Government Plan. Although Scrutiny Panel Chairs received an initial briefing on 19th September, we only received a high level summary of the efficiencies and did not have a public document on which to question ministers.

In addition, by the time the plan was published in October 2019, most Scrutiny Panels were already finalising their reports on the Government Plan. Scrutiny Panels have therefore not had the opportunity to analyse or take evidence on the proposed efficiencies.

At a technical level, it is important to note that the proposed efficiencies plan has not been brought as an amendment to the Government Plan. Therefore, the departmental allocations that States Members will be approving on 26th November are before the efficiencies have been applied. This means that there is no legal requirement for Ministers or departments to implement the efficiencies they have committed to. It will also, arguably, make it more difficult for the Assembly to track delivery of the efficiencies, as they will not be hardwired into department budgets.

The efficiencies plan sets out the Government’s definition of an efficiency and the distribution of the specific measures:

### ***Definition of an efficiency***

*Efficiency signifies a level of performance that uses the least amount of input to achieve the highest amount of output. Reflecting the broader strategic and operational objectives of the Government of Jersey, programme efficiencies include:*

#### ***1. A reduction in revenue spend, delivering better-quality services for less, through:***

- *reducing non-essential spend and developing lower-cost alternatives*
- *streamlining processes*
- *integrating services and functions and reducing duplicate activity.*

#### ***2. More efficient collection of existing income and better debt management***

#### ***3. Increasing the Government’s revenue through further recovery of existing costs, moving towards full cost recovery of services where appropriate.***

#### ***4. The extension and increase of existing charges or introduction of new charges as revenue raising measures.***

## Distribution of efficiencies



CIPFA were provided with an early version of the efficiencies plan, which contained details of £32.78 million of the efficiencies. They drew attention to the lack of detailed information to support the proposed efficiencies and highlighted that the savings need to be cashable.

*Our concerns in this area focus on the lack of detailed information to support each strand of measure. Whilst there has been a good breakdown of source between spend reduction, cost recovery and income there is an absence of detail which we would expect to see that would provide some indication as to the maturity of approach used to 'work up' each efficiency measure. Given that the financial modelling with the overall government plan expects the realisation of the planned sums in efficiency savings we are assuming that such efficiency savings are fully cashable savings as opposed to counter-factual saving. For example detailed workings on the proposed Hospital efficiencies of £3.53m and other Health efficiencies of £2.47m would be extremely helpful. Given unrelenting service demand it is difficult to conceive that such level of cashable efficiencies exist that can be delivered in one year 2020.*

We questioned the Chief Minister about the inclusion of charges and additional tax revenues within the definition of 'efficiency':

**Senator K.L. Moore:**

*...For example, if we pick a path that £19.7 million of efficiencies that we do know about so far, £1.2 million of that is charges and subsidies and £7 million is more efficient tax collection therefore one could question whether that is a genuine efficiency because it is taking more money out of the taxpayers' purse and therefore more money out of the economy.*

**The Chief Minister:**

*Let us address the last one first. What that is about, it is not about tax measures that increase tax take from all of us in the room, if we are all taxpayers. It is about people who should already be paying tax, who either are not paying as much tax as they should be or are not paying tax when they should be. That is an efficiency measure.*

Further work needs to be undertaken to ensure that the efficiencies programme is properly scrutinised. However, we remain to be convinced that measures such as tax compliance and increasing charges for parking, passports and population licences can be described as genuine efficiencies.

We also note that the £7.35 million of additional tax revenue in 2020<sup>67</sup> requires investment of £1.6 million (as set out in the ‘Domestic Compliance – Spend to Raise’ business case in R.91/2019). Therefore, this “efficiency” only actually generates £5.75 million additional revenue for the States in 2020 (over the 4 years of the Government Plan, additional revenue of £41.85 million will be generated, at a cost of £6.2 million)

Some of the cross cutting efficiencies will directly impact on the workforce – for example, reducing overtime and agency staff, and “effective management of sickness”. It appears that this will also include a focus on employees aged over 55:

**Voluntary redundancy and early retirement**

Currently, 22% of the workforce are aged 55 or older. Efficiencies can be achieved by identifying and encouraging those who are likely to leave the organisation to do so, either through retirement or voluntary redundancy. The role can then be analysed and assessed as to whether it should be replaced.

We are concerned about the impact that the efficiencies will have on staff morale and frontline services. The Jersey Prison Service Association (JPSA) wrote to us with concerns about further efficiencies at the prison. They noted that they had been “previously praised by the employer as one of only a few Government Departments that achieved our efficiency targets year on year.” This included a review of the pay spine and banding system, a review of the OSG role, and modernising shift patterns.

The JPSA went on to say:

*“We also have concerns that any further savings, either in terms of restructuring or not replacing colleagues that leave the service, will have major consequences for the SoJPS and our ability to keep people in a safe and secure environment, rehabilitate prisoners and reduce reoffending”<sup>68</sup>.*

We also received a joint submission from the Jersey Civil Service Association and Unite.

The submission said that it was “not possible” for the unions “to have confidence that the proposed efficiencies are achievable or workable, given the absence of details with the proposed plan”, and that further cuts will be “detrimental to services”<sup>69</sup>.

It went on to say that the impact of the organisational change programme on staff morale and productivity “should not be underestimated”, noting that “many employees are having to re-apply for their own jobs, some face redundancy, and others are facing the prospect of their jobs being downgraded”, adding that they believe it to be “inconceivable” to expect this change to not have an impact on the delivery of actions outlined in the Government Plan<sup>70</sup>.

We heard a direct account of the impact of the public sector reform programme in one of the focus group sessions, where one of the participants questioned the Government’s strategic priority of ‘Wellbeing’ in light of their experience of the One Government reform programme:

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<sup>67</sup> [Efficiencies Plan, page 58](#)

<sup>68</sup> [Submission from the Jersey Prison Service Association](#), p.2

<sup>69</sup> [JCSA Prospect and Unite Submission](#), p.1

<sup>70</sup> [JCSA Prospect and Unite Submission](#), p.2

*"That amazes me that, that is a strategic priority on the left because I've seen the discord and the hurt, the upset and confusion. Depression of people internally that has been caused by this One Government."*

**FINDING 2.12**

***We have a number of concerns about the information provided on the Efficiencies Programme. We consider that the detail presented calls into question the deliverability of the programme.***

**RECOMMENDATION 2.4**

***The Chief Minister should lodge the Efficiencies Programme for separate debate by the States Assembly and allow for a suitable period of scrutiny beforehand.***

## 2.8 Stakeholder views

### Focus Groups

In order to better-understand the opinions of Islanders regarding the Government Plan, we commissioned the Jersey-based research company 4insight to conduct four focus groups with members of the public to gather their views on the Government Plan.

Specific objectives were established for the focus groups, which were as follows:

- Analysing awareness and knowledge of the Government Plan, and how aware they were of Government communications through traditional and social media;
- Public opinions of the direction of the Government Plan and its over-arching economics, particularly in light of headline figures;
- Views on the Government's plans to introduce £40 million of efficiencies and their approach;
- Gain an understanding of public opinion on specific potential headline tax-raising measures in the Government Plan, such as duty rises and tax exemption thresholds;
- Opinions on the amount of money going into new projects in 2020 relative to their priorities such as Putting Children First; and
- Views on the levels of transparency of the Government Plan.

Participants were recruited and screened through a screener questionnaire. This was designed to provide a mix of social demographics for the general public, including age, income level, employment status, Parish, gender, and ethnicity.

Each group consisted of eight respondents and lasted between 90-110 minutes. All were conducted through a 4insight-prepared topic guide and included stimulus such as a slideshow to prevent 'group think'.

On average, 6 of the 8 focus group participants said that they were aware of the Government Plan, although some confused it with the Island Plan. The majority had not fully read the Plan, and most had skim-read it online.

Initial perceptions of the Government Plan were not positive, with a number noting that it was not easy to read, not considerably detailed, with one describing it as containing "blue sky thinking". The primary concerns were the headline figures and the increases in spending.

The majority were also concerned over whether the forward income trend was feasible, particularly in light of Brexit.

Most believed that the overall spending was "too high" and expressed concern at the spending increase from 2019 to 2020. Most also found the figures difficult to understand, and were confused as to what the £40 million efficiencies meant and would include. The £20.3 million that is noted as "yet to be identified" was strongly questioned in all focus groups and affected the perceived credibility of the plan.

At least one person in each group thought that efficiencies would mean tax increases and job losses. Some also believed that "inflation" was often used to describe spending.

All groups questioned why "Modernising Government" received the largest budget, although some believed that this would improve efficiency within the government. Others felt that

“Putting Children First” was also important, but were concerned over how it would be applied, with some arguing that wellbeing should be implemented before this. Concerns were also raised over why “Protect our Environment” had the smallest budget, as well as how priorities such as “reduce inequality” and “vibrant economy” would be carried out and measured.

Finally, several focus group participants also commented on the lack of SMART objectives and KPIs.

The full report from 4insight in relation to the focus groups is published on our website.

### **Other submissions**

We received a submission from a member of the public with experience of UK local government. He told us that the Government Plan, in its current state, “is not ready for use”, arguing that:

*“It needs baseline evidence for why these are priorities, Ministers need to explain why they are allocating the spending they are, targets need setting and an explanation of how they will be reached, the sixth priority needs to be agreed, a system for monitoring the plan needs to be in place”<sup>71</sup>*

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<sup>71</sup> [Submission from Stuart Langhorn](#), p.2

## 2.9 Departmental Budgets and Efficiencies

The Government Plan outlines the departmental budgets ('Heads of Expenditure') that States Members will be asked to approve when the plan is debated on 26th November 2019. The budgets that fall within the Corporate Services Panel's remit are:

	Income (£'000)	Expenditure (£'000)	Head of Expenditure (£'000)
<b>Chief Operating Officer</b>	742	38,446	37,704
<b>Office of the Chief Executive</b>	648	19,599	18,951
<b>Strategic Policy, Performance and Population</b>	50	12,558	12,508
<b>Treasury and Exchequer</b>	5,814	135,577	129,763

The Treasury and Exchequer budget is particularly large as it includes £95 million of funding for the Social Security Funds.

The Departmental Business Plans which were published on 21 October provide further information on the above amounts. Although we were provided some information earlier in our review, it was received on a confidential basis and we could not ask questions publicly about it. The Business Plans also assume that the efficiencies programme will be implemented in full, whereas the figures in the Government Plan are shown before the impact of the efficiencies.

We have therefore focused our following comments on the departmental totals as set out in the Government Plan.

### Chief Operating Office

The 2020 budget for the Chief Operating Office of £37.7 million shows a 73% increase on its budget for 2019.<sup>72</sup> This increase is primarily due to additional spending on the Human Resources and IT service areas. The full details of the additional spending is set out in the separate report which contains details of all new investment ([R.91/2019](#)).

Our analysis of this additional spend is included in our comments in the second part of this report on the individual investment projects in the Government Plan and also in the section above on overall IT spending. We retain significant concerns about the overall quantum of new spending into technology in particular. We also note that spending on People and Corporate Services (i.e. Human Resources) more than doubles in 2020.

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<sup>72</sup> See [Appendix 2, Table 56 of the Government Plan](#), p196

2019 Net Revenue Expenditure	Service Area	2020		
		Income	Expenditure Allocation	Net Revenue Expenditure
(£'000)		(£'000)	(£'000)	(£'000)
-	COO Directorate		550	550
1,640	Commercial Services	(100)	2,290	2,190
13,969	Modernisation and Digital	(519)	21,988	21,469
6,225	People and Corporate Services	(123)	13,618	13,495
21,834	<b>Net Revenue Expenditure</b>	<b>(742)</b>	<b>38,446</b>	<b>37,704</b>

We have not had a chance to analyse the efficiencies for the Chief Operating office in any detail, however the total of £1.5 million efficiencies means that the Department will be working to a budget of £36.2 million in 2020.

### Office of the Chief Executive

The 2020 budget for the Office of the Chief Executive of £19 million represents a 51% increase on the 2019 budget. This is mostly driven by an increase in the Financial Services and Digital service area, which has been considered by the Economic and International Affairs Scrutiny Panel as part of their work.

2019 Net Revenue Expenditure	Service Area	2020		
		Income	Expenditure Allocation	Net Revenue Expenditure
(£'000)		(£'000)	(£'000)	(£'000)
783	Chief of Staff	(200)	1,183	983
1,548	Communications	-	1,548	1,548
1,771	External Relations	(105)	3,331	3,226
8,473	Financial Services and Digital	(343)	13,537	13,194
12,575	<b>Net Revenue Expenditure</b>	<b>(648)</b>	<b>19,599</b>	<b>18,951</b>

The Office of the Chief Executive will have efficiencies of £366,000 allocated to it, meaning that it will work to a budget of £18.6 million in 2020.



### Strategic Policy, Performance and Population (SPPP)

The 2020 budget for SPPP of £12.6 million represents a 102% increase on the 2019 budget. This is primarily driven by a large increase in the budget line “public policy”<sup>73</sup>.

2019 Net Revenue Expenditure	Service Area	2020		
		Income	Expenditure Allocation	Net Revenue Expenditure
(£'000)		(£'000)	(£'000)	(£'000)
2,330	Public Policy	-	7,289	7,289
588	Strategy and Innovation	(1)	1,389	1,388
573	Corporate Planning and Performance	-	773	773
1,544	Am's Length Functions	(49)	1,946	1,897
1,161	Executive and Governance	-	1,161	1,161
6,196	Net Revenue Expenditure	(50)	12,558	12,508

The SPPP Departmental Business Plan contains a [useful breakdown](#) of the additional £6 million expenditure, showing the proportions of the relevant investment cases that relate to funding for SPPP.

This information was not available to us during our review and we have therefore not been able to assess the overall budget for the Strategic Policy, Performance and Population Department, or comment on the appropriateness of the budget as a whole.

Efficiencies of £283,000 have been allocated to the Department, meaning it will work to a budget of £12.2 million in 2020.

### Treasury and Exchequer

The Treasury and Exchequer 2020 budget of £129.8 million represents a 9% increase on the 2019 budget. However, if the grants to the social security funds are removed from the calculation, then the budget increase is 37% (2019 budget of £25.1m, compared to 2020 budget of £34.5m). This additional spending is driven by the additional investment into Revenue Jersey (£3.5m in 2020) and the ‘Delivering Effective Financial Management’ project (£2.3m in 2020).

<sup>73</sup> We have been advised that the largest contributions to the SPPP budget increase are (i) funding for the redress scheme and (ii) a continuation of funding to deliver the recommendations of the Independent Jersey Care Inquiry (together £4.4 million in 2020); as well as (iii) one off costs associated with the Island Plan and census (£1 million in 2020)

2019 Net Revenue Expenditure	Service Area	2020		
		Income	Expenditure Allocation	Net Revenue Expenditure
(£'000)		(£'000)	(£'000)	(£'000)
16,324	Performance, Accounting and Reporting	(3,822)	23,254	19,432
4,827	Revenue Jersey	(210)	9,183	8,973
425	Strategic Finance	(30)	2,605	2,575
3,131	Risk and Audit	(1,665)	4,796	3,131
433	Treasury and Investment Management	(87)	520	433
94,179	Grants to Soc Sec Funds	-	95,219	95,219
119,319	Net Revenue Expenditure	(5,814)	135,577	129,763

Efficiencies of £1.3 million have been allocated to the Treasury and Exchequer Department, meaning it will work to a budget of £128.5 million in 2020.

### Ministerial allocations


The Government Plan provides indicative amounts for the resources allocated to each Minister. The amounts for the areas within the Panel's remit are:






	2020 Allocation (£'000)	2021 Allocation (£'000)	2022 Allocation (£'000)	2023 Allocation (£'000)
<b>Chief Minister</b>	47,296	51,516	61,575	61,096
<b>Minister for Treasury and Resources</b>	35,614	37,361	36,553	36,608
<b>Non-Ministerial</b>	29,661	29,123	29,465	28,987










We have not been provided with the 2019 comparative amounts for all ministers. However, the budget allocated to the Chief Minister in 2019 was £29.235 million. The increase in 2020 equates to 62%.<sup>74</sup>

<sup>74</sup> Based on confidential service analysis for the Chief Minister provided to the Panel.


## 2.10 Full list of Actions, Programs and Capital Projects Reviewed






Actions			
Action	CSP reference	Page number	Scrutiny RAG Status
Implement agreed actions emerging from the personal tax review	N/A	<a href="#">71</a>	
Introduce the first full annual programme of foresight reviews, workshops and investigations	N/A	<a href="#">72</a>	
Deliver improvements to the Government Plan and business planning process	N/A	<a href="#">72</a>	
Establish a rolling Efficiencies Programme	N/A	<a href="#">73</a>	
Continue the review of our Fiscal Strategy and Fiscal Framework	N/A	<a href="#">74</a>	
As part of the Government Plan process, continue to strengthen the long-term management of public finances and assets	N/A	<a href="#">74</a>	
Prepare for the implementation of an Integrated Technology Solution	N/A	<a href="#">75</a>	
Implement faster closedown of the Government's annual reports and accounts	N/A	<a href="#">75</a>	
Develop an Internal Audit Strategy	N/A	<a href="#">75</a>	
Foster a culture of continuous process improvement	N/A	<a href="#">76</a>	
Improve ways in which we engage the public in the work of the Assembly	N/A	<a href="#">76</a>	
Improve Government processes for briefing States Members	N/A	<a href="#">77</a>	
Develop a forward plan of Government business	N/A	<a href="#">77</a>	

<b>Develop new working protocols</b>	N/A	<a href="#">78</a>	
<b>Introduce new systems and guidance around Ministerial decisions</b>	N/A	<a href="#">78</a>	
<b>Increase the diversity of candidates and provide more assistance to them to stand</b>	N/A	<a href="#">78</a>	
<b>Identify and address principal barriers to election turnout</b>	N/A	<a href="#">79</a>	
<b>Invite election observers in 2022</b>	N/A	<a href="#">79</a>	

Additional Revenue Programs			
Action	CSP reference	Page number	Scrutiny RAG Status
<b>Tax policy and international team investment</b>	CSP3-1-08	<a href="#">79</a>	
<b>75 Anniversary Liberation Day</b>	CSP3-2-01	<a href="#">81</a>	
<b>Migration Policy</b>	CSP3-2-09	<a href="#">82</a>	
<b>Census 2021</b>	O11-01	<a href="#">83</a>	
<b>States Greffe extended services</b>	O12-01	<a href="#">83</a>	
<b>Building Revenue Jersey team</b>	O13-01	<a href="#">84</a>	
<b>Commercial Services – enhanced capabilities</b>	O13-02	<a href="#">86</a>	
<b>Domestic compliance (Spend to Raise)</b>	O13-03	<a href="#">88</a>	
<b>Enabling policy excellence</b>	O13-04	<a href="#">89</a>	


<b>Government of Jersey Bank charges</b>	O13-05	<a href="#">90</a>	
<b>Increased audit fees</b>	O13-08	<a href="#">91</a>	
<b>Modernisation and Digital – enhanced capabilities</b>	O13-09	<a href="#">91</a>	
<b>People and corporate services – enhanced capabilities</b>	O13-10	<a href="#">93</a>	
<b>Supply Jersey</b>	O13-12	<a href="#">93</a>	
<b>Supporting OneGov</b>	O13-13	<a href="#">96</a>	
<b>Technology Transformation Programme</b>	O13-14	<a href="#">98</a>	
<b>Delivering effective financial management</b>	O14-01	<a href="#">103</a>	
<b>Electoral registration</b>	O15-01	<a href="#">105</a>	
<b>C&amp;AG additional funding</b>	OI-Non-01	<a href="#">105</a>	
<b>Judicial Greffe additional funding</b>	OI-Non-03	<a href="#">106</a>	
<b>States Assembly additional funding</b>	OI-Non-04	<a href="#">106</a>	
<b>Viscount’s department additional funding</b>	OI-Non-05	<a href="#">107</a>	

<b>Capital Expenditure Programs</b>			
<b>Action</b>	<b>CSP reference</b>	<b>Page number</b>	<b>Scrutiny RAG Status</b>
<b>Office Strategy (Pre-feasibility vote)</b>	OI3	<a href="#">109</a>	

<b>MS Foundation (major project)</b>	OI3	<a href="#">109</a>	
<b>Integrated Technology Solution (major project)</b>	OI3	<a href="#">110</a>	
<b>Replacement assets</b>	OI3	<a href="#">112</a>	
<b>Electronic document management solution</b>	OI3	<a href="#">113</a>	
<b>Central risk and inflation funding</b>	Not applicable	<a href="#">114</a>	

## 2.11 Reports on Specific Actions and Business Cases

### *Actions not linked to a Business Case*

Implement agreed actions emerging from the personal tax review	
Minister(s)	Scrutiny RAG Status
Minister for Treasury & Resources	

### **Summary Report**

- This action ([p.72 of the Government Plan](#)) helps to outline the Government's commitment to modernising the Island's personal taxation system, including changes to allow married women and people in same sex relationships to file their tax returns independently of their partner. The Minister for Treasury & Resources committed to this in her response to our report on the Draft Budget Statement 2019.
- The Government Plan states on [page 164](#) that the review of Personal Taxation is "now concluding" and that Ministers will be bringing in-principle recommendations for change to the States Assembly, with an aim to introduce equal taxation from the 2021 tax year.
- We were originally told that the changes would be included in the Government Plan<sup>75</sup>. However, we understand that the necessary changes to the tax system are more complicated than originally anticipated, so the Minister has not yet been able to lodge the proposals.
- The Comptroller of taxes explained to us in a public hearing that a move to independent taxation could have an adverse impact on lower income married couples and that more work was therefore needed to mitigate that impact.

#### **Comptroller of Taxes:**

*...All of the work that has been done, and there has been a great deal of consultation, focus groups, surveys and so on, does tend to indicate that Islanders prefer to move to a system of independent taxation. Where the devil is in the detail is that from our analysis to date we think that there could be over 8,000 married couples, they tend to be lower income married couples, who would end up paying a lot more tax if we did just move to a pure form of independent taxation. So what Ministers have asked us to do is obviously work out options and ways of still going in that direction but try to mitigate the impact on lower income married people.*

- We have some concerns over the deliverance of this project, given that the reform to the personal tax system was originally expected to be delivered within the Government Plan, and has now been pushed back. We have received a briefing from officers on why this has happened, but nonetheless believe that that this reform should be prioritised and introduced as soon as possible.

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<sup>75</sup> [Quarterly Hearing with the Minister for Treasury & Resources, 13th June 2019, p.5](#)

**FINDING 2.13**

***Changes to end inequality in the personal tax system have been delayed due to possible adverse impacts on certain groups.***

**RECOMMENDATION 2.5**

***The Minister for Treasury and Resources should aim to prioritise the changes to the personal tax system to end the existing inequalities as soon as possible.***

Introduce the first full annual programme of foresight reviews, workshops and investigations	
Minister(s)	Scrutiny RAG Status
Chief Minister, (Strategic Policy, Population & Performance)	

**Summary Report**

- This action ([page 94](#)) supports the Government's work on developing a new, long-term strategic framework, and includes initiatives such as scenario modelling and identifying risks.
- We have not received evidence that raises any concerns.

Deliver improvements to the Government Plan and business planning process	
Minister(s)	Scrutiny RAG Status
Chief Minister, Minister for Treasury & Resources	


**Summary Report**

- A Government Plan will be published annually, and it is expected that improvements identified from the current process will influence the drafting of the 2021 Government Plan, as this action notes on [page 94](#).
- The Chief Minister was questioned by the Government Plan Review Panel on how he intends to deliver improvements to subsequent Government Plans during a public hearing on the 20th October 2019. His response was to highlight the need to get “ahead of the curve in terms of provision of information and bringing it all together” and highlighted efficiencies as another area of improvement<sup>76</sup>.

<sup>76</sup> [Government Plan Review Panel Public Hearing with the Chief Minister, 10th October 2019, pp. 36-7](#)



- The Chief Minister further noted that there will be “updates linked to financial progress”, “some learning about the granular detail that is required by Scrutiny” and it would not simply be the case that the next Government Plan would be a matter of “repeating everything that we have already produced”, given that some work was already in progress<sup>77</sup>.
- The Government Plan Review Panel has made overarching recommendations in relation to the business planning process and we hope that these are taken up by the relevant ministers.

Establish a rolling Efficiencies Programme	
Minister(s)	Scrutiny RAG Status
Chief Minister (Chief Operating Office)	


### Establish a rolling Efficiencies Programme

#### *Summary Report*

- The Government of Jersey has committed to establishing an Efficiencies Programme, to deliver efficiencies of £100 million between 2020 and 2023. The Government Plan identifies the key outcomes as following:
  - Reducing Duplication;
  - Streamlining processes and cutting waste;
  - Integrating services and functions;
  - Taking a smarter and more commercial approach to contract awards and management;
  - Reducing non-essential spend and developing lower-cost alternatives;
  - Improving compliance in revenue collection.
- The Government Plan includes a breakdown of £19.7 million of efficiencies that were identified to June 2019. It is intended that £40 million of efficiencies will be delivered in 2020, with £20 million of efficiencies delivered each year in between 2021 and 2023.
- We have considered the efficiencies programme as a whole earlier in this report and the Government Plan Review Panel has also commented on it in their report.
- We have a number of concerns about the way that the Government has handled this programme, and the way that they have chosen to deliver it. This is primarily due to the length of time it has taken to provide a public-facing document setting out the full intended


<sup>77</sup> [Government Plan Review Panel Public Hearing with the Chief Minister, 10th October 2019, p. 37](#)

efficiency savings for 2020, alongside the lack of detail that this document contains. We find it difficult to be confident in the deliverability of this action, given this lack of information and limited time to scrutinise.

Continue the review of our Fiscal Strategy and Fiscal Framework	
Minister(s)	Scrutiny RAG Status
Minister for Treasury & Resources	


### Summary Report

- The only additional information provided on this action is the statement that the review of the fiscal strategy and fiscal framework will consider “changes being introduced”<sup>78</sup> ([page 101](#)).
- During our public hearing with the Minister for Treasury & Resources, the Treasurer of the States noted that the Fiscal Framework “will change to a degree, no doubt, over time, but at the heart of it is to have surpluses and put them in reserves during good years or during healthy...”<sup>79</sup>.
- We have not received any information that raises concern about this action.

As part of the Government Plan process, continue to strengthen the long-term management of public finances and assets	
Minister(s)	Scrutiny RAG Status
Minister for Treasury & Resources	

### Summary Report

- This action ([page 102](#)) will be delivered by the Treasury & Exchequer Department. We have not taken any specific evidence on it and have no information that raises concern about this action.


Prepare for the implementation of an Integrated Technology Solution	
Minister(s)	Scrutiny RAG Status
Chief Minister	

<sup>78</sup> [P.71/2019, p.101](#)

<sup>79</sup> [Quarterly Hearing with the Minister for Treasury & Resources, 3rd October 2019, p.31](#)


**Summary Report**

- The action ([page 103](#)) states that this will replace “outdated and standalone systems”<sup>80</sup>, which are “no longer fit for purpose”. The Integrated Technology Solution is a major capital project in R.91 ([page 175](#)), with a total investment of £7,400,000 in 2020, with a total spend of £28,000,000 by 2022.
- This action appears to relate to an earlier action on page 98 of the Government Plan to develop and secure funding for the Technology Transformation Programme, and also to the relevant revenue and capital and investment bids.
- We have raised concerns elsewhere in this report about the levels of IT spending and therefore assessed this action as amber.

Implement faster closedown of the Government’s annual reports and accounts	
Minister(s)	Scrutiny RAG Status
Minister for Treasury & Resources	

**Summary Report**

- This action ([page 103](#)) aims to enable the department for Treasury & Exchequer to produce and publish more timely reporting and financial management. The Panel questioned the Minister for Treasury & Resources on this action during a Quarterly Hearing on 3rd October 2019. The Minister confirmed that a quicker reporting process would not lead to less accurate and detailed reports<sup>81</sup>.
- We have not received any information that raises concern about this action.

Develop an Internal Audit Strategy	
Minister(s)	Scrutiny RAG Status
Minister for Treasury & Resources	

**Summary Report**

- This action ([page 104](#)) describes itself as “aligned with the organisation’s goals and enterprise-wide risk management framework”<sup>82</sup>. No further information is provided on this action across the Government Plan documents.


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<sup>80</sup> [P.71/2019, p.103](#)

<sup>81</sup> [Quarterly Hearing with the Minister for Treasury & Resources, p.47](#)


<sup>82</sup> [P.71/2019, p.104](#)

- Nonetheless, we have not received any information that raises concerns about this action.

Foster a culture of continuous process improvement (within Treasury and Exchequer)	
Minister(s)	Scrutiny RAG Status
Minister for Treasury & Resources	

### Summary Report

- This action ([page 104](#)) explores several initiatives to improve the work within the Treasury & Exchequer department, whilst exploring new solutions for different tasks, including the possibility of introducing robotic process automation. In a Quarterly Hearing with the Panel on the 3rd October, the Minister revealed that the department was “starting to implement some automation” within their controls, which they have set a savings target against<sup>83</sup>.
- We have not received any information that raises concerns.

Improve ways in which we engage the public in the work of the Assembly	
Minister(s)	Scrutiny RAG Status
Non-Ministerial States Greffe and Children, Young People & Educational Services	

### Summary Report

- This action ([p.106](#)) will involve an expansion of the communications support within the States Greffe to meet the demands of States Members, alongside a greater level of digital development and funded education strategy. This includes upgrades to Hansard and States Assembly Webcasting.
- No funding or additional information is included within the Government Plan.
- We have not received information that raises concerns.

Improve Government processes for briefing States Members	
Minister(s)	Scrutiny RAG Status
Chief Minister (Office of the Chief Executive) and States Greffe	

<sup>83</sup> [Quarterly Hearing with the Minister for Treasury & Resources, p.4](#)


**Summary Report**

- This action ([page 107](#)) outlines plans to establish an annual programme of briefings, working with the States Greffe, covering scheduled events, such as the release of the accounts, topical updates around issues such as migration or housing, and open slots where initiatives can be launched. The intention is to increase the notice, quality of content, and participation in briefings. No additional information has been provided on this action outside of the summary within the Government Plan.
- No funding or additional information is included within the Government Plan.
- We have not received any information that raises concerns.

Develop a forward plan of Government business	
Minister(s)	Scrutiny RAG Status
Chief Minister (Office of the Chief Executive) and States Greffe	

**Summary Report**

- Through this action ([page 107](#)) the Government intends to work with the States Greffe to provide a more even spread of work within each States Assembly sitting, whilst engaging with Scrutiny to better-support the work of Assembly members during these sittings.
- No funding or additional information is included within the Government Plan.
- We have not received information that raises concerns.

Develop new working protocols	
Minister(s)	Scrutiny RAG Status
Chief Minister (Office of the Chief Executive)	

**Summary Report**

- This action ([page 107](#)) is designed to improve the interactions between the Government and the States Greffe. This includes a greater level of cooperation and stronger working ties between the States Greffe and Ministerial Offices, the Strategic Policy, Performance and Population department, and other departments.
- No funding or additional information is included within the Government Plan.
- We have concerns about the interaction between the Government and Scrutiny Panels during the course of our review of the Government Plan, particularly with regard to the lack of information provided. We therefore assess this action as amber.



**FINDING 2.14**

***The Chief Minister aims to develop stronger working ties between the Government and the States Greffe, although details on what this will entail are not provided.***



**RECOMMENDATION 2.7**

***The Chief Minister should provide greater clarity as to what the new working protocols between the Government and the States Greffe will be, and how they will affect the interaction between Government departments and the States Greffe.***

Introduce new systems and guidance around Ministerial decisions	
Minister(s)	Scrutiny RAG Status
Chief Minister (Office of the Chief Executive) and States Greffe	


**Summary Report**

- This action ([page 107](#)) states that it aims to “increase consistency and enhance transparency and communications” to help Members and the public “better understand” the decisions made by Ministers.
- No funding or additional information is included within the Government Plan.
- We have not received information that raises concerns.

Increase the diversity of candidates and provide more assistance to them to stand (in States Assembly elections)	
Minister(s)	Scrutiny RAG Status
None (PPC and States Greffe)	


**Summary Report**

- This action ([p.109](#)) briefly outlines a funded strategy to support potential candidates. This is expected to include better information provision, seminars, drop-ins, a helpline, and other initiatives.
- We have not received any information that raises concerns.

Identify and address principal barriers to election turnout	
Minister(s)	Scrutiny RAG Status
None (PPC and States Greffe)	

### Summary Report


- This action ([page 109](#)) outlines a plan to dedicate a budget for the 2022 election to employ a member of staff to drive both electoral law reforms and information provision, in order to provide the opportunity to professionalise the election support and ensure that this support matches the needs of voters.
- We have not received any information that raises concerns.

Invite election observers in 2022	
Minister(s)	Scrutiny RAG Status
None (PPC and States Greffe)	

### Summary Report

- This action ([page 109](#)) notes that invitations will be made in 2021 for election observers for the 2022 Jersey General Election, with additional monies being made available to ensure the observation mission is fully funded.
- We have not received any information that raises concerns.

### Business Cases for Additional Revenue Expenditure

CSP3-1-08 Tax policy and international team investment			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>• Make the recent extra investment in Revenue Jersey permanent</li> <li>• Sustain and enhance Revenue Jersey's capabilities to develop tax policy</li> </ul>	Vibrant Economy	Minister for Treasury & Resources	

### Summary Report

- This business case ([page 50 of R.91/2019](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £1,427,000**

- 2021: £1,753,000
  - 2022: £1,813,000
  - 2023: £1,854,000
  - Total: £6,847,000
- This business case requests £1,427,000 for 2020, with a total spend of £6,847,000 by 2023, to expand the tax policy team in order to meet tax-treaty commitments. The business case provided indicates that this could generate additional revenue of £3 million per year.
  - This additional revenue also includes the funding of “around 22 staff years”<sup>84</sup> to help meet these commitments, and will include work relating to economic substance and commitments entered into under the Common Reporting Standard (CRS) and Base Erosion and Profit Shifting (BEPS) initiative.
  - The business case further includes the claim that there are “greater” and “impossible-to-quantify” benefit attaches to passing OECD peer reviews and retaining high ratings for tax transparency. It also states that they “conservatively” estimate that these benefits will yield “a further £3 million yearly” in the event of a healthy International Finance Centre and associated corporate tax reviews<sup>85</sup>.
  - Finally, the revenue will also consolidate the doubling of the size of the Tax Policy Unit, which was approved by the previous Council of Ministers.
  - The language used in this business case gave us some concerns, particularly the use of terms such as “no-brainer” and “no more than a guess”. It gives the appearance of a rushed process to develop the business cases, with insufficient time to check and quality control the information presented to States Members and the public.
  - We raised this in a public hearing with the Chief Minister and it was acknowledged by the Treasurer of the States<sup>86</sup>. We hope that the process will be improved in future, with a better quality of output. The use of phrases such as “no more than a guess” suggests a lack of clear methodology used to arrive at these sizeable figures.
  - The Comptroller of Taxes explained to us the difficulties in calculating reliable forecasts of benefits:

### ***The Connétable of St. Martin***

*...you state that you might be able to obtain direct identifiable benefits of £3.2 million in the Building Revenue Jersey business case, but that you could obtain much more if you had greater operational research capability. How much more would you estimate you could obtain were you to have these capabilities?*

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<sup>84</sup> [R.91/2019, p.50](#)

<sup>85</sup> [R.91/2019, p.50](#)

<sup>86</sup> [Corporate Services Scrutiny Panel Public Hearing with the Chief Minister, 27th September 2019, p.35](#)



**Comptroller of Taxes**

*...when one is trying to calculate the benefits for a business case, particularly in the revenue world, in my career I have relied very heavily on the availability of both the 200 statisticians, economists and operational researchers in H.M. Treasury. Obviously in Jersey we do not have that level of resource available to us. So I have on occasion found myself in the position where I cannot really quantify benefits at the level I would wish to do, and frankly I do not think it is absolutely necessary. I do not think we can invest in that sort of resource, or if we were to invest in it I suppose it would be through, I am assuming, an increase in further our consultancy costs. So I think I have been occasionally criticised for using the term “nobrainer” but where I think something is a no-brainer, by which I mean self-evidently the right thing to do, I make the case as best I can, I think is how I would defend that.*

- We have not received any evidence that raises concerns outside of the language used and the reliability of the estimating process.



**FINDING 2.15**

***The Treasury and Exchequer Department aims to increase its tax policy team to meet tax treaty commitments and improve tax transparency.***



**FINDING 2.16**

***The quality of information provided for additional funding for the tax policy team was poor, and not of the standard expected for a request for additional revenue totalling almost £7 million.***



**RECOMMENDATION 2.8**


***The Council of Ministers should aim to ensure that a house style and minimum standard of quality is met by each business case within future Government Plans.***

CSP3-2-01 75th Anniversary Liberation Day			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
	Vibrant Economy	Non-Ministerial	

**Summary Report**


- The business case in R.91/2019 ([p.52](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £485,000**
  - Total: £485,000
- This provides a total of £485,000 to the Bailiffs Chambers for the organisation of the 75th Anniversary of Liberation Day. The business case includes a detailed breakdown of the specific costs, including allocations to parishes and for arts, culture and heritage events.

- We have not taken evidence on this business case during public hearings and we have not received any evidence that raises concerns.

CSP3-2-09 Migration Policy			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>• Complete the development of a new migration policy</li> </ul>	Vibrant Economy	Chief Minister	


### Summary Report

- The business case in R.91/2019 ([page 63](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £78,000**
  - 2021: £186,000
  - 2022: £78,000
  - 2023: £78,000
  - Total: £430,000
- This business case provides funding to cover the cost of internal staff providing support to the Migration Policy Development Board, alongside the development and implementation of the policy recommendations that will emerge, alongside the resources to maintain and further develop revised statutory migration policies.
- The business case further notes that recommendations that lead to a change in operational practice will have their costs considered separately at that time, with fees already charged for permissions under the Control of Housing & Work Law under consideration, and another possibility being to increase these fees to ensure that any additional controls are cost neutral to the Government.
- However, we note that the efficiencies programme includes plans to increase these fees, so additional increases to offset costs in the future may not be possible.
- We have undertaken a review of Population & Migration in Jersey, with a focus on the remit and work of the Migration Policy Development Board. Our report on this review was due for publication at a similar time to this report and sets out our views on this area in greater detail.
- Because this additional revenue business case only concerns the hiring of additional staff for developing a new migration policy, we do not have any concerns relating to this business case, and our views on the Government's approach to developing a new migration policy are dealt with separately in our report on the Policy Development Board's work.

O11-01 Census 2021			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Continue to develop the evidence base, long-term forecasts and modelling tools</li> </ul>	Modernising Government	Chief Minister	

### Summary Report


- The business case in R.91/2019 ([page 92](#)) requests additional revenue for 2020-23 as follows:
  - 2020: £250,000**
  - 2021: £450,000
  - Total: £700,000
- This business case provides funding to run the 2021 Jersey Census, and which will provide the evidence required for policy and operational decisions across the whole of government.
- The business case states that this is currently the only means to produce an accurate population and demographic information for Jersey.
- We have not taken evidence on this business case during public hearings and we have not received any evidence that raises concerns.

O12-01 States Greffe extended services			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Secure improved resources for non-executive States Members</li> </ul>	Modernising Government	Non-Ministerial	

### Summary Report

- The business case in R.91/2019 ([page 93](#)) requests additional revenue for 2020-23 as follows:
  - 2020: £539,000**
  - 2021: £534,000
  - 2022: £729,000
  - 2023: £504,000
  - Total: £2,306,000

- This business case covers three significant enhancements to the services provided by the States Greffe. These are provision of enhanced support for States Members (particular research support), enhanced public engagement to implement commitments made by the Privileges and Procedures Committee in 2017 (including communications, e-petitions and website editing), and the provision of a dedicated budget for elections to ensure that the Greffe can enhance its focus on seeking higher voter turnout.
- The business case further notes that it relates to the following Common Strategic Policy ongoing initiatives:
  - CSP OI 2 Ongoing Initiative – A States Assembly and Council of Ministers that work together for the common good;
  - CSP OI 3 Ongoing Initiative – A modern, innovative public sector that meets the needs of Islanders effectively and efficiently; and
  - CSP OI 5 Ongoing Initiative – An electoral system which encourages voter turnout and meets international best practice.
- This funding would provide for a mixture of additional staff, with additional resources provided for projects such as the 2022 election.
- We have not taken evidence on this business case during public hearings and we have not received any evidence that raises concerns.

OI3-01 Building Revenue Jersey team			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>• Deliver fully-functioning digital Revenue Jersey systems and services</li> </ul>	Modernising Government	Minister for Treasury & Resources	

### Summary Report

- The business case in R.91/2019 ([page 94](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £2,012,000**
  - 2021: £2,545,000
  - 2022: £1,716,000
  - 2023: £1,245,000
  - Total: £7,518,000
- This business begins by stating that it believes that it can “*ascribe identifiable annual benefit over the same period of at least £3.2 million – probably much more if we had the operational-research capability to quantify the harder-to-quantify benefits arising from transformation-led improvements*”<sup>87</sup>. We note, however, that the business case does not include methodology relating to how this figure was arrived at.

<sup>87</sup> [R.91/2019, p.94](#)

- We have highlighted earlier in this report the evidence provided by the Comptroller of Taxes about the lack of capacity to make reliable forecasts for inclusion in the business cases. When we questioned the Comptroller about this particular business case, we received the following reply.

***The Connétable of St. Martin***

*The £3.2 million, that is the result of an accurate quantitative analysis or rough estimate?*

***Comptroller of Taxes***

*No, I always try to be very honest about these things, where I am guessing I say I am guessing.*<sup>88</sup>

- All funding for the Revenue Transformation Programme came from the 2016-19 Medium Term Financial Plan and will end at the end of 2019. This additional funding will allow the Treasury department to implement the recommendations of the Personal Tax Review and develop a more sophisticated risking system.
- The business case also includes around £120,000 annually to maintain a Taxes Helpdesk for an additional four years, which has been funded from contingency since 2017. After that point, the business case suggests that Revenue Jersey's strategy will have "eliminated most face-to-face services"<sup>89</sup>.
- During our Quarterly Hearing with the Minister for Treasury & Resources, the Comptroller noted that his intent to gradually reduce these services due to the high cost and alleged inefficiency:

***Comptroller of Taxes***

*... It has always been my intention over time gradually to reduce face-to-face interventions because they are very high cost and they are not the most necessarily effective way of engaging with taxpayers. I am not sure that is appropriate in Jersey. I think Jersey people place a very high premium on face to face, so it may be that it does run longer. I do not think that is necessarily entirely the decision of the Comptroller alone in our new model because customer and local service, which is of course a new part of the government operating model, I think has quite a big say in how we interface with taxpayers. So I think as long as the whole government thinks providing face-to-face help desk services is right we will continue to do it.*

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<sup>88</sup> [Corporate Services Scrutiny Panel Quarterly Hearing with the Minister for Treasury & Resources, p.46](#)

<sup>89</sup> [R.91/2019, p.94](#)

**FINDING 2.17**

***Revenue Jersey aims to increase its use of digital systems and services and gradually phase out face-to-face services.***

**RECOMMENDATION 2.9**

***The Minister for Treasury and Resources should provide a clearer outline of the methodology used to calculate the figures within Treasury and Exchequer's business cases, and avoid the inclusion of guesswork at all costs, particularly in regards to cases where considerable levels of additional revenue are requested.***

OI3-02 Commercial services – enhanced capabilities			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Develop and start to implement enhanced capabilities for Commercial Services</li> </ul>	Modernising Government	Chief Minister	

**Summary Report**

- The business case in R.91/2019 ([p.95](#)) requests additional revenue for 2020-23 as follows:
  - 2020: £1,000,000**
  - 2021: £1,450,000
  - 2022: £1,500,000
  - 2023: £1,550,000
  - Total: £5,500,000
- This business case states that it would allow the Government to deliver its Commercial Strategy component of the Government Plan.
- This includes the delivery of the Commercial Services' Target Operating Model, alongside enhancing compliance, developing and improving processes, broadening Strategic Category Management capabilities, and supporting the roll out of Cyber-Security and General Data Protection Regulations across the Government of Jersey's supply chain.
- We questioned the Chief Operating Officer about the support of this rollout in our joint public hearing with the Economic & International Affairs Scrutiny Panel on the 17th September 2019.
- When asked what will be achieved by this funding, the Chief Operating Officer provided the following answer:

**Senator K.L. Moore:**

*What is going to be achieved from the further funding to enable the Commercial Services function to deliver the following projects that are listed in the business case that we have, and the public has in R.91?*

**Chief Operating Officer:**

*What we currently have at the moment is a piece of work being done to scope out what that will be, so because we do not have a commercial function today, although we have a commercial director, we have a Procurement function, but it only does some procurement activity. It does not do full commercial activity. We have a piece of work ongoing that will report in January to scope out what that will be.*

**Senator K.L. Moore:**

*Okay, so forgive me for pushing the point, but for the last 2 years we have been hearing that our contracts are not good enough and that we are wasting money because of them, and this process that we are going through is aiming at driving better value for money and making savings for the public by doing this, yet we are told that this piece of work is not going to start until January of next year. Why was it not higher up the list? It is one of the core pieces. It was identified as one of the core failures in our system that was wasting money for us.*

**Chief Operating Officer:**

*We are doing some basic work on new contracts, but the broader work, the Procurement team is a very small team and we need the resources to do the work and they do not have the funding this year to do it.<sup>90</sup>*

- The business case lacks clarity over what the funding will be spent on and uses terms such as “Develop our people” without explaining them. We have therefore rated it amber.

**FINDING 2.18**


***The business case for additional funding for commercial services lacks the expected level of detail regarding how the Chief Operating Office aims to spend the additional revenue requested.***

**RECOMMENDATION 2.10**

***In future Government Plans, the Council of Ministers should aim to provide greater clarity on how additional revenue requested in business cases will be used.***

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<sup>90</sup> [Corporate Services and Economic & International Affairs Scrutiny Panel’s Public Hearing with the Assistant Chief Minister, pp.32-3](#)

OI3-03 Domestic Compliance – Spend to Raise			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Implement a domestic tax compliance programme</li> </ul>	Modernising Government	Minister for Treasury & Resources	

### Summary Report

- The business case in R.91/2019 ([p.96](#)) requests additional revenue for 2020-23 as follows:
  - 2020: £1,562,000**
  - 2021: £1,562,000
  - 2022: £1,562,000
  - 2023: £1,562,000
  - Total: £1,562,000
- This business case aims to continue the proposed 2019 investment in domestic compliance resources, with an increase from £850,000 to £1,562,000 from 2020. The government estimates within this business case that this shall return additional tax revenues “approaching £13 million annually by 2023”<sup>91</sup>.
- The business case also states that there is an opportunity to re-invest savings delivered during the current MTPF “over £1 million annually from 2020”<sup>92</sup>.
- In common with other Revenue Jersey business cases, this one states that Revenue Jersey is “not yet able to quantify Jersey’s tax gap”. However, it estimates that, should the proposed 2019 investment be approved, “it is feasible to recover around £5 million in additional revenue yield in 2019”, with further investment increasing this sum to “£7 million in 2020”, and “£13 million in 2023 and beyond”<sup>93</sup>.
- In spite of the figures quoted in this business case, no methodology on how these figures were reached have been provided, making it difficult for us to scrutinise what is committed to.
- The business case further notes that there will be an increase in 21 full time-employees from 2020 onwards, including two additional staff years for the Treasury’s central dept management team and an employee for the Law Officers’ Department to cope with additional work brought by these additional activities. The business case also seeks confirmation of an addition four full-time employees to support compliance activities with regard to the extension of reporting requirements to “0% companies” in response to the EU Code of Conduct Group’s work on economic substance.

<sup>91</sup> [R.91/2019, p.96](#)

<sup>92</sup> [R.91/2019, p.96](#)

<sup>93</sup> [R.91/2019, p.96](#)



- The business case concludes that it “pays for itself” and the other two business cases in R.91/2019 and will provide “around a further £40 million over the four-year period”<sup>94</sup>. Again, the methodology for how this figure was reached has not been provided.
- We have commented earlier in this report on the classification of additional tax revenues as an ‘efficiency’. We are also aware of recent public comments from the Comptroller of Taxes about the high number of vacancies in the Taxes office. This raises concerns about whether it will be possible to recruit the 21 additional staff envisaged by this business case. We therefore do not have confidence that this project can be delivered and have rated it amber.

**FINDING 2.19**

***The intended outcomes for the additional funding for tax compliance are not sufficiently clear.***

**FINDING 2.20**

***The Panel has concerns about the ability to recruit to the 21 additional tax compliance posts in 2020 and therefore that the full funding allocation might not be used.***

**RECOMMENDATION 2.11**

***The Minister for Treasury and Resources should report back to the Panel on a quarterly basis on progress in delivering the outcomes of the additional funding for domestic tax compliance.***


O13-04 Enabling policy excellence			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>• Enabling policy excellence across the Government</li> </ul>	Modernising Government	Chief Minister	

**Summary Report**

- The business case in R.91/2019 ([page 98](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £81,000**
  - 2021: £80,000
  - 2022: £87,000
  - 2023: £71,000
  - Total: £318,000

<sup>94</sup> [R.91/2019, p.97](#)

- This business case outlines the government’s desire for a “step change” in how it develops public policy and strategy, allowing the Government to respond to issues including migration, putting children first, and protecting and sustaining the Island’s economy. The business case further outlines that a small amount of funding will underpin an in-house “fundamental change process”, and help to realise the intention of the relevant Target Operating Model.
- We have not taken evidence on this business case during public hearings and we have not received any evidence that raises concerns.

O13-05 Government of Jersey Bank charges			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
	Modernising Government	Minister for Treasury & Resources	

### Summary Report

- The business case in R.91/2019 ([p.99](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £300,000**
  - 2021: £300,000
  - 2022: £300,000
  - 2023: £300,000
  - Total: £1,200,000
- This business case covers the cost of bank charges for online payments, and notes the growth in the number of customers paying for Government services by digital channels. The increase in funding will cover the costs involved with providing customers with “digital channels for Tax, Social Security, Invoices, and other government services”<sup>95</sup>.
- The business case further states that it is “necessary” to establish a sustainable Government of Jersey Bank Charges and Merchant Fees budget to support the government’s “digital priorities”<sup>96</sup>.
- We questioned the Treasurer of the States on the potential savings this business case may yield during our Quarterly Hearing with the Minister for Treasury & Resources on the 3rd October 2019. His response was as follows:

**Treasurer of the States:**


*There have been savings made over recent times in the Treasury. We have seen a reduction in particular in the number of cash transactions and some of those savings were delivered through the previous M.T.F.P. or the current M.T.F.P. For example, we were on*

<sup>95</sup> [R.91/2019, p.99](#)

<sup>96</sup> [R.91/2019, p.99](#)


*the path of closing the tills at Cyril Le Marquand House before we started to talk about moving into Broad Street. We consolidated that into a cashiering function within La Motte Street, but that is largely as a result of having seen reduction in the number of cash transactions that we see going across our tills. Those have been replaced by direct debits or other digital payment means.<sup>97</sup>*

- We have not received any evidence that raises concerns for this business case.

OI3-08 Increased audit fees			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
	Modernising Government	Minister for Treasury & Resources	

### Summary Report

- The business case in R.91/2019 ([page 103](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £75,000**
  - 2021: £75,000
  - 2022: £75,000
  - 2023: £75,000
  - Total: £250,000
- This business case increases the existing audit fee budget to enable investment across the States of Jersey to “drive a consistent standard and effective group audit as the group boundary is expanded”<sup>98</sup>, alongside a commitment towards producing and auditing the States of Jersey accounts faster.
- We have not received any evidence that raises concerns about this business case and its requested additional revenue.

OI3-09 Modernisation and Digital – enhanced capabilities			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>• Develop and start to implement enhanced capabilities for Modernisation and Digital</li> </ul>	Modernising Government	Chief Minister	

<sup>97</sup> [Corporate Services Scrutiny Panel Quarterly Hearing with the Minister for Treasury & Resources, 3rd October 2019, p.39](#)

<sup>98</sup> [R.91/2019, p.103](#)

### **Summary Report**

- The business case in R.91/2019 ([p.104](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £3,750,000**
  - 2021: £5,000,000
  - 2022: £4,950,000
  - 2023: £5,050,000
  - Total: £18,750,000
- This business case covers the creation of a Target Operating Model to “enhance the capabilities”<sup>99</sup> of the Modernisation and Digital function within the government, and support and improve the One Government’s integrated IT delivery, the Corporate Portfolio Management Office (CPMO), a cross-government Business and Technical Architecture function. This funding will also cover the resourcing and implementation of these areas, following a joint-development with Ernst & Young, and forms one of the key deliverables of the Modernisation and Digital Transformation Programme (MDTP).
- The business case explains that two external reviews have been undertaken to reinforce the need to move towards a new Target Operating Model, both of which rates the Government as having a low level of maturity<sup>100</sup>.
- The business case further notes that this will address “a number of risks” on the Corporate Risk Register, and allows the CPMO to ensure that the government has the “standards, techniques and management reporting capability” to monitor and report against programmes and projects, whilst ensuring that requirements are correctly identified, in order to allow the government to successfully implement change and realise its benefits<sup>101</sup>.
- Alongside this, the business case divides the information capacity provided in this business case into four areas; Cyber Security, Record Management, Data Management, and Technology Operations.
- The business case states that the amounts required are estimates and that further work is needed to complete the new Target Operating Model. It goes on to say that the initial estimates provided by one of the external advisors (EY) has been discounted from £6 million to £5 million<sup>102</sup>, but no explanation has been provided of the reason or methodology for this.
- We questioned the Chief Operating Officer on this during a public hearing on 17th September 2019. The Chief Operating Officer explained that £1 million was removed

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<sup>99</sup> [R.91/2019, p.104](#)


<sup>100</sup> [R.91/2019, p.104](#)

<sup>101</sup> [R.91/2019, p.104](#)

<sup>102</sup> [Corporate Services Scrutiny Panel and Economic & International Affairs Joint Public Hearing with the Assistant Chief Minister, 17th September 2019, p.37](#)

because he believed the figure and EY’s model was “quite rich” and that some of the plans could be undertaken on a “flexible basis, rather than having a larger standing army”<sup>103</sup>.

- The business case includes a number of initiatives at risk if the funding is not approved. It states that key roles such as Corporate Data Manager, Corporate Records Manager and Data Protection Officer would not be filled. It is surprising that these posts are not already accounted for in departmental base budgets and are dependent on a new investment bid being approved.
- The business case also states that “any new departmental initiatives requiring central IT support would not be initiated.”
- We have been provided with a confidential outline business case to support this investment request. However, we have not had the time in this review to properly scrutinise it. In light of this and our general concerns about the amount of spending on IT in this Government Plan, we have rated this case amber.

OI3-10 People and corporate services – enhanced capabilities			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>• Stabilise the current position within People Services</li> <li>• Addressing deficiencies within People Services</li> <li>• Develop a People Strategy</li> </ul>	Modernising Government	Chief Minister	

### Summary Report

- The business case in R.91/2019 ([p.106](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £5,400,000**
  - 2021: £7,900,000
  - 2022: £7,600,000
  - 2023: £7,300,000
  - Total: £28,200,000
- This business case consists of three “approaches”, which are designed to improve the capabilities and capacities required for “a modern people management function”<sup>104</sup>. These are as follows:

<sup>103</sup> [Corporate Services Scrutiny Panel and Economic & International Affairs Joint Public Hearing with the Assistant Chief Minister, 17th September 2019, p.37](#)

<sup>104</sup> [R.91/2019, p.106](#)

- **Stabilise:**

- **2020: £2,800,000**
- 2021: £2,880,000
- 2022: £2,970,000
- 2023: £3,060,000
- Total: £11,710,000

- This approach aims to address historical and structural deficits within the Government of Jersey and establish what it describes as “basic standards and functions”<sup>105</sup>. The business case explains that there has not been a historic base budget for People & Corporate Services and have instead been supported by funding from Public Sector Reform and regular contingency funding. The business case further notes the conclusions of the Comptroller and Auditor General and the Public Accounts Committee regarding the under-resourcing of the Government’s HR functions.

- **Respond:**

- **2020: £2,400,000**
- 2021: £2,520,000
- 2022: £2,630,000
- 2023: £2,740,000
- Total: £10,290,000

- This approach states that it is designed to address a “deficit” within the government’s ability to “anticipate and support the need for change in directorates”<sup>106</sup>. The approach within the business case therefore notes a need for a short-term investment to deliver cross-government products, including workforce planning, core training offers, induction, basic management training, and modernising processes<sup>107</sup>.

- The approach further states that key activities are at “risk” were this approach not approved, those including a revised 2020 Performance Management process, the implementation of recommendations by the Comptroller & Auditor General, a response to the Phase One TDP Team Jersey report, a careers website, and the creation of the government’s Corporate Services division<sup>108</sup>.

- **People Strategy:**

- **2020: £200,000**
- 2021: £2,500,000
- 2022: £2,000,000
- 2023: £1,500,000

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<sup>105</sup> [R.91/2019, p.106](#)

<sup>106</sup> [R.91/2019, p.107](#)

<sup>107</sup> [R.91/2019, p.107](#)

<sup>108</sup> [R.91/2019, p.107](#)

- Total: £6,000,000
- This approach notes the development of a ‘People Strategy’ that is currently under development during Q3/4 of 2019 for adoption in Q4, in order to reflect the “ambitions of the Government Plan” and “address the financial challenges<sup>109</sup>. The business case states that in order for this Strategy to operate, it requires funding to “address systematically productivity, efficiency, and adoption of new ways of working and promoting opportunities for people from the Island” through “a new approach to talent management”<sup>110</sup>.
- We noted that this business case includes an expansion of Human Resources (now called “People and Corporate Services”), despite previous efforts to streamline this department. We questioned the Chief Minister on this issue during our public hearing with him on 27th September 2019. His response was that staff numbers in this area would rise from “about 51 to 95”<sup>111</sup>.
- The Chief Executive further explained that People Services had been underfunded in the past and had been a target for savings:<sup>112</sup>.

**Chief Executive:**

*“...People Services has a 30 per cent short-term or agency factor. Its unstable workforce means that we are not able to provide the continuing high standard of service that we need to support our people, so this will stabilise some of that and, as the Chief Minister says, that will put numbers back in, which have been previously taken out without any regard, because there was not a centralised People Services until very late in the last Government’s arrangements and people had always gone to those areas to make reductions*

- Earlier in the hearing, the Chief Minister had provided us with a more detailed explanation of the implications that this business case would present to the government’s HR function, and told us that its current state was “significantly under resourced”:

**The Chief Minister**

*To give a higher level I suppose on the H.R., which you are touching on, if you go to page 106 in the R.91 document, that identifies some of the investment that is going into the people at the H.R. area, the people in the corporate services side, and that splits between 2021 where we have got £7.9 million and 2020 we have got £5.4 million, and the rest of the numbers are on the page. I think it is the 2021 is the split where £3 million is staff and £4.9 million is basically non-staff, which will include I.T. What we*

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<sup>109</sup> [R.91/2019, p.107](#)

<sup>110</sup> [R.91/2019, p.107](#)

<sup>111</sup> [Corporate Services Scrutiny Panel, Public Hearing with the Chief Minister, 27th September 2019, p.39](#)

<sup>112</sup> [Corporate Services Scrutiny Panel, Public Hearing with the Chief Minister, 27th September 2019, p.39](#)

are saying is we know we have to invest in certain areas, that is some of the spend side, which is about getting the team correct, and I think the quote on the bottom of that case says the C. and A.G. (Comptroller and Auditor General) has quoted to S.E.B. (States Employment board) that the budget for human resources management is beyond lean. In other words, it is significantly under resourced.<sup>113</sup>

- The requested additional revenue of £28,200,000 for HR is clearly a significant amount. We have been provided with a confidential summary business case which provides additional detail on the investment. While recognising the issues highlighted to us about previous underinvestment and targeting for savings, it is not clear that this requires a budget increase of over 100% (The overall HR budget will increase from £6.2m in 2019 to £13.5m in 2020). We are not certain that ministers have provided enough challenge to the amounts requested.



**FINDING 2.21**

***The budget for Human Resources (now called People and Corporate Services) for 2020 has increased by over 100%. The rationale for this is that Human Resources has been under resourced in the past and has been an easy target for savings.***



**RECOMMENDATION 2.12**

***The Chief Minister should clearly explain why a budget increase of over 100% for People and Corporate Services is necessary, and how ministers assessed and challenged the business case put forward.***



**RECOMMENDATION 2.13**

***The Chief Minister should provide an update to the Corporate Services Panel every six months on the progress on delivering the additional funding into People and Corporate Services.***

O13-12 Supply Jersey			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
• Delivery of the Commercial Strategy	Modernising Government	Chief Minister	

**Summary Report**

- The business case in R.91/2019 ([p.111](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £100,000**
  - 2021: £103,000

<sup>113</sup> [Corporate Services Scrutiny Panel Public Hearing with the Chief Minister, 27th September 2019, p.10](#)



- 2022: £106,000
  - 2023: £109,000
  - Total: £418,000
- This business case outlines a request for additional revenue for the operation of Supply Jersey, noting that this area has been historically funded through underspends and carry forwards without a secure allocated budget. The case further notes that the previous funding “will cease at the end of 2018”, thereby ending the current financial provision associated with operating Supply Jersey. The business case also states that the lack of an appropriate budget allocation to address this will cause “operational consequences and result in legal ramifications” due to the government defaulting on contractual obligations with Supply Jersey’s supplier<sup>114</sup>.
  - The business case notes that there are over 3,500 internal users and 6,306 external suppliers using Supply Jersey, with a total of 28,493 requisitions in the first six months of 2018, creating a total value of £75.1 million, leading the business case to describe this request as “essential”<sup>115</sup>.
  - From our review of other business cases in the Government Plan, we understand that Supply Jersey is set to be replaced as part of the Integrated Technology Solution major capital project ([p.175](#)), which carries capital investment and Revenue funding until the end of 2023. We were therefore surprised to see that it was necessary to continue funding the old system over the same period.
  - We questioned the Chief Minister and Chief Executive on this issue during our public hearing with them on the 27th September 2019. The Chief Executive explained that this would ensure that the present system would be maintained “in terms of the necessary changes over the intervening period from today until the point that it is replaced”<sup>116</sup>.
  - The Chief Executive added further:

**Chief Executive:**

*It is very clear because you have to have a cut-over period. When any systems transfer you run a parallel system at some point. In 2022 you set it up. You have then got to take a huge number of arrangements into the new system and you cut over. Having done quite a lot of system handovers in the past, if you do not budget for that properly you have a very significant risk in the transfer of data from 2 systems, so you normally parallel run. You have a cut-over system and you would normally do that over a 12-month period, in order to be able to deal with your financial management.*<sup>117</sup>

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<sup>114</sup> [R.91/2019, p.111](#)

<sup>115</sup> [R.91/2019, p.111](#)

<sup>116</sup> [Corporate Services Scrutiny Panel, Public Hearing with the Chief Minister, 27th September 2019, p.44](#)

<sup>117</sup> [Corporate Services Scrutiny Panel, Public Hearing with the Chief Minister, 27th September 2019, p.44](#)

- In a separate public hearing, the Assistant Chief Minister confirmed that a replacement for Supply Jersey had not yet been located, due to the additional revenue not yet being agreed<sup>118</sup>.
- Following these explanations and a separate briefing that we received from the Assistant Chief Minister, we are satisfied that the funding is necessary and that there is a suitable plan to replace Supply Jersey in due course.



#### FINDING 2.22

***The Supply Jersey procurement system is due to be replaced once the Government's new integrated technology system has been implemented.***

O13-13 Supporting OneGov			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
	Modernising Government	Chief Minister	

#### Summary Report

- The business case in R.91/2019 ([page 112](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £1,870,000**
  - 2021: £252,000
  - Total: £2,122,000
- This business case outlines a request for additional funds to support the One Government – Team Jersey project. The case further outlines that this is to meet the demands arisen from the “level of unprecedented change in the Government of Jersey”, and will support the “transformational change required”<sup>119</sup>.
- The business case further includes the inclusion of some external consultancy support for their “Team Jersey partner” to accelerate change and help transfer skills into the organisation<sup>120</sup>.
- We are aware that significant amounts have been allocated to this project during 2018 and 2019 and are concerned that more funding is now needed for 2020. This spending comes on top of an allocation of £5.4 million in 2020 for the HR Department.

<sup>118</sup> [Corporate Services Scrutiny Panel, Public Hearing with the Chief Minister, 27th September 2019, p.45](#)

<sup>c119</sup> [R.91/2019, p.112](#)

<sup>c120</sup> [R.91/2019, p.112](#)

- The business case refers to 2018/19 spending requirements and appears to have been written some time ago. In comparison to other business cases, it is relatively short and lacking in detail. The confidential supporting information that we have been provided with is dated 31 August 2018. It is not clear that the amounts requested have been reviewed and challenged prior to inclusion in the Government Plan.
- The Government Plan Review Panel questioned the Chief Executive about this and were told that the amounts requested are in line with the agreed tender:

***Deputy K.F. Morel***

*... “Supporting OneGov - Team Jersey” page 112 and we have got £1.87 million which just says: “Actions required to support OneGov. This will include a culture change programme” but does not tell me how much the culture change programme is going to cost during that year: “a review of performance management” but does not tell me how much that performance management is going to cost: “leadership development” and it does not tell me how, so do you understand what I mean? That is the level of detail that I find shocking that was not available in this document...*

*...How can you then know whether you are spending appropriately? I need to know. The culture change programme, if that is say £500,000 or £100,000, that as a scrutineer helps me understand the value for money that you are getting.*

***Chief Executive***

*It is very simple. There was a tender with a pricing, which has been viewed by Scrutiny before, which went through each and every one of those prices.<sup>121</sup>*

- We do not find the financial information presented in this business case to be convincing and it does not appear that the investment case has been subjected to review and challenge before being approved for inclusion in the Government Plan.



**FINDING 2.23**

***The information provided in support of the additional funding for the One Government project is not convincing, and lacks detailed up-to-date information.***




**RECOMMENDATION 2.14**

***The Council of Ministers should subject each business case to a thorough review before including them within the Government Plan.***

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<sup>121</sup> [Government Plan Review Panel Public Hearing with the Chief Minister, 10th October 2019, p.26](#)

O13-14 Technology Transformation Programme			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Develop and secure funding for a multi-year Technology Transformation Programme</li> <li>Technology Transformation Programme</li> </ul>	Modernising Government	Chief Minister	

### Summary Report

- The business case in R.91/2019 ([p.113](#)) requests additional revenue for 2020-23 as follows:
  - 2020: £3,000,000
  - 2021: £5,000,000
  - 2022: £17,000,000
  - 2023: £17,000,000
  - Total: £42,000,000
- During a joint hearing between the Corporate Services and the Economic & International Affairs Scrutiny Panels with the Assistant Chief Minister regarding IT Strategy, the Chief Operating Officer explained the purpose of the business case<sup>122</sup>.

#### **Chief Operating Officer:**

*The Technology Transformation Programme business case was put together to support the overall portfolio, so there are 10 elements in which tax has already funded, so 9 to come. Each one of those will have its own business case, so the Technology Transformation Programme sits at the top. The cyber security O.B.C. is a subset of that.*

#### **Deputy K.F. Morel:**

*So, what does the Technology Transformation Programme do rather than just sit at the top? What does it do?*

#### **Chief Operating Officer:**

*It created that vision of where we are going to go in the next 7 years. What do we want to invest in?*

- Although the supporting Strategic Outline Business Case sets out the 7 year plan (starting in 2019), this timeframe is not made clear in this business case. As highlighted earlier in

<sup>122</sup> [Corporate Services and Economic & International Affairs Scrutiny Panel's Joint Public Hearing with the Assistant Chief Minister regarding IT Strategy, p.46](#)

this report, the IT spending has been planned over the minimum period possible. This was clear in the evidence provided to us by the Chief Operating Officer:

**Chief Operating Officer:**

*The later you complete the longer you put off the benefits, so in terms of going back to how do you get some of these benefits in by the end of the Government Plan, like I say, we did not do the technology case as a 4-year case. If you look at the thing it is a 7-year case, because we did not think that 7 years was ... but to finish in 7 years you have to have started everything within 4 years.*<sup>123</sup>

...

**Senator K.L. Moore:**

*Yes, absolutely, but it does go back to the Deputy's question though in terms of these items or these benefits are not going to make a massive difference to the general public on a day-to-day basis, therefore there is an opportunity to spread the cost over a greater number of years potentially, and that I assume is a political direction in terms of who has directed the timescale here.*

**Chief Operating Officer:**

*We looked to see how quickly we could do this, and this is spread out over the minimum time it would take. There are some obvious drop points where you would think ideally you would have these in place, so if you take the electronic document record management system, the 2 big volumes of paper records are health and tax. What you want to avoid is building a new hospital with a big store full of these paper records and then coming along a year later and digitising them all. You have got to digitise them before you build the hospital. Similarly, if we build a new headquarters building for the civil service you do not want to build a new headquarters with a big tax store in it and then digitise the records a year later.*<sup>124</sup>

- During the same hearing, the Assistant Chief Minister with responsibility for the IT strategy explained that he believed that a delay to this programme would have a direct effect on frontline services:

**Senator K.L. Moore:**

*I would like to hear from the Assistant Chief Minister on this in terms of the political prioritisation around these enormous sums of money.*

**Assistant Chief Minister and Assistant Minister for Social Security:**

*We have certainly robustly discussed such things in the C.O.M [Council of Ministers], but there is a misunderstanding. These projects, as we do them, are about providing*

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<sup>123</sup> [Corporate Services and Economic & International Affairs Scrutiny Panel's Joint Public Hearing with the Assistant Chief Minister regarding IT Strategy, p.39](#)

<sup>124</sup> [Corporate Services and Economic & International Affairs Scrutiny Panel's Joint Public Hearing with the Assistant Chief Minister regarding IT Strategy, p.40](#)

*better front-line services for health and education and other areas. It is about trying to make it more efficient and provide better services to our customers, which are the Islanders. So, putting these things off is putting off benefits that will directly affect the way that we treat and serve our customers.*<sup>125</sup>

- This business case outlines the Government’s plan for improving the services within the Government of Jersey, whilst achieving “sustainable savings in operating costs”. The case goes on to describe the government as set to be “critically dependent on technology” to achieve a modernised public sector, but notes that there has been a “historical lack of investment” in this area<sup>126</sup>.
- The business case further outlines the following investment area that this project will focus on:
  - Government wide capabilities;
  - Front office capabilities;
  - Enabling functions; and
  - Security capabilities.
- The business case also outlines ten projects, which includes MS Foundation, Cyber Security, the Tax System, Customer Relationship Management, and the Integrated Technology Solution.
- The case outlines that cash releasing benefits are conservatively estimated to reach around £70 million over the 2020 – 2025 period, with the capital implications described in the Capital section of the Government Plan. The capital projects are examined later in this report and also in the report by the Economic & International Affairs Scrutiny Panel, in addition to our analysis of IT spend in section [2.651](#) Tax raising measures.
- We were concerned that some of the IT spend in the Government Plan might be duplicated, however were told that this is not the case:

**Chief Operating Officer:**

*So, we will then produce ... so this is a portfolio review that requires £99 million of capital and £42 million of revenue over the 4-year period. We will then create individual business cases to say: “This is the business case that draws down under the I.T.S. (Integrated Technology Solution) because it will cost this much” of which we have approximated £40 million in that £141 million total spend, so each one will then prove its business case, which will allow us to draw against it to add up to the total portfolio. At the portfolio level I think the numbers are right. Will each individual business case come in exactly? Will I.T.S. be £40 million and will cyber be £10 million? I do not know, but I believe at a portfolio level ...*<sup>127</sup>

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<sup>125</sup> [Corporate Services and Economic & International Affairs Scrutiny Panel’s Joint Public Hearing with the Assistant Chief Minister regarding IT Strategy, p.43](#)

<sup>126</sup> [R.91/2019, p.113](#)

<sup>127</sup> [Corporate Services and Economic & International Affairs Scrutiny Panel’s Joint Public Hearing with the Assistant Chief Minister regarding IT Strategy, p.47](#)



**FINDING 2.24**

*The Technology Transformation Programme is planned over a 7 year period and includes spending of £42 million (Revenue) and £99 million (capital) during the next 4 years. The spending has been planned over the shortest period possible in order to release the benefits sooner.*



**RECOMMENDATION 2.15**

*The Assistant Chief Minister with responsibility for digital technology should remain alert to the potential flexibility of the timeframe of the technology transformation project, due to its scale and financial investment.*



**RECOMMENDATION 2.16**

*The Assistant Chief Minister should ensure that subsequent IT projects and their overall spend are reviewed by Officers on an annual basis for future Government Plans, with a view to re-profiling the investment over a longer period of time if deemed suitable.*

OI4-01 Delivering effective financial management			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>• Introduce a new performance management framework for its first full year</li> <li>• Deliver improvements to the Government Plan business planning process</li> <li>• Delivering effective financial management</li> <li>• Continue finance transformation</li> <li>• Provide greater long-term financial insight</li> <li>• Training strategy</li> </ul>	Modernising Government	Minister for Treasury & Resources	

**Summary Report**

- The business case in R.91/2019 ([page 115](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £2,350,000**
  - 2021: £2,800,000
  - 2022: £2,300,000
  - 2023: £2,300,000
  - Total: £9,750,000

- This business case aims to improve financial management within the Government of Jersey, noting that recommendations have been made over the previous years by the Comptroller & Auditor General and the Public Accounts Committee, with the report noting that it is “necessary to invest in this area”<sup>128</sup>. The business case further notes that the significance of technology investment, and that continuing this programme will help to ensure that “benefits are realised”<sup>129</sup>.
- We questioned the Treasurer of the States on this business case during our Quarterly Hearing with the Minister for Treasury & Resources on 3rd October 2019. His response was that it was necessary to invest in the Government’s IT structure:

### **Treasurer of the States**

*...the replacement of, in particular, JD Edwards and in replacing JD Edwards, which apparently was last changed in 2005, we have been working through an outline business case, which will be available, as to what we need to do to make the changes there. Part of the work that has been undertaken in the due diligence report by the Chief Minister, but it also falls out of previous C. and A.G. (Comptroller and Auditor General) reports, implicit is that we need to invest in our I.T. There are a number of reasons why we need to invest in our I.T., I touched on earlier that we have poor integration across systems which means that we have a lot of manual intervention across those systems. That is talking about different systems being the H.R. system, the payroll system, government systems and the finance system, which means we have a great deal of duplication that is undertaken. 2005 is a long time in I.T. development. We have an overdependence at the moment on extracting data from our systems, putting them into spreadsheets and all the risks that I am sure our colleagues behind us will no doubt tell you about in terms of risks of spreadsheets, and the C. and A.G. has previously commented upon that.*<sup>130</sup>

- We have received additional confidential supporting information for this business case, but do not consider that the case is adequately made for the additional investment requested.



#### **FINDING 2.25**

***The business case and supporting information for the “Delivering Effective Financial Management” project lacks the level of detail we would expect for a request for additional revenue of almost £10 million.***



#### **RECOMMENDATION 2.17**


***The Council of Ministers should give greater emphasis in each business case as to why additional investment is required and what it will be spent on, instead of providing a statement of need.***

<sup>128</sup> [R.91/2019, p.115](#)

<sup>129</sup> [R.91/2019, p.115](#)


<sup>130</sup> [Corporate Services Scrutiny Panel Quarterly Hearing with the Minister for Treasury & Resources, p.40](#)



OI-01 Electoral Registration			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
	Modernising Government	Non-Ministerial	


### Summary Report

- The business case in R.91/2019 ([page 116](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £60,000**
  - 2021: £34,000
  - 2022: £6,000
  - Total: £100,000
- This business case outlines that this is for a project to replace the currently, largely paper-based system of voter registration with a modern, digital system, as part of the ongoing Common Strategic Priority Initiative “An electoral system which encourages voter turnout and meets international best practice”.
- We have not received any information on this business cases that raises concerns.

OI-Non-01 C&AG additional funding			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
	Modernising Government	Non-Ministerial	

### Summary Report

- The business case in R.91/2019 ([page 117](#)) requests additional revenue of £25,000 each year for the period 2020-23.
- This business case provides additional funding to cover the following components within the Jersey Audit Office:
  - An increase in the cost of the external audit of the States’ accounts following retendering;
  - External professional support assistance for the Comptroller & Auditor General to improve the reviews and reporting on information technology governance and controls;
  - Increases in the fees of the Comptroller & Auditor General following the appointment of a new office holder who will take up the post from January 2020.
- We have not received information on this business case that raises concerns.

OI-Non-03 Judicial Greffe additional funding			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
	Modernising Government	Non-Ministerial	

### Summary Report

- The business case in R.91/2019 ([p.119](#)) requests additional revenue for 2020-23 as follows:
  - 2020: £158,000
  - 2021: £158,000
  - 2022: £158,000
  - 2023: £158,000
  - Total: £632,000
- The business case contains two breakdowns of individuals components of the requested additional revenue. These are as follows:
- Additional funding for Office-holders Pay Review (£80,000 per year from 2020-2023)**
- The business case notes that the States HR have accepted that there is an “anomaly”<sup>131</sup> in respect of the pay of certain office-holders within non-ministerial departments such as the Viscount’s department and Judicial Greffe. A review has been conducted to bring these office-holders’ pay into line with the reward under the LOD pay scales, which is represented by this table.
- Additional funding for Tribunal Service (£43,000 per year from 2020-2023)**
- The business case explains that the workload of the Tribunal Service has continued to increase with limited resources, making it necessary to provide additional resources to meet these requirements. The business case further notes that it is “not possible” to meet these demands with the current number of Judicial Greffe employees, and is “not realistic”<sup>132</sup> to outsource or provide an alternative service for this function.
- We have not received any information about this business cases that raises concerns.


OI-Non-4 States Assembly additional funding			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
	Modernising Government	Non-Ministerial	

<sup>131</sup> [R.91/2019, p.123](#)

<sup>132</sup> [R.91/2019, p.119](#)

### Summary Report

- The business case in R.91/2019 ([page 120](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £1,035,000**
  - 2021: £1,001,000
  - 2022: £1,034,000
  - 2023: £904,000
  - Total: £3,974,000
- The business case explains that this additional investment relates to Scrutiny (as requested by the Chairman’s Committee), Members’ remuneration, and putting the budget of the Legislative Drafting Office on a sustainable footing, having been formally transferred to the States Greffe in January 2019.
- We welcome the additional funding for the scrutiny function and have no particular comments on the other areas.

OI-Non-5 Viscount’s department additional funding			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
	Modernising Government	Non-Ministerial	

### Summary Report

- The business case in R.91/2019 ([p.121](#)) requests additional revenue for 2020-23 as follows:
  - **2020: £325,000**
  - 2021: £325,000
  - 2022: £325,000
  - 2023: £325,000
  - Total: £1,300,000
- The business case contains additional breakdowns of individuals components of the requested additional revenue. These are as follows:
- **Additional funding for Court Service/Inquest Officer (£43,000 per year from 2020-2023)**
  - This position will allow the Viscount’s Department to successfully deal with the increasing volume of work that it is required to undertake by hiring an additional member of staff, and notes that failure to approve this role will lead to the department not being able to “provide services to the Court or other Departments”<sup>133</sup> such as the

<sup>133</sup> [R.91/2019, p.121](#)

Magistrate's Court Greffe, States of Jersey Police, and the department for Health & Social Services to a "satisfactory standard"<sup>134</sup>.

- **Additional funding for Finance Officer (£56,000 per year from 2020-2023)**
  - This position provides additional support to ensure that contingency cover and support for the finance manager is provided, and to ensure that appropriate standards are met when handling assets. The business case goes on to state that it will also provide some finance support to other Non-Ministerial departments.
- **Additional funding for Saisie/Court Officer (£48,000 per year from 2020-2023)**
  - This position will allow the Viscount's department to deal with the increasing levels of Saisie work and the nature of assets seized by the department, whilst also allowing greater levels of responsiveness to international requests.
- **Additional funding for Software Maintenance (£25,000 per year from 2020-2023)**
  - This will allow the department to move away from existing software suppliers and, notes that the annual cost of software maintenance is set to increase. The business case notes that the department is "fully prepared"<sup>135</sup> for the capital cost of the replacement, but that project sponsors were unable to calculate the annual revenue cost of supporting the new system until a supplier is identified.
- **Additional funding for Knowledge Management (£113,000 per year from 2020-2023)**
  - The business case explains that this additional revenue will allow the department to "implement processes for efficient and effective management of information held electronically in the Judicial Greffe and Viscount's department" which totals at least 1.8 million items<sup>136</sup>.
- **Additional funding for Office-holders Pay Review (£40,000 per year from 2020-2023)**
  - The business case notes that the States HR have accepted that there is an "anomaly"<sup>137</sup> in respect of the pay of certain office-holders within non-ministerial departments such as the Viscount's department and Judicial Greffe. A review has been conducted to bring these office-holders' pay into line with the reward under the LOD pay scales, which is represented by this table.
- We have not received any information on this business case that raises any concerns.

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<sup>134</sup> [R.91/2019, p.121](#)

<sup>135</sup> [R.91/2019, p.122](#)

<sup>136</sup> [R.91/2019, p.122](#)


<sup>137</sup> [R.91/2019, p.123](#)

*Business Cases for Capital Expenditure*

O13 MS Foundation (major project)			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
	Modernising Government	Non-Ministerial	

**Summary Report**


- The business case in R.91/2019 ([page 174](#)) requests funding for 2020 and outlines indicative funding for 2021-23 as follows:
  - **2020: £3,330,000**
  - 2021: £5,670,000
  - Total: £9,000,000
- The business case explains that this provides the funding needed to continue with the MS Foundation Programme, which is currently ongoing within the States and Government of Jersey. This moves operating systems to a cloud based solution to allow more flexible and productive digital tools, such as upgrading systems to Windows 10 and Office 365.
- The business case further notes that this delivers some of the investment in IT capability that is a key component of the additional revenue and capital spend requested in the Government Plan for the 'Modernising Government' common theme.

O13 Integrated Technology Solution (major project)			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
• Technology Transformation Programme	Modernising Government	Chief Minister	

**Summary Report**

- The business case in R.91/2019 ([page 175](#)) requests funding for 2020 and outlines indicative funding for 2021-23 as follows:
  - **2020: £7,400,000**
  - 2021: £9,200,000
  - 2022: £11,400,000
  - Total: £28,000,000
- The business case for this capital project argues that Jersey will become “critically dependent” on technology to achieve its aims, and must deal with a substantial “technology debt” brought about by a “historic lack of investment in capability, and a shortfall in capacity to handle current demand”.

- A breakdown of the five key areas of ‘introduction of Technology capabilities’, which are as follows:
  - Government wide capabilities;
  - Front office (islander facing) capabilities;
  - Enabling functions; and
  - Security capabilities.
- This project will replace the current JD Edwards, Peoplelink, Talentlink and Supply Jersey systems.
- The business case also notes that this capital project aligns with the Future Jersey vision and the priorities set out in the Common Strategic Policy, with particular reference to the government’s aim to “explore and use the opportunities offered by Digital” and the ongoing initiative of the government to provide “a modern, innovative public sector that meets the needs of Islanders effectively and efficiently.”
- This project is linked to the Technology Transformation Programme (requesting £42 million of spending over 4 years) which we have commented on above (page 100). Our comments on the overall IT spending (page 44) are also relevant.

O13 Replacement assets			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
• Technology Transformation Programme	Modernising Government	Chief Minister	

### Summary Report

- The business case in R.91/2019 ([p.176](#)) requests funding for 2020 and outlines indicative funding for 2021-23 as follows:
  - **2020: £5,000,000**
  - 2021: £5,000,000
  - 2022: £5,000,000
  - 2023: £5,000,000
  - Total: £20,000,000
- The business case explains that this capital will cover the replacement costs of “various IT assets”, but does not elaborate any further on the assets set to be replaced or provide a breakdown of spending.
- We consider that such lack of detail in a government business case for £20 million funding is unacceptable. We questioned the Assistant Chief Minister with responsibility for the government’s IT Strategy about this in a public hearing:

**Deputy K.F. Morel**

*Can you understand how unhappy the public are when they see £20 million of their money being wanted and spent on 7 words? Can you not see that incongruity?*

**Assistant Chief Minister and Assistant Minister for Social Security**

*It says it is for various I.T. asset replacements.*

**Deputy K.F. Morel:**

*Yes, but you do not then say what those assets are. I would expect that to be ...*

**Assistant Chief Minister and Assistant Minister for Social Security**

*Do you want a list of 15 monitors, 25 servers?*

**Deputy K.F. Morel:**

*It is longer than 7 words.*

**Assistant Chief Minister and Assistant Minister for Social Security**

*We do not know if they will break during the next year.*

**Senator K.L. Moore:**

*If that is the case you could say: "On a year-on-year experience the States of Jersey finds that X number of computers break down and generally what you would expect when you employ 7,000 people that you would need a replacement of X, Y and Z." Some information, rather than 7 words.<sup>138</sup>*

- When the Chief Minister was questioned about the length during a public hearing on the 20th September, he argued that the detail "probably is sufficient" given what it intends to spend, and that further information would be provided<sup>139</sup>.
- We have received a table from the government that provides a breakdown of the assets that this capital project will deliver. The relevant amounts are commercially sensitive, but for transparency, we have provided a redacted version of the table below.

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<sup>138</sup> [Corporate Services and Economic & International Affairs Scrutiny Panel's Joint Public Hearing with the Assistant Chief Minister regarding IT Strategy, p.50](#)

<sup>139</sup> [Quarterly Hearing with the Chief Minister, p.18](#)

M & D Government Plan - Capital

Replacement assets		2020	2021	2022	2023	Total Gov plan
Indicative Costs		£'000	£'000	£'000	£'000	£'000
Desktop Upgrades	IT					
Income/Payment Management System (ICAR) platform refresh	IT			-	-	
Content management system refresh (SharePoint Upgrades)	IT	-		-	-	
E-Forms system refresh	IT	-	-			
Data Warehouse Platform Refresh	IT	-	-	-		
IT Integration Layer platform refresh	IT		-	-		
HRIS & Erostering Platform Refresh	IT	-		-	-	
IT Desktop for Health and Community Services	IT					
Server - HP3 Par	IT					
Virtual Web Appliance	IT					
SAN SERVER	IT					
Corporate Storage Solution	IT					
Azure	IT					
Replacement desktop/laptops	IT					
Software purchase/ refresh	IT					
Server - HP3 Par	IT					
Backup solution	IT					
<b>Total</b>		<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>20,000</b>

- The level of detail provided in the published business case was clearly inadequate and we would not expect to see a similar situation arise in future Government Plans.



**FINDING 2.26**

*The business case for £20 million (£5million per year) of funding for replacement IT assets consisted of 7 words. This level of detail does not enable the Panel to have confidence in this business case.*



**RECOMMENDATION 2.18**

*The Council of Ministers should ensure that each business case within future Government Plan's contains an adequate level of detail to support the funding being requested.*


O13 Electronic Document and Records Management (major project)			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Technology Transformation Programme</li> </ul>	Modernising Government	Chief Minister	

**Summary Report**

- The business case in R.91/2019 ([page 184](#)) is due to begin in 2021 and outlines indicative funding until 2023 as follows:



- **2020: £-**
  - 2021: £500,000
  - 2022: £1,000,000
  - 2023: £1,000,000
  - Total: £2,500,000
- The business case is designed to provide electronic documents that can be used and shared across Departments, and, where appropriate, between Islanders and the government. This will replace physical record stores that are being held across the Island. The business case also states that this will assist departments in adhering to “respective retention schedules and adherence to Data Protection, Health and Safety and Public Records legislation”.
  - Funding is not requested for 2020, and we have therefore not reviewed this business case in any detail.

Central Risk and Inflation Funding			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
		Chief Minister	

### Summary Report

- R.91/2019 ([page 129](#)) requests funding for 2020 and outlines indicative funding for 2021-23 as follows:
  - **2020: £1,000,000**
  - 2021: £1,500,000
  - 2022: £1,800,000
  - 2023: £2,000,000
  - Total: £6,300,000
- There is no detailed explanation of this funding bid within the R.91/2019 report. However, [page 142 of P.71](#) explains that this capital project creates a separate reserve head of expenditure that holds a provision for risk and inflation outside of the individual capital budget allocations, centralising the funding under the management of the department for Treasury & Exchequer.
- We do not have enough information to assess the reliability of this funding request and have rated it as amber.




#### FINDING 2.27

***There is no explanation or business case provided for the capital programme central risk and inflation funding of £1 million in 2020 (£6.3 million in total over 4 years)***

**RECOMMENDATION 2.19**

***The Minister for Treasury and Resources should provide a separate business case for central risk and inflation funding in future Government Plans explaining how the amounts have been calculated, in order to provide assurance to States Members and the public regarding the amounts requested.***

Pre-feasibility vote – Office Strategy			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
		Chief Minister	

**Summary Report**

- This allocation of £1 million for the States' Office Strategy forms part of the wider pre-feasibility vote of £11.2 million. The Assembly is asked to approve the overall allocation of £11.2 million, but we understand that the exact allocation of this funding could change, depending on the status of the underlying projects.
- Nevertheless, a notional allocation of £1 million of this budget to the Office Strategy is significant. We were offered a briefing on this strategy during our review, however the briefing was cancelled twice by ministers and we have not yet been offered a new date. The confidential supporting information we were provided with to supplement the business cases only contained a single paragraph of explanation for this funding bid, which did not explain the significant amount requested.
- We do not have enough information to assess the reliability of this funding request and have rated it as amber.

**FINDING 2.28**

***We have not been provided with enough information to make an assessment of the £1 million pre-feasibility funding for the States' Office Strategy. This is in part down to delays in the Panel receiving a briefing from ministers on the project.***

**RECOMMENDATION 2.20**

***The Council of Ministers should provide greater levels of detail on pre-feasibility capital funding in future Government Plans.***

## Full list of Amendments

Stamp Duty	Increase stamp duty rate for properties above £1 million
Housing Deposit Scheme	Allocate £5 million in 2020 for a loan deposit scheme for first time buyers
Long Term Care	Reduce the proposed increase to Long Term Care from 1% to 0.5%
Child Tax Allowance	Increase tax allowances for children
Food Costs Bonus	Increase the Food Cost Bonus in line with inflation

## 2.12 Witnesses and Evidence Gathered

Jersey Prison Services Association

Jersey Civil Service Association Prospect / Unite

Randalls

Stuart Langhorn

4insight Report on Focus Groups

CIPFA Report on the Government Plan

Public Hearing with Assistant Chief Minister Scott Wickenden regarding IT Infrastructure

Public Hearing with the Chief Minister regarding the Government Plan

Quarterly Hearing with the Chief Minister regarding the Government Plan

Public Hearing with the Minister for Treasury & Resources regarding the Government Plan

Quarterly Hearing with the Minister for Treasury & Resources regarding the Government Plan

## Section 3 – Economic and International Affairs Panel’s Government Plan Review

### 3.1 Economic and International Affairs Panel membership

The Panel comprised of the following States Members:



Deputy Kirsten Morel (Chair)



Deputy David Johnson  
(Vice-Chair)



Senator Kristina Moore



Deputy Jess Perchard

## 3.2 Chair's Foreword



Undertaking this review into the Government Plan has been both complex and demanding but importantly, it has also been rewarding.

As a result of the public hearings and the submissions received by the Panel, it is now fair to say that all of us are far better acquainted with the Ministers' plans for 2020 than we would otherwise have been.

### **Drip-Drip of Information**

Naturally, the Panel has been disappointed with the manner in which the government presented its information for the Plan. The initial documentation, received towards the end of July, was insufficient for effective scrutiny and whilst the Panel was keen to get on with its work by making the most of the Summer period, the unfortunate fact was that government Ministers had jetted off on their holidays, meaning that hearings could not be arranged and the receipt of more detailed information was delayed until September.

It is also unfortunate that information about the much-heralded Efficiencies Plan was still dripping from government in late October. Given the apparent importance of the efficiencies to the Plan's success, it is difficult to understand why their publication came so late.

It is against this backdrop that the Economic and International Affairs (EI&A) Panel has conducted its work. We are however, grateful to all of the Officers and Ministers who, once back from holiday, have helped us undertake our work.

Overall, we are satisfied with the Plan insofar as it relates to the relevant three Ministers, and have lodged only two amendments. One to increase spending on the maintenance of sports facilities by £125,000 and the other to remove funding of £150,000 for the proposed Financial Stability Board. These amendments roughly balance each other and so have no greater effect on government spending.

### **A Watching Brief**

As you read through the report, you will see that we do have specific concerns with regard to particular projects and will be watching over Ministers to ensure these are addressed. History teaches us that improperly managed IT spending has the potential to overrun whilst simultaneously delivering very little in return. The E&IA Panel will work with other Scrutiny Panels to ensure that this does not happen.

Importantly, no part of this report endorses spending beyond 2020. Whilst the Government Plan gives a four-year outlook, Scrutiny and the States Assembly are only approving spending for 2020. Any Minister who tries to claim an approval for 2020 as an approval for future years, will be swiftly rebutted.

There's no doubt that this report is extensive and in depth. As Chair, I believe we have undertaken a comprehensive review of the Government Plan but upon reflection, I feel that we may have focussed excessively on government spending to the detriment of the revenue generating aspects of the Plan. As a Panel, we will take that lesson into 2021.

On behalf of the Panel, I would like to thank the Scrutiny Office for its incredible work. Without the support of officers, the Panel would not have been able to develop this report in time.

Personally, I would also like to thank my fellow Panel Members. Their understanding of the issues and incisive questioning has been crucial in bringing this report to fruition.

**Deputy Kirsten Morel**  
**Chair, Economic and International Affairs Panel**

## 3.3 Key Findings and Recommendations



### *Key Findings*

#### **FINDING 3.1**

The remit of the Minister for Economic Development, Tourism, Sport and Culture currently comes under the Growth, Housing and Environment Department. Plans are in place to remove the Economic Development element from the department and into one standalone department. These changes are not reflected in the Government Plan.

#### **FINDING 3.2**

An initiative of the Efficiencies Plan is a spend reduction in the Target Operating Model (TOM) for Growth, Housing and Environment. It is anticipated that the re-organisation of staffing and redesign of tiers 3 and 4 in the Department will achieve savings, however, it is unclear whether the removal of Economic Development out of the Department will affect the achievability of this initiative.

#### **FINDING 3.3**

The budget for the project “Sports Division – Minor Capital Replacements” does not include an adequate sum of money to maintain the islands sports facilities. This could impact on the project “Inspiring an Active Jersey” which aims to make Jersey one of the most physically active populations in the world.

#### **FINDING 3.4**

The project “Inspiring an Active Jersey” includes a number of ambitious programmes and workstreams. The aims identified within the project, although commendable, will require a significant amount of investment to bring sports facilities up to standard. The Assistant Minister has stated publicly that the sums identified are less than adequate. Therefore, the aims of this project do not add up in monetary terms with the project “Sport Division – minor capital replacements.”

#### **FINDING 3.5**

The project “Promoting Jersey” seeks investment to introduce increased air route connectivity and encouraging businesses to open outside of the summer months. The Panel is concerned about the deliverability of this project in terms of the availability of staff and costs associated with some establishments remaining open during the winter months.

#### **FINDING 3.6**

Part of the work on the project “Digital Policy Framework” is to protect Islanders with the emerging digital technologies such as artificial intelligence. The Panel was advised that, although this would form part of the project, how comprehensive the work would be was reliant on obtaining the right level of resources.

#### **FINDING 3.7**

The project “Cyber Security Growth” seeks to deliver a number of initiatives which form part of the Cyber Security Strategy. The Panel is concerned that a coordinated approach between the Government and private sector in terms of cyber security is only now coming into fruition



when Jersey has been at risk for a number of years particularly with a prominent finance sector.

#### **FINDING 3.8**

The project “Heritage, Arts and Culture” seeks to award funding to four arm’s length bodies (Jersey Heritage, Jersey Opera House, ArtHouse Jersey and Jersey Arts Centre Association). The Panel is concerned that the funding identified for 2020 (£700,000) has not yet been split between the four organisations. This will impact on the organisations’ ability to forward plan.

#### **FINDING 3.9**

There has been a significant lack of strategic direction within Heritage, Arts and Culture, with the last strategy published in 2005. The Minister for Economic Development, Tourism, Sport and Culture plans to develop two strategies in 2020 – the Heritage Strategy and Arts and Culture Strategy. All four arm’s length bodies were supportive of the development of a Culture Strategy.

#### **FINDING 3.10**

The project “Heritage, Arts and Culture” seeks to award funding to four arm’s length bodies. A proposition (P.105/2019) lodged by the Minister for Economic Development, Tourism, Sport and Culture seeks approval to award the Association of Jersey Charities with £1 million of Channel Island lottery proceeds to distribute amongst various organisations. The organisations chosen may include those which fall under heritage, arts and culture. It was confirmed to the Panel that these proceeds would not be used to fund the Government’s commitments in the heritage, arts and culture areas.

#### **FINDING 3.11**

The project “Financial Stability Board” seeks investment to establish the Board. A Ministerial Decision was signed by the Chief Minister on 26th July 2019 which actions the Chief Economic Advisor to organise the recruitment of a full-time officer to serve as the secretariat. Therefore, it seems that work is already being undertaken to establish the FSB before the funding in the Government Plan is approved by the States.

#### **FINDING 3.12**

The project “Financial Stability Board” (FSB) seeks investment to establish the Board. An interim FSB was established in 2012 but due to a lack of definition and funding it has faded away.

#### **FINDING 3.13**

The project “Financial Stability Board” (FSB) seeks investment to establish the Board. The Panel question why the Government of Jersey is establishing and funding a Financial Stability Board when this could be undertaken by an external body. In that regard, the Panel will lodge an amendment to remove it completely from the Government Plan.

#### **FINDING 3.14**

The project “reversing the decline in Jersey’s Overseas Aid contributions” seeks funding to align the JOA budget more closely with other developed nations. The JOA has made improvements to its governance arrangements which should assure taxpayers that their money is being apportioned appropriately with the right level of safeguards.

**FINDING 3.15**

The project “reversing the decline in Jersey’s Overseas Aid contributions” seeks funding to align the JOA budget more closely with other developed nations. Within the supporting business case, the Panel welcomes the focused strategy from the JOA which will focus on three areas from 2020 onwards: Dairy for Development, Financial Services for the Poor and Conservation Livelihoods.

**FINDING 3.16**

There are two feasibility projects that relate to Fort Regent in the Government Plan. The first is the “Fort Regent” project and the second is the “Island Sports Facilities, Inspiring Places” project. There is a degree of crossover between the two projects, which require a consistent level of political oversight on both working groups which co-ordinate them.

**FINDING 3.17**

The pre-feasibility project “Island Sports Facilities, Inspiring Places” aims to deliver modern sports, leisure and fitness facilities. It has been accepted by the Assistant Minister for Economic Development, Tourism, Sport and Culture that more engagement is required with the Education Minister in order to use more facilities that are currently held by the Education Department.

**FINDING 3.18**

The major capital project “Cyber Security” seeks funding to develop a programme of technology initiatives to detect and protect the Government of Jersey from malicious activities. The Panel has rated this project as amber at this stage, because further Full Businesses Cases for individual projects will be developed once funding for the overall cyber security portfolio has been approved. The Chief Minister should ensure that the full business cases are passed to scrutiny before they are finalised.

**FINDING 3.19**

The capital projects “Client Relationship Management System” and “Service Digitisation” were included in a “Technology Transformation Fund” business case which details the overall portfolio of a technology programme. The Panel has rated both these projects as amber at this stage, because further Full Businesses Cases will be developed once funding for the overall technology portfolio has been approved.

**FINDING 3.20**

There are several business cases that relate to investment in sport facilities, some are allocated funding over the 4 year period and others are not. There has been some confusion around how the allocation of funding for some sport provision will be distributed over the 4 year period. The Panel therefore considers that the business cases relating to sports facilities and the funding allocated to them are either at risk of duplication, or at risk of being delivered altogether because of a lack of funding.



## *Recommendations*

### **RECOMMENDATION 3.1**

The Minister for Economic Development, Tourism Sport and Culture should share with Scrutiny, the detailed plans for the removal of Economic Development out of Growth, Housing and Environment.

### **RECOMMENDATION 3.2**

The Minister should ensure that there is a consistent level of political presence on both the Fort Regent Working Group and Sports Facilities Group. This will help mitigate the risk of duplication as the remits of both groups include Fort Regent. The Panel suggests that the two groups are amalgamated into one main group.

### **RECOMMENDATION 3.3**

The Minister should provide further supplementary information on each business case relating to sport. This should include specific breakdowns of how funding will be allocated in each business case.

## 3.4 Departmental Budgets and Efficiencies

### *Departmental Budgets*

The Economic and International Affairs Panel scrutinises the work of three Ministers; the Minister for Economic Development, Tourism, Sport and Culture, the Minister for External Relations and the Minister for International Development. Therefore, the project policy work contained in the various actions, programs and capital projects assigned to the Panel predominantly sit under:



**Minister for Economic Development, Tourism, Sport and Culture** Growth, Housing and Environment



**Minister for International Development** Jersey Overseas Aid



**Minister for External Relations** Office of the Chief Executive

In the Government Plan, the States Assembly has been asked to approve the proposed amount to be appropriated from the Consolidated Fund for 2020, for each head of expenditure. The table below provides a summary of the proposed “Revenue Heads of Expenditure” for 2020 for each department:

Summary Table 3(i) Proposed 2020 Revenue Heads of Expenditure <sup>140</sup>			
	Income (£000)	Expenditure (£000)	Head of Expenditure (£000)
Growth, Housing and Environment	37,975	102,377	64,402
Jersey Overseas Aid	0	12,431	12,431

<sup>140</sup> P.71/2019 - Appendix 2

Office of the Chief Executive	648	19,599	18,951
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The Panel requested a further breakdown of how these figures are allocated across the wide remit of the three departments, as well as the expenditure for 2019. The following information was provided to the Panel:

**Growth, Housing and Environment** (Minister for Economic Development, Tourism, Sport and Culture)

2019 Net Revenue Expenditure (£000)	Service Area	2020		
		Income (£000)	Expenditure (£000)	Net Revenue Expenditure (£000)
163	GHE - General	(371)	534	163
17,680	Economy & Partnerships	(5,153)	25,782	20,629
3,357	Natural Environment	(769)	4,321	3,552
19,533	Operations & Transport	(19,768)	46,224	26,456
12,545	Property & Capital Delivery	(4,739)	17,284	12,545
1,057	Regulation	(7,174)	8,231	1,057
<b>54,335</b>	<b>Net Revenue Expenditure</b>	<b>(37,975)</b>	<b>102,377</b>	<b>64,402</b>

**Jersey Overseas Aid** (Minister for International Development)

2019 Net Revenue Expenditure (£000)	Service Area	2020		
		Income (£000)	Expenditure (£000)	Net Revenue Expenditure (£000)
10,340,500	Grant to Overseas Aid		12,431	12,431
<b>10,340,500</b>	<b>Net Revenue Expenditure</b>		<b>12,431</b>	<b>12,431</b>

**Office of the Chief Executive** (Minister for External Relations):

2019 Net Revenue Expenditure (£000)	Service Area	2020		
		Income (£000)	Expenditure (£000)	Net Revenue Expenditure (£000)
783	Chief of Staff	(200)	1,183	983
1,548	Communications	-	1,548	1,548
1,771	External Relations	(105)	3,331	3,226
8,473	Financial Services and Digital	(343)	13,537	13,194
<b>12,575</b>	<b>Net Revenue Expenditure</b>	<b>(648)</b>	<b>19,599</b>	<b>18,951</b>

These figures were provided to each Panel and correspond with the figures in the Government Plan. However, the draft Business Plans for each department were [published](#) on 23rd October which details a set of figures which include efficiencies. Therefore, the figures in the draft Business Plan are less than the figures detailed above.

Given the tight deadline for the review, and the fact that no big changes to income levels are expected as a result of the Government Plan, the Panel has focussed its attention on reviewing projects requiring expenditure.

The Government Plan states that as expenditure is approved based on departments, it does not directly align with areas of Ministerial responsibility. However, an indicative mapping of departmental allocations to Ministers' portfolio is included on page 138 of the Plan.

The 2020 resources allocated to the Ministers which fall under the Panel's remit are as follows:

Resources mapped to Ministerial portfolios <sup>141</sup>	
Minister	2020 Allocation (£000)
Minister for Economic Development, Tourism, Sports and Culture	21,389
Minister for External Relations	14,896
Minister for International Development	12,431

<sup>141</sup> P.71/2019 p. 138

### **Growth, Housing and Environment: Changes**

The Panel was assigned a number of projects which fall under the remit of the Minister for Economic Development, Tourism, Sport and Culture (EDTSC) and therefore the Growth, Housing and Environment Department. When the Panel met the Minister, he explained that changes to the structure of the Department, through the Target Operating Model, would include EDTSC as a stand-alone department.

The Panel has included this exchange to highlight the issue of whether the removal of a department will impact the funding allocations in the Government Plan. The Panel discussed this with the Minister and his officers:

**Senator K.L. Moore:**

*“The Director General alluded to the fact that the target operating model for this department is almost complete. When will that be known publicly? What is D day?”*

**Director General, Growth, Housing and Environment:**

*Well, D day should have been in the next week but it has been pulled because of the impending changes to the operating ... to the reporting line.*

**The Minister for Economic Development, Tourism, Sport and Culture:**

*That is the new Economic Department.*

[...]

**Director General, Growth, Housing and Environment:**

*It is unfortunate because it has been a long, hard, difficult process we have been through. I think the roles and responsibilities will ... the people will need to be doing those jobs so I do not think it is going to be a massive change but I think it was only fair and reasonable to do that.*

**Senator K.L. Moore:**

*Why has that come along at such a late stage? As the Group Director mentioned, this process has been an 18 month to 2-year process.*

**The Minister for Economic Development, Tourism, Sport and Culture:**

*Political decision.*

**Senator K.L. Moore:**

*Right, from yourself?*

**The Minister for Economic Development, Tourism, Sport and Culture:**

*Myself, Chief Minister, Senator Gorst.*

**Senator K.L. Moore:**

*Right. Are they reacting to a particular current and unexpected need?*

**The Minister for Economic Development, Tourism, Sport and Culture:**

*No, I think as we have started getting into the ... as the new structure started to come together, I think we have all, just officers and politicians as well, Ministers as well, have ... I mean, we have officers working still in different buildings and different departments*

*and I think it will be far more workable, productive, for everybody working on the economic future of the Island to be in one department.*

**Deputy K.F. Morel:**

*Can I ask is that going to be ... just so I understand in relation to the Government Plan, is that going to be Economic Development, Tourism, Sport and Culture, so all of those letters, E.D.T.S.C., all moving out of G.H.E.?*

**The Minister for Economic Development, Tourism, Sport and Culture:**

*Yes. The plan is for everything that is currently E.D.T.S.C. ...*

**Deputy K.F. Morel:**

*I am just thinking ... am I looking at funding proposals which are to some extent irrelevant because you are about to come through with a whole new ...? This is what I am worried about.*

**The Minister for Economic Development, Tourism, Sport and Culture:**

*I think the figures will not be irrelevant but it will probably be reported to the new department.*

**Group Director for Economy and Partnerships:**

*If I may, chairman, the design of the target operating model was very much along the lines of that these were kind of individual parts that could be ... in a sense were discrete in their own right but could be moved if it was felt that there was a better strategic way of grouping or amalgamating different functions. There is not much overlap between them, so they can theoretically at least be picked up and put wherever and function relatively ...*

**Deputy K.F. Morel:**

*I have to ask the Director General does that mean you are losing the "G" in G.H.E.?*

**Director General, Growth, Housing and Environment:**

*I need to be told that formally".<sup>142</sup>*

The Minister assured the Panel that, from a funding perspective, the changes to the Department would not affect the figures relating to Economic Development, Tourism, Sport and Culture.



**FINDING 3.1**

The remit of the Minister for Economic Development, Tourism, Sport and Culture currently comes under the Growth, Housing and Environment Department. Plans are in place to remove the Economic Development element from the department and into one standalone department. These changes are not reflected in the Government Plan.

<sup>142</sup> [Public Hearing](#) with the Minister for Economic Development, 17th September 2019, page 18-20





### RECOMMENDATION 3.1

The Minister for Economic Development, Tourism Sport and Culture should share with Scrutiny, the detailed plans for the removal of Economic Development out of Growth, Housing and Environment.

#### Efficiencies

The Government Plan proposes £40 million of efficiency savings in 2020. Of this total, £7 million is increased tax revenues arising from more efficient tax collection. The remaining £33 million is included at the bottom of Summary Table 3(i) Proposed 2020 Revenue Heads of Expenditure in Appendix 2 of P.71/2019:

	Income (£000)	Expenditure (£000)	Head of Expenditure (£000)
<b>Total Revenue Heads of Expenditure</b>	100,055	956,830	856,775
<b>Efficiencies to be allocated</b>	0	(33,000)	(33,000)
<b>Total income/expenditure after efficiencies</b>	100,055	923,830	823,775

Further information provided in the [Efficiencies Plan](#) informs that the initial phase of the programme establishes an efficiencies target to sustainably reduce expenditure by the end of 2020 by £40 million, with a further £20 million to be delivered in each of the three subsequent years.

#### Growth, Housing and Environment

The Efficiencies Plan provides detail of a new revenue raising initiative under Growth, Housing and Environment which aims to achieve £700k of income. The initiative is to extend car parking charging hours from the current 8am – 5pm to 7am – 6pm. Any Scrutiny of this initiative would be undertaken by the Environment, Housing and Infrastructure Panel, but the Panel makes the general point that this does not seem to be an efficiency, it is merely charging the public more money to increase revenue.

The plan also explains a spend reduction in the Target Operating Model for Growth, Housing and Environment. The Target Operating Model is aimed at achieving the re-organisation of staffing and it is anticipated the reorganisation and redesign of tiers 3 and 4 in the Department will achieve savings of approximately £500k. However, it is stressed in the Efficiencies Plan that until the structure is complete and appointments made at tiers 3 and 4, it is not yet possible to be certain of the final outcome.

It is also unclear at this stage, whether this spend reduction will be affected by the removal of Economic Development out of the department, as previously mentioned.

#### International Development

The Efficiencies Plan informs that no efficiencies are planned under the Minister for International Development.

## External Relations

The Efficiencies Plan explains that a number of efficiencies have been identified within the Office of the Chief Executive, Strategic Policy, Planning and Performance, Treasury and the Exchequer. The Office of the Chief Executive is where the Minister for External Relations sits. The Plan does not provide any further detail about what specific savings will come under the Minister, other than explaining three opportunities for the efficiency saving which are as follows:

- private aviation income
- reduction in commissioning budgets
- additional Ofcom income

A table at the back of the plan identifies £366k for both the Chief Minister and the Minister for External Relations but no further details are given.








### FINDING 3.2

An initiative of the Efficiencies Plan is a spend reduction in the Target Operating Model (TOM) for Growth, Housing and Environment. It is anticipated that the re-organisation of staffing and redesign of tiers 3 and 4 in the Department will achieve savings, however, it is unclear whether the removal of Economic Development out of the Department will affect the achievability of this initiative.

### 3.5 Actions, Programs and Capital Projects Reviewed

Actions			
Action	CSP reference	Page number	Scrutiny RAG Status
Further investment in sports facilities	-	<a href="#">134</a>	
Develop an action plan to build a stronger, more inclusive sense of island identity	-	<a href="#">134</a>	
Take forward the work of the independent charity commission	-	<a href="#">135</a>	
Additional Revenue Programs			
Program	CSP reference	Page number	Scrutiny RAG Status
Sport division - minor capital replacements	CSP3-5-04	<a href="#">136</a>	
Inspiring an 'Active Jersey'	CSP2-1-01	<a href="#">137</a>	
Future Economic Partnership Goods and Borders Cluster	CSP3-1-03	<a href="#">140</a>	
Economic Framework and Productivity Support	CSP3-2-06	<a href="#">142</a>	
Promoting Jersey	CSP3-2-10	<a href="#">145</a>	
Rural Economy Strategy	CSP3-2-11	<a href="#">148</a>	
Digital Jersey growth	CSP3-2-05	<a href="#">152</a>	
Delivering the Digital Policy Framework	CSP3-2-03	<a href="#">153</a>	
Cyber Security growth	CSP3-5-01	<a href="#">156</a>	
Heritage, Arts & Culture	CSP3-5-02	<a href="#">158</a>	

<b>Trade and Export function</b>	CSP3-1-09	<a href="#">164</a>	
<b>Brexit – Constitutional implications policy resource</b>	CSP3-1-01	<a href="#">166</a>	
<b>Brexit and international trade</b>	CSP3-1-02	<a href="#">167</a>	
<b>Jersey Financial Stability Board</b>	CSP3-2-08	<a href="#">168</a>	
<b>Competition policy and JCRA</b>	CSP3-2-02	<a href="#">170</a>	
<b>Guernsey-Jersey Joint Working Programme</b>	CSP6-2-10	<a href="#">172</a>	
<b>Continuation of External Relations funding</b>	CSP3-1-06	<a href="#">173</a>	
<b>Jersey Finance Growth</b>	CSP3-3-02	<a href="#">176</a>	
<b>Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)</b>	CSP3-3-01	<a href="#">177</a>	
<b>Jersey Customs and Immigration Brexit Officers</b>	CSP3-1-04	<a href="#">179</a>	
<b>Reversing the decline in Jersey's Overseas Aid contributions</b>	CSP3-1-07	<a href="#">180</a>	
<b>Capital Expenditure Projects</b>			
<b>Capital Project</b>	<b>CSP reference</b>	<b>Page number</b>	<b>Scrutiny RAG Status</b>
<b>Fort Regent (pre-feasibility)</b>	CSP3	<a href="#">184</a>	
<b>Island Sports facilities, inspiring places</b>	CSP3	<a href="#">187</a>	
<b>Pride Software</b>	-	<a href="#">189</a>	
<b>Court Digitisation</b>	-	<a href="#">190</a>	
<b>PlainSail (Phoenix) software</b>	-	<a href="#">192</a>	
<b>Regulation Group Digital Assets</b>	-	<a href="#">193</a>	

<b>Cyber (major project)</b>	OI3	<a href="#">194</a>	
<b>Client Relationship Management system</b>	OI3	<a href="#">196</a>	
<b>Service Digitisation</b>	OI3	<a href="#">196</a>	
<b>Sports Division Refurbishment</b>	CSP3	<a href="#">198</a>	
<b>New Skate Park</b>	CSP3	<a href="#">200</a>	


## 3.6 Reports on Specific Actions and Business Cases

### *Actions not linked to a business Case*

Further investment in sports facilities across the Island	
Minister(s)	Scrutiny RAG Status
Minister for Economic Development, Tourism, Sport and Culture	

#### Panel analysis


- The Government Plan explains that further investment in sports facilities will complement interim and future uses of Fort Regent.
- The Panel was advised that the reason this action is not linked to a project seeking additional revenue expenditure (i.e. a business case) is because it is instead linked to a capital project.
- Due to concerns raised around the level of funding allocated to sporting facilities by the Assistant Minister for Economic Development, Tourism Sport and Culture, the Panel has rated this action as amber. The funding concerns are explained in further detail within the Panel’s comments on projects “Sport division – minor capital replacements” and “Inspiring an Active Jersey”.

Develop an action plan to build a stronger, more inclusive sense of Island identity	
Minister(s)	Scrutiny RAG Status
Minister for International Development/Minister for External Relations	

#### Panel analysis

- The Panel was advised that the reason this action is not linked to a project seeking additional revenue expenditure is because it can be delivered by existing departmental budgets.
- In a [letter](#) from the Minister for International Development she explained that, in the latter half of 2018, the Chief Minister agreed to establish a Policy Development Board to work on “Island identity”. The Board is responsible for developing an action plan to build a stronger, more inclusive sense of Island identity.
- The Board will seek to provide common focal points for an increasingly diverse population and “*help the island project its unique culture and varied talents as part of a positive and coherent international personality*”.


- In terms of the timeline, the Minister advised that the Board will meet every 4-6 weeks and will produce an interim report by June 2020, and an action plan by October 2020.
- The Board's constitution will include a mixture of States Members and non-States Members and other relevant stakeholders will be invited to attend meetings on an *ad hoc* basis to discuss specific topics.

Take forward the work of the independent charity commission	
Minister(s)	Scrutiny RAG Status
Minister for External Relations (lead)/Chief Minister	

### Panel analysis

- The Government Plan explains that the aim of this action is to provide for the governance and regulation of the charity sector. The Government modernised governance of the charities sector by introducing a new Charities Law in 2014 and the consequent creation of a Charity Commissioner.
- The Panel was advised that the reason this action is not linked to a project seeking additional revenue expenditure is because it can be delivered by the existing departmental budget and via the Dormant Bank Accounts Law. Therefore, funding will be made available through the Jersey Reclaim Fund, where proceeds due under the Dormant Bank Accounts (Jersey) Law 2017 are held.
- The Panel asked a number of questions to the Chief Minister and he responded in a [letter](#) dated 6th October. The Chief Minister explained that the Jersey Reclaim Fund is the fund established under the Dormant Bank Accounts Law to receive dormant account moneys. Banks are required to transfer moneys in accounts which have fallen dormant (essentially no contact from the customer for 15 years) to the Fund. The Law provides that after due allowance for potential reclaims, distributions can be made from the Fund to cover the costs of the Charity Commissioner and for various charitable purposes listed in the Law.
- The Panel was advised that no distributions from the Fund had been made to date. Furthermore, the Minister for External Relations would be making an Order appointing an independent organisation to make distributions from the Fund for charitable purposes. It had originally been anticipated that the organisation chosen to distribute the Channel Island Lottery funds would also distribute moneys from the Jersey Reclaim Fund, however that proposal has been postponed and therefore other arrangements are being put in place.

*Business Cases for Additional Revenue Expenditure*

CSP3-5-04 – Sport division – minor capital replacements			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Provide improved, more up-to-date equipment in key Government sport facilities	We will enable Islanders to lead active lives and benefit from the arts, culture and heritage	Minister for Economic Development, Tourism, Sport and Culture	

**Business Case: Overview**

- The additional investment required will be used to extend the life of gym equipment and sporting equipment at Fort Regent, Les Quennevais, Springfield, Oakfield and Langford Sports Centres.
- In total the business case seeks to secure:
  - £125,000 in 2020
  - £200,000 in 2021
  - £200,000 in 2022
  - £200,000 in 2023
- The Panel was advised that the original business case requested £250,000 per year to replace sporting equipment, however, in order to fit within the financial envelope, a phased approach to the budget will require the initial equipment replacement to be prioritised.

**Panel analysis**

The Panel held a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture on 4th October. As the Assistant Minister is responsible for Sport, Senator Pallett answered the Panel's questions on this project.

The Panel was advised that the base budget for 2019 is £67,000 which covers Fort Regent, Les Quennevais, Springfield, Oakfield and Langford Sports Centres. The Assistant Minister explained that the £125,000 budget bid for 2020 was in addition to the base budget of £67,000, so in total the extra money afforded to replacing sporting equipment in 2020 is £192,000. The Panel asked whether this was an adequate sum of money:

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

*"In my view, no, it is not. We need to protect the £2 million income we get from Active. If we do not invest in our sports centres, we are going to run the risk of the Active Card scheme being put under further pressure. I do not believe it is enough. We bid for more and I am not particularly happy with what is in the Government Plan".*

The Assistant Minister also commented that he had been "disappointed" that the figures were cut without his knowledge:



**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

*“I found out about them when I read this. That, for me, is not the way it should have been done. It does not give me the opportunity to argue for maintaining the level at £250,000, which was put in there originally. Even that I think would probably keep us standing still.”*

The Panel refers to the project “Inspiring an Active Jersey” which includes a long-term framework with the following vision: *“Jersey will be a healthier, more productive and fairer society by being one of the most physically active populations in the world”*. The Panel is concerned that this project will be at risk if the Government of Jersey does not invest adequately in maintaining its sports facilities. The Panel questioned the Assistant Minister on this issue:

**Deputy K.F. Morel:**

*“Could it also impact on Jersey Sport’s effectiveness, in the sense that they are trying to deliver your ... you are ploughing millions into the Inspiring an Active Jersey programme, but potentially if the sports facilities are not inspirational in themselves ...”*


**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

*“The answer is possibly.”*

The Panel notes that there are a number of projects related to sports facilities and encouraging people to become more active. However, without the adequate funding to enhance and maintain the Island’s sports provision, may negatively affect the overall aim of becoming a more active society. The Panel will therefore lodge an amendment to increase the funding in 2020 from £125,000 to £250,000 as per the original business case.

**Key Findings****FINDING 3.3**

The budget for the project “Sports Division – Minor Capital Replacements” does not include an adequate sum of money to maintain the islands sports facilities. This could impact on the project “Inspiring an Active Jersey” which aims to make Jersey one of the most physically active populations in the world.

CSP2-1-01 – Inspiring an Active Jersey			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Deliver a range of preventative and proactive schemes focused on inspiring an ‘Active Jersey’	We will enable Islanders to lead active lives and benefit from the arts, culture and heritage	Minister for Economic Development, Tourism, Sport and Culture	

**Business Case: Overview**

- Jersey Sport has developed the [Inspiring Active Jersey Strategy](#) which is a long-term framework with the following vision: *“Jersey will be a healthier, more productive and fairer society by being one of the most physically active populations in the world”*.

- The additional revenue required reflects the additional services and programmes Jersey Sport will deliver as part of the strategy.
- In total the business case seeks to secure:
  - £509,000 in 2020
  - £779,000 in 2021
  - £965,000 in 2022
  - £965,000 in 2023

### Panel analysis

The Panel held a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture on 4th October. As the Assistant Minister is responsible for Sport, Senator Pallett answered the Panel's questions on this project.

The Panel was advised that the base budget for 2019 is £1.15 million, so the growth bid is seeking to increase that budget by £509,000 in 2020. It will then increase incrementally over 4 years. The Panel asked the Assistant Minister what is meant by an "active Jersey":

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

*"It is certainly not focused on elite sport. I think it is very much around getting as many Islanders as possible active in the community. For some it will be sport, for others it will be gardening, for others it will be walking clubs. It is trying to ensure that as we move forward that we could keep Islanders fit and healthy, keep them out of hospital, reduce the level of obesity, reduce heart conditions, all the things that we know are going to put increased pressures on the health service moving forward. Interestingly, over the page from the "Inspiring Active Jersey" within the Government Plan, the appendix or the second thing, is around about preventable diseases. What we are trying to do within Government is work collaboratively across Government and this particular strategy will work close with Health. We are going to talk about that in a second about which departments are involved with this but work closely with Health to make sure that we can get the best benefits for Islanders moving forward around their health needs".*

An appendix included in the Business Case identifies a large number of new roles this project will require such as:

- Coaches and instructors
- Disability Sport and Get Active Officer
- Sport and Get Active Inclusion Officer
- Cycle Training Officers
- Active Workplace Officer
- Active Schools Manager
- School Sports Event Co-Ordinator
- Sports Clubs and Associations Development Officer

Therefore, the Panel observes that this project is human resource intensive, which seems counterintuitive at a time when the Government of Jersey is trying to either maintain its headcount or restrict it. The Panel asked the Assistant Minister whether some of the new roles identified, particularly in schools, could be undertaken within the existing workforce:

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

*“It is a fair comment. If I felt and I think both myself and the chief executive of Jersey Sport believe the same, the consistency through schools just is not there at the current time. There are some schools that in terms of their physical development officers are incredibly forward thinking in terms of involving their children in activity. There are others that do not quite meet those levels and we should be giving every child an opportunity to reach their absolute potential in regards to their physical well-being. With some children it would be ... we talk about wanting to find the next Olympian or next Commonwealth Games athlete, if you do not get the building blocks right early on you are not going to get that. There is a lack of consistency within schools. We work closely with schools. Jersey Sport works closely with schools. Certainly initially, I think we are going to have to have people working with schools, working with both secondary and primary schools, to ensure that what is being put into schools, the levels of activity within schools, meet the necessary guidelines and also are consistent through each school. It worries me the level of consistency”.*

The Panel reiterates the point made when commenting on the project “Sports Division – Minor Capital Replacements” which identifies a sum of money to extend the life, and maintain, sports equipment. This was identified by the Assistant Minister as a less than adequate sum of money to keep sporting facilities in good working order.


“Inspiring an Active Jersey” aims to encourage islanders to live healthier and more active lives, but in order to do so, there has to be adequate investment in providing sporting equipment. Particularly if more roles are going to be created to achieve the outcome visions identified in this project. Workstreams and outcomes such as:

- **Active Workplaces – outcome vision** – *“most active workforce in the world”.*
- **Active Schools – outcome vision** – *“world leading in the physical literacy and physical activity rates of our young people, building the foundation to start active and stay active”.*
- **Active People – outcome vision** – *“sport and active living will have a positive impact on individuals through the provision of programmes which target the least active by providing greater support and breaking down barriers. Population-wide inspirational and innovative programmes for children, adults and families that create the habit of being active and make it the social norm”.*

This project includes a number of ambitious programmes and a number of equally as ambitious outcomes.

**Key Findings****FINDING 3.4**

The project “Inspiring an Active Jersey” includes a number of ambitious programmes and workstreams. The aims identified within the project, although commendable, will require a significant amount of investment to bring sports facilities up to standard. The Assistant Minister has stated publicly that the sums identified are less than adequate. Therefore, the aims of this project do not add up in monetary terms with the project “Sport Division – minor capital replacements”

CSP3-1-03 – Future Economic Partnership Goods and Borders Cluster			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Closely monitor and respond to the future UK/EU partnership negotiations	We will promote and protect Jersey's interests, profile and reputation internationally	Minister for Economic Development, Tourism, Sport and Culture	

### Business Case: Overview

- The business case explains that there is a requirement for Jersey to engage with the UK and the European Union (EU) to negotiate the arrangements within the UK/EU Future Economic Partnership (FEP). This negotiation will follow the UK's exit from the EU (whether it is an agreed withdrawal or a "no deal" Brexit).
- External Relations within Government is planning these negotiations and has proposed three negotiating clusters – "Goods and Borders", "Services" and "Digital".
- The Goods and Borders cluster includes negotiations on the critical areas of borders, tariffs and transport.
- The additional investment required will be used for the Goods and Borders working group to employ a manager, support staff and a part-time law drafting officer. Technical consultancy will also be used when necessary.
- Funding will also be used for travel and subsistence costs during the period of negotiation.
- In total the business case seeks to secure:
  - £450,000 in 2020
  - £450,000 in 2021
  - £450,000 in 2022
  - £450,000 in 2023
- The Panel was advised that the original business case had requested more funding but this was reduced to reflect the final decision of the Council of Ministers.

### Panel analysis

During a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture on 4th October, the Panel asked what the plans were in terms of this project. The Group Director of Economy and Partnerships explained that there were two workstreams running parallel – the first was contingency and emergency planning in terms of a no-deal Brexit and the second was the negotiation with the European Union around the future economic partnership:

#### **Group Director, Economy and Partnerships:**

*"At the moment the priority is around preparing for day one no deal but there are some long-tail pieces of policy work that need to continue in the background and this is really*

*the future economic partnership stuff. The goods and borders cluster is part of 3 clusters and certainly the reason we are responsible for the goods and borders one is it is very much associated with some of those aspects of Protocol 3 that we fall out of, effectively, when the U.K. leaves Europe. So it is things like manufactured goods, which is environmental goods effectively, agri-food, fisheries, trade tariffs, aviation, maritime and road transport, and energy and carbon pricing. That piece of work at the moment is currently - and it depends to some extent how protracted the negotiations are going forward - looking at what our policy positions are and what a negotiating position might be in a range of different areas that are relevant to the economy”.*

In terms of the base budget, the department had a slightly larger budget in 2019 of nearly £500,000. The Panel asked whether a £450,000 budget each year over the 4 year period was enough:

**Deputy K.F. Morel:**

*“Is that enough from your perspective? Did you want more? Did you want something like £700,000?”*

**Group Director, Economy and Partnerships:**


*“My own view is that we are looking at more like a £700,000 cost but none of us really know. What I have advised is that we do 2 things. One is we make sure we understand and have identified where our non-priority staff are that can be effectively requisitioned into the Brexit team should we need more bodies, because it is really very difficult to predict what is happening next week, let alone next month or next year, but also that we have a very comprehensive contingency fund that sits within the States that allows us to draw down funding as quickly as possible.”*

The Panel asked the Minister about the decision-making process around the slight decrease in funding over the next 4 years. The Minister explained that it was a political decision by the Council of Ministers and that he was confident that the funds allocated for this workstream were sufficient:

**The Minister for Economic Development, Tourism, Sport and Culture:**

*“There are some areas where I think there needs to be more debate across the broader plan, but as part of the future economic partnership work, the £450,000-a-year budget that is in the Government Plan for the next 4 years to carry out the work that they have to do I think will be sufficient”.*

The Panel accepts that the uncertainty around Brexit has made it difficult for the department to identify what level of funding is required for this project. As [explained](#) by the Group Director of Economy and Partnerships, the level of funding *“is a question of making sure that we have covered all our bases to make sure that we have enough resources in terms of staff and money available. So the number in absolute terms is perhaps less important than our ability to be agile in that space”.*

CSP3-2-06 – Economic Framework and Productivity Support			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Develop and deliver the first phase of the Economic Framework		Minister for Economic Development, Tourism, Sport and Culture	

### Business Case: Overview

The additional investment required in the business case combines funding the Economic Framework and Productivity Support. In total the business case seeks to secure:

- £500,000 in 2020
- £1 million in 2021
- £1 million in 2022
- £1 million in 2023

### Economic Framework

- The Economic Framework intends to provide structure and direction to drive sustainable economic growth, productivity improvements and wider economic wellbeing. It also intends to inform decision making, identify investment priorities and facilitate a sustainable, vibrant economy for Jersey.
- Amongst other things, the Economic Framework will deliver a programme of priority projects to gather evidence to support economic policy and priority investment projects.
- A Political Oversight Group of Ministers will be established to provide “strategic steerage”.
- The Department has already produced an Outline Economic Framework which was reviewed by Deloitte. Deloitte identified a long-list of priority projects.
- The additional investment required includes appointing a third-party Strategic Client Partner to validate the prioritisation of the list of Projects and to validate Deloitte’s design of the Economic Framework (which formed part of the Outline Economic Framework).
- In terms of this project, the original business case sought to secure funding of:
  - £1 million in 2020
  - £1 million in 2021
  - £1 million in 2022
  - £1 million in 2023
- It is noted that the sums above are higher than the amount identified in the combined business case in the Government Plan. The Panel has been advised that phasing in of the proposals, including scoping the work required to inform and deliver the Economic Framework and the amount available to the productivity support scheme, form the basis of the reduction compared to the original business cases for each project.

## Productivity Support

- Between 2007 and 2017 the productivity of the Island's economy fell by 23% in real terms. The business case explains that the decline has been driven predominantly by a decline in the productivity of the financial services sector.
- Productivity of the non-finance sectors saw a decline of 5% between 2007 and 2017.
- In order to reverse the declines in productivity, investment is required to target productivity improvements. In that regard, a Productivity Support Scheme will be established to provide discretionary grants and funding to organisations whose business plans or proposals demonstrate potential for productivity gains.
- In terms of this project, the original business case sought to secure funding of:
  - £2.5 million in 2020
  - £2.5 million in 2021
  - £2.5 million in 2022
  - £2.5 million in 2023
- It is noted that the sums above are higher than the amount identified in the combined business case in the Government Plan. The Panel has been advised that phasing in of the proposals, including scoping the work required to inform and deliver the Economic Framework and the amount available to the productivity support scheme, form the basis of the reduction compared to the original business cases for each project.

## Panel analysis

The Panel held a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture and his officers on the 17th September. The Group Director for Economy and Partnerships gave an overview of the project:

### **Group Director for Economy and Partnerships:**

*"We have done the initial outline framework that was completed relatively recently, which was effectively a broad framing piece for the next steps of development around an economic framework, which is now effectively contained within the future economy programme. At the heart of that is what can we do to improve productivity across all sectors and that is mindful of the advice that was given recently by the Fiscal Policy Panel which highlighted the 4 key issues, being Brexit, threats to financial services due to changes in regulation and, you know, all sorts of external factors, productivity, recognising that there has been limited growth there for many, many, many years, decades in actual fact, and this issue around ageing demographics and how our society needs to function in the context of having people available for work".*

The Panel notes that part of the funding will be used to appoint a third-party strategic partner to validate Deloitte's design of the Economic Framework (included as part of the Outline Economic Framework). The Panel asked why money would be spent on validating work, already undertaken by Deloitte. The Group Director for Economy and Partnerships explained that Deloitte's work was a preliminary piece that had not drilled down into the details:

**Group Director for Economy and Partnerships:**

*“The Deloitte work was a very preliminary piece of work that did not drill down into any of the details. It made some assumptions and identified some themes that we might want to look into. That is very much step 1. Step 2 is I think a more in-depth review of whether those themes are correct and, if they are correct, what does that mean in the context of what the Government might want to do next? We have commissioned some work from our retained consultants to help us frame that a little bit, which is reporting back this month. So, I think the Deloitte work was effectively the initial framing piece when we had never looked at or thought about or had the concept of an economic framework ever before. So this was a very simple, straightforward piece of work that just helped us frame that and get the right people in then to talk about what the next steps might be”.*

The Panel also asked why there was a need to appoint a third party and whether resources, such as the economists already employed within the Government of Jersey, could not undertake this piece of work. The Group Director explained that it is both a capacity and capability issue, and that having expertise for specific, detailed pieces of work, which are not about broader economic issues, would be best placed being undertaken externally.

In the business case it explains that the strategic partner would also be appointed for “*drafting or assisting with drafting/reviewing the Economic Framework document*”. The Panel questioned how objective and impartial the third party could be if they were drafting the report and also reviewing it. The Group Director acknowledged the discrepancy and said “*Yes, I think it will be one or the other...*”<sup>143</sup>.

In terms of productivity support, the Group Director explained that, although the work was at preparation stage, there are other workstreams contained in the Government Plan which will help with productivity improvements:

*“So you will see that there is additional funding proposed for agriculture and there is additional funding proposed for the rural initiative scheme within the rural economy strategy, which I think will directly feed in potentially to those productivity improvements that we would want to see”*<sup>144</sup>.

The Panel welcomes this work, particularly as productivity in Jersey has dropped over the past decade. If productivity can be improved, then the Island will be less reliant on immigration to grow its economy, which should feed into the Migration Policy.


Once published, the Economic Framework will need close scrutiny, as will the work undertaken by Deloitte and those other companies undertaking the work outlined above, to ensure appropriate project governance and best value for money in the deployment of these significant contracts.

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<sup>143</sup> [Public Hearing](#) with the Minister for Economic Development, 17th September 2019, page 14

<sup>144</sup> [Public Hearing](#) with the Minister for Economic Development, 17th September 2019, page 10



CSP3-2-10 – Promoting Jersey			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Financial support to Visit Jersey and professional rugby	<ul style="list-style-type: none"> <li>➤ We will enable Islanders to lead active lives and benefit from the arts, culture and heritage</li> <li>➤ We will improve transport infrastructure and links</li> </ul>	Minister for Economic Development, Tourism, Sport and Culture	

### Business Case: Overview

The additional investment required in the business case combines funding for securing professional rugby, route marketing and short breaks (undertaken by Visit Jersey). In total the business case seeks to secure:

- £500,000 in 2020
- £1 million in 2021
- £900,000 in 2022
- £850,000 in 2023

### Securing Professional Rugby

- In 2018, the Jersey Reds Club approached the Government, which is seen as a major stakeholder, to request financial support. This followed the uncovering of significant issues in the way the Club had been run and a lack of financial record keeping pre-2016.
- The Club advised that without financial support from the Government, the Club would have to exit professional rugby and revert to amateur status.
- The Growth, Housing and Environment Department, in conjunction with the Club, commissioned Via Analytics Limited to consider the options to secure a sustainable future for professional rugby.
- The report by Via Analytics (confidential) suggested the total additional economic benefit from rugby is between c.£1.4 million and 2.1 million each year which, they said, represented a strong case to receive Government support. The assumptions on the economic benefit were based on tax raised through salaries of professional players and additional visitor expenditure by supporters.
- The report states that any financial support should be time limited whilst a longer-term solution is identified.
- In terms of this project, the business case seeks to secure, subject to operational improvement by the Club and additional commercial/sponsorship income, funding of (up to):
  - £250,000 in 2019/2020
  - £150,000 in 2020/2021

- £50,000 in 2021/2022

### **Route Developing Marketing Project and Short Breaks (undertaken by Visit Jersey)**

- The updated [Jersey Destination Plan](#) (2019) published by Visit Jersey put forward opportunities to generate enhanced growth in the tourism sector. One of the opportunities is to “sustain existing connectivity and introduce new routes” as a means for achieving year-round visitor economy.
- The business case explains that additional investment is required to introduce increased air route connectivity and to encourage hospitality businesses to open outside of the summer months.
- Investment is also required for targeted marketing campaigns alongside increase air route connectivity in order to stimulate off-season demand for travel to Jersey.
- In terms of these projects (route development and marketing) the business case seeks to secure funding of:
  - £250,000 (route marketing only)
  - £850,000 in 2021
  - £850,000 in 2022
  - £850,000 in 2023

### **Panel analysis**

The Panel met Keith Beecham (CEO) and Kevin Keen (Chair) of Visit Jersey on 6th September to discuss the plans further. The CEO explained that the statistics demonstrated that there had been an increase in the number of winter visitors to Jersey between October - March 2015 (113,000 visitors, 79,000 holiday visitors) and March - October 2018 (227,000 visitors, 116,000 holiday visitors).

In terms of the use of the investment over the 4 years, the CEO explained that in 2020 Visit Jersey would continue to build relationships with airlines and would work closely with Ports of Jersey, who are responsible for the commercial negotiations with airlines. For years 2021 – 2023 work will focus on providing more opportunities for potential travellers. This work will include discussions with the hospitality sector in order to develop products. For example, wellness events during the winter months could stimulate winter travel, particularly as there are a number of spas in Jersey.

The Panel is concerned about the deliverability of this project in terms of concerns raised by the hospitality sector. In the past, the hospitality sector has voiced their concerns about the availability of staff and costs associated with some establishments remaining open during the winter months.

The Panel received a [submission](#) from the Chamber of Commerce (prepared by the Transport and Tourism Committee and Retail Supply Committee). The following observations were made in respect of the challenges within the hospitality sector:

*The key metrics for businesses within hospitality are revenue growth and job creation for our industry, however, notwithstanding the greatest challenge is hiring and a lack of applicants having the right skillset. Some members of the committee feel that money and resource should be considered in promoting home grown talent to work within our sectors.*

*Difficulty meeting wage or salary expectation and competition with larger companies are other leading reasons that contribute to hiring challenges.*

*The broader economic context also imposes barriers for hospitality when it comes to hiring: a tight labour market with low unemployment which drives up labour costs and competition, reducing the smaller business owners' ability to compete for talent, further intensifying the challenges they face.*

The Panel questioned the Minister during a [Public Hearing](#) on this issue:

**Senator K.L. Moore:**

*"It goes back to the original question though, which is: is there any point in making this investment and encouraging greater route connectivity? Absolutely fantastic, but if more people come to the Island and there is nowhere for them to stay or nowhere for them to go out and eat because there is a fundamental problem within the sector in terms of staffing and remaining open in those periods, is there any point in having this business case?"*

**The Minister for Economic Development, Tourism, Sport and Culture:**

*"Absolutely there is. While some businesses are finding it difficult to recruit staff, 99.9 per cent of businesses are functioning. We punch way above our weight in the quality of our hospitality sector over here. We have got fantastic bars and hotels and restaurants, so while businesses might suffer, it is not going to have any detrimental impact on the overall sector, which I think will continue to perform well. "*

**Senator K.L. Moore:**

*"So as an Island, we just have to accept that there may be fewer establishments?"*

**The Minister for Economic Development, Tourism, Sport and Culture:**

*"Possibly."*

**Senator K.L. Moore:**

*"Is that what we are looking at?"*

**The Minister for Economic Development, Tourism, Sport and Culture:**

*"Possibly. That might be a result of the pressures placed on businesses by the lack of staff available, but also, if we are honest with ourselves, that might not be a bad thing, given the challenge that we have with our population policy in the future."*

In terms of how the funding will be distributed, during the meeting with Visit Jersey, the Panel asked whether it had any involvement in the project to secure professional rugby. The CEO explained that securing professional rugby had not formed part of the growth bid submitted by Visit Jersey.

The Panel asked this question because the project regarding Visit Jersey has been amalgamated into one single “Promoting Jersey” project and as a result the funds have been split between the Visit Jersey project (£250,000) and the funds to secure professional rugby (£250,000) in 2020.

### Key Findings



#### FINDING 3.5

The project “Promoting Jersey” seeks investment to introduce increased air route connectivity and encouraging businesses to open outside of the summer months. The Panel is concerned about the deliverability of this project in terms of the availability of staff and costs associated with some establishments remaining open during the winter months.

CSP3-2-11 – Rural Economy Strategy			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
-	-	Minister for Economic Development, Tourism, Sport and Culture	

### Business Case: Overview

- The [Rural Economy Strategy](#) 2017 – 2021 focuses on economic and environmental sustainability in the countryside and proposes new policies in relation to the rural economy.
- The business case explains that the current [strategy](#) was provisioned in the last Medium Terms Financial Plan until the end of 2019. Therefore, funding is required in the Government Plan for the remaining two years of the strategy.
- It is noted that policy and aims for the strategy, how it will be delivered, and outcomes measured over the two year period have already been determined within the strategy. Therefore, the purpose of the business case is to secure funding for those policy objectives to be delivered.
- In total the business case seeks to secure:
  - £65,000 in 2020
  - £272,000 in 2021
  - £473,000 in 2022
  - £680,000 in 2023

### Panel analysis

The Panel received a briefing from the Rural Business Advisor on 29th August. He advised that the Strategy had been reviewed during 2019 and the most important factor had been developing the proposals for further funding in order to deliver the Strategy. The Rural

Business Advisor explained that the request for increased funding included the Rural Support Scheme (RSS), which had been designed to provide three levels of direct support:

- Tier 1 (a base rate payment to all businesses to assist with the cost of compliance with internationally recognised standards) – support increased from £80,000 in 2019 to £200,000 in 2020 in recognition of increased stakeholder costs for LEAF (Linking Environment and Farming) Marque accreditation and the need to meet the strategic objectives of the scheme's membership.
- Tier 2 – funding to be redefined and increased in 2021-2023 to meet strategic objectives.
- Tier 3 – provided a fund for investment projects in partnership with stakeholder funding.
- Dairy industry indirect support – marginal increase from £207,000 in 2019 to £215,000 in 2020 as a result of increased operational costs for the delivery of statutory services.
- Farm Jersey – increase from £40,000 in 2019 to £50,000 in 2020 as a result of increased operational costs for delivery of services and increase in export associated promotion.

Therefore, the forecast total budget for 2020 would increase by £65,400 from £1.795 million to £1.860 million in 2019. The Panel was grateful to meet the Rural Business Advisor as receiving prior background information to the project assisted it with preparing for the [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture on 17th September.

In addition to receiving the briefing, the Panel also wrote letters to targeted stakeholders seeking their views on this project. The Panel received three submissions:

1. [Royal Jersey Agricultural and Horticultural Society](#)
2. [Jersey Famer's Union](#)
3. [Jersey Water](#) (a submission originally submitted to the Environment, Housing and Infrastructure Panel)

### **Royal Jersey Agricultural and Horticultural Society**

The main points made by the RJA&HS were:

- The Government Plan focuses on applying funding to the current RES ('17-'21) for the years 2020 to 2023 maintaining the same suite of policies and resisting the temptation for a wholesale re-write of the RES. This is to be welcomed in providing stability in a period of increasing uncertainty.
- The overall policy direction is accepted and it is to be welcomed that the Rural Economy Directorate recognises the importance of ensuring that policy objectives are relevant to the island situation rather than duplicates of EU/UK policies.

- The budget increase is welcomed as vital to invest in the future of an industry that returns significantly more to the island both in tangible financial contribution and intangible delivery of ‘public goods’.
- The industry has seen the States of Jersey agriculture budget decline from some £8.1m in the year 2000 to some £1.8m in 2019. This has had a significant, and arguably, adverse impact on the industry, for example with the number of dairy herds falling from 65 to 15 in that period. For the future viability of the dairy industry in Jersey, and agriculture in general, it is seen as essential to maintain a ‘critical mass’ of businesses, with the ability to invest in what is a capital intensive activity.
- There is an increasing ambition to introduce new measures to address environmental issues and market challenges, both to support the growth and/ or consolidation of the remaining businesses, but also to comply with newly imposed regulation; it goes without saying that these investments often add cost to the business without generating additional or immediate returns.
- Whilst the number of farm units has declined considerably in recent years, the island has an enthusiastic cadre of young entrants to the industry, many of whom have obtained agricultural qualifications at university, and it is vital to retain these skills through the financial viability of the industry.

### **Jersey Farmer’s Union**

The main points (paraphrased) made by the JFU were:

- It is critical that the next round of financial support at the right level is secured, particularly as there continues to be a small number of farmers leaving the industry.
- The increase in funding proposed in Tier 1 is the correct approach and will hopefully encourage the smaller producer to get involved.
- Tier 2 support only rises from 2021 which the JFU feel is disappointing. The aim of supporting the industry is not only to help the farmer compete in a subsidised marketplace, but also for the provision of “public goods”.
- Tier 3 (Rural Initiative Scheme) used for new investment is “woefully inadequate” as in the last year, requests have totalled over five times the budget.

The submission made by the JFU can be read in full [here](#).

### **Jersey Water**

The main points made by Jersey Water, in a submission to the Environment, Housing and Infrastructure Panel were:

The narrative [in the Government Plan under the Rural Economy Strategy project] indicates that “*Funding will include support for public good enhancements, which would include the protection and stewardship of natural resources through, for example, the delivery of those elements within the Water Management Plan that deal*

*with agricultural diffuse pollution, encouraging the provision of measures to achieve a 10-15% reduction target in the use of nitrogen based fertiliser.....”*

Unfortunately, there is insufficient detail within the proposal to understand the specific measures that will be implemented or whether the sums allocated are sufficient to deliver the wide range of outcomes listed.

It should be noted that there are three elements to the Water Management Plan for Jersey (published in 2016) that were due to be delivered by the Government of Jersey and that are overdue:

- 1) Water Quality and Catchment Orders (WCMOs) and the new Water Code. These provide the regulatory environment within which the application of nitrates can be managed and best practice guidance on managing pollution risks.
- 2) The appointment of a Catchment Officer whose role is to include both an advisory and compliance/ enforcement function under the Water Code and related regulations and orders.
- 3) A review of the Pesticide (Jersey) Law. With a view to managing the risks that pesticides present to water quality in the island.

Items 1 and 2 would seem to be covered by the statement above but clarification would be beneficial and there is no mention of a review of the pesticides legislation that is necessary to safeguard the public water supply.

Jersey Water and the farming community have invested considerable sums of money and a huge amount of time in making the work of the Action for Cleaner Water Jersey Group (ACWG) a success and have both delivered their elements of the Water Management Plan to date. As a result, more progress has been made in improving water quality in Jersey over the past 3 years than in the previous 20. In order to ensure this success can be maintained, it is now vital that the commitments to the ACWG and the public by the Government of Jersey are honoured and the overdue elements of the Water Management Plan are fully funded and delivered without further delay. Accordingly, the delivery of the Water Management Plan should, in our view, be prioritised within this project.


The Panel was unable to question the Minister on all of the concerns raised by stakeholders due to time constraints of the review. However, the Panel did ask about the way in which the subsidy scheme worked following a concern that it was currently aimed at the larger farms and not smallholders. The Panel asked whether this would be addressed through the strategy:

**Group Director for Economy and Partnerships:**

*“It will because in the old days it was not worth the paperwork or the administrative burden for a vergée because it was an area-based payment. This is moving away from an area-based payment and decoupling subsidy from area of land farmed and then connecting it to delivery of public goods and services. So it does not matter whether you are large or small as long as you can deliver the stuff that we believe is important*

*from an environmental perspective, for example, or important for a high quality assurance perspective at a supermarket, then anybody can join”<sup>145</sup>.*

The Panel intends to review the Rural Economy Strategy as a separate review in the near future. In that regard, the submissions received on the strategy will be a starting point for the Panel when it comes to scoping its review.

CSP3-2-05 – Digital Jersey Growth			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Additional investment in Digital Jersey	We will explore and use the opportunities offered by digital	Minister for Economic Development, Tourism, Sport and Culture	

### Business Case: Overview

- The purpose of [Digital Jersey](#) is to represent and promote the digital sector in Jersey. Its objects are:
  - To support sustainable economic growth in Jersey’s Digital Industry
  - To establish Jersey as an internationally well-regarded “digital centre”
  - To enable a connected, digital society and enhanced quality of life in Jersey
- The Government’s [Digital Policy Framework](#) sets out six long-term objects for the future of digital policy-making. The business case for additional investment for Digital Jersey explains that the overarching aim of the Framework is for Jersey to establish itself as an internationally recognised digital centre of excellence and that Digital Jersey has been the driving force behind the growth in the digital sector.
- The business case for additional investment explains that the funding will be used to:
  - Resource Digital Jersey’s core grant from base budgets
  - Increase the marketing budget
  - Appoint a FinTech Ambassador
  - Appoint a Head of Technology
  - Appoint a Head of Operations
  - Appoint a Business Development Manager
  - Appoint a Project Manager
  - Provide rental costs for the expanded Digital Jersey Hub
- The additional investment required in the business case seeks to secure funding of:
  - £697,000 in 2020
  - £897,000 in 2021

<sup>145</sup> Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 17th September 2019, p.31



- £1,097,000 in 2022
- £1,197,000 in 2023


### Panel analysis

The Panel met Tony Moretta (CEO) and Lloyd Adams (Head of Strategy) of Digital Jersey on 5th September to discuss the business case further. The CEO explained that the additional funding would cover baseline running costs for the expanded Digital Jersey Hub, grow Digital Jersey’s capability by increasing the marketing budget and expand the team by appointing to a number of new positions.

The CEO explained that Digital Jersey had originally bid for more funding to deliver the plans, but had been advised that the level of funding needed to be decreased. As a result, the CEO explained that not all of the workstreams would be delivered within the decreased bid. For example, the new post for Head of Technology had been filled at a more junior level. Similarly, the CEO advised that the post of Project Manager would not be filled in 2020.

In addition to the project on Digital Jersey Growth, the Panel has also reviewed the project on the Digital Policy Framework. In that regard, the Panel asked the CEO whether there was any duplication between the two projects. Particularly as, for example, one of Digital Jersey’s objectives as an organisation is to “support sustainable economic growth in Jersey’s Digital Industry as measured by sector contribution to GVA (Goods Value Added), job creation and the number and ‘health’ of digital businesses”. Within the business case summary for the project on the Digital Policy Framework, the Panel highlights that there is a similar objective of “supporting the growth of Jersey’s digital sector leading to a measurable improvement in GVA (Goods Value Added), jobs and/or productivity within five years”.

The CEO agreed that there seemed to be a crossover but explained that the remit and function of the Digital Policy Unit (who were delivering the framework) was related to cyber security, regulation and telecom and General Data Protection Regulation (GDPR) which were not the functions of Digital Jersey.

CSP3-2-03 – Delivering the Digital Policy Framework			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Continue investment in Jersey’s Digital Policy Framework	We will explore and use the opportunities offered by digital	Minister for Economic Development, Tourism, Sport and Culture	

### Business Case: Overview

- The Government’s [Digital Policy Framework](#) sets out six long-term objectives for the future of digital policy-making:
  - A thriving digital sector
  - Digital skills for all
  - Advanced digital infrastructure
  - Government digital transformation

- Robust cyber security
- Secure data protection
- The additional investment required will be used to maintain existing funding within the Digital Policy Unit for data protection, emerging technologies and telecoms policy advisers. The funding will also complement an annual project budget for specialist legal, consultancy and academic advice.
- The business case seeks to secure funding of:
  - £541,000 in 2020
  - £541,000 in 2021
  - £541,000 in 2022
  - £541,000 in 2023

### Panel analysis

The Panel questioned the Minister during a [Public Hearing](#) on the 4th October about this project. The Group Director of Financial Services and Digital Economy explained that £400,000 was allocated to the Digital Policy Unit who were responsible for delivering the Digital Policy Framework. It was noted that this was the base budget for 2019, and that an additional £541,000 was required each year, over the 4 year period to deliver the framework. The Group Director explained the role of the Digital Policy Unit:

**Group Director, Financial Services and Digital Economy:**

*“The Digital Policy Unit has all aspects of Government’s digital policy to the outside economy and society, not the inward-facing part in terms of how Government manages its own digital services to citizens. So that will be things like data protection, a policy on cybersecurity, our telecoms strategy and the interface with organisations such as Digital Jersey and the Office of the Information Commissioner<sup>146</sup>”.*

When reviewing the project “Digital Jersey Growth” the Panel was concerned that there was an overlap between Digital Jersey and the role and responsibilities of the Digital Policy Unit. The Panel asked about this during the Hearing:

**Group Director, Financial Services and Digital Economy:**

*“So Digital Jersey is meant to be a catalyst really for industry engagement and building more of a digital economy. Digital Jersey will come back, for example, to look for additional funding for specific initiatives. They will look for Government support, for example, around licensing, around developing Government’s own policy towards the sector. So there is only so much that they can do in their own right, in much the same way as, say, for Jersey Finance.<sup>147</sup>”*

In terms of the Digital Policy Framework, the Panel asked what work had been undertaken on protecting Islanders particularly with emerging digital technologies such as artificial intelligence. The Minister and Group Director explained that this would form part of the Digital Policy Framework but would be subject to obtaining the right resources:

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<sup>146</sup> Public Hearing with the Minister for Economic Development, 4th October 2019, p.26

<sup>147</sup> Public Hearing with the Minister for Economic Development, 4th October 2019, p.26

**The Minister for Economic Development, Tourism, Sport and Culture:**

*“Well, we know a lot but as technology is evolving at such a rapid pace, these are going to be new challenges and we cannot do a piece of work now that resolves the problem, it is going to be constantly evolving”.*

**Deputy K.F. Morel:**

*“It is constant but that does not mean you cannot get a framework in place now. It does not mean you cannot have a policy in place now to ensure that we are protected before the Government goes cavalierly down this road”.*

**The Minister for Economic Development, Tourism, Sport and Culture:**

*“We are looking at that. That is an important piece of work”.*

**Senator K.L. Moore:**

*“Is that not one of the aims of this workstream to develop a specific policy?”*

**Group Director, Financial Services and Digital Economy:**

*“Areas are set out in the digital policy framework in terms of some of the ethical elements that will need to be considered and also a range of other elements, as I say, health, environmental and so on, so we are protecting citizens’ rights in the widest sense, not just simply saying it is an emerging technology, we have to have a piece of it”.*

**Senator K.L. Moore:**

*“Great, so when will those policies ... is there a deadline for those policies to be delivered?”*

**Group Director, Financial Services and Digital Economy:**

*“So this is subject to having resource and being able to secure the right people to then start work on those elements. This is setting out an appetite for a 4-year programme of work and the necessary resourcing that will underpin this”<sup>148</sup>.*

The Panel is concerned that the piece of work on citizens’ rights is dependent on the Digital Policy Unit securing extra funding. The Group Director explained that elements of this work were already being undertaken through General Data Protection Regulation but *“it can happen more comprehensively if there is a resource available to do it”<sup>149</sup>.*


The Panel had requested a separate briefing in order to discuss the Digital Policy Framework in more detail, however, despite requests to the department (on 9th September, 1st October and 4th October), this was not able to take place.

**FINDING 3.6**

Part of the work on the project “Digital Policy Framework” is to protect Islanders with the emerging digital technologies such as artificial intelligence. The Panel was advised that, although this would form part of the project, how comprehensive the work would be was reliant on obtaining the right level of resources.

<sup>148</sup> Public Hearing with the Minister for Economic Development, 4th October 2019, p.30/31

<sup>149</sup> Public Hearing with the Minister for Economic Development, 4th October 2019, p.31

CSP3-5-01 – Cyber Security growth			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Invest in the resources required to deliver Jersey's Cyber Security	We will explore and use the opportunities offered by digital	Minister for Economic Development, Tourism, Sport and Culture	

### Business Case: Overview

- The business case explains that funding is being requested to deliver the following initiatives which form part of the [Cyber Security Strategy](#):
  - Every other year a cyber risk assessment is to be conducted which will involve the Government, critical infrastructure organisations and a sample of private sector businesses.
  - In alternate years to the assessments, run biannual cyber exercises with involvement from the Government, critical national infrastructure organisations and a sample of private sector businesses.
  - The Computer Emergency Response Team (CERT) is due to be established during 2019. In order to ensure the continuation of the CERT, further funding will be required from 2020.
- The business case seeks to secure funding of:
  - £500,000 in 2020
  - £600,000 in 2021
  - £500,000 in 2022
  - £600,000 in 2023

### Panel analysis

During a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture, it was advised that there is currently no base budget for this project. It is currently being funded from contingencies which allocated up to £644,000 in 2019<sup>150</sup>.

The Panel asked about the fluctuation in funding between odd and even years. The Group Director of Financial Services and Digital Economy explained:

**Group Director, Financial Services and Digital Economy:**

*“The difference is in the odd years, 2021 and 2023, there will be a full Computer Emergency Response Team testing. So the C.E.R.T. (Computer Emergency Response Team) testing will take place in those years, which incurs additional cost. In*

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<sup>150</sup> Public Hearing with the Minister for Economic Development, 4th October 2019, p.37

*the other years you have just the ongoing standing cost of that team and the associated policy resource”.*<sup>151</sup>

The Panel asked for a breakdown in the first bid for funding in 2020. The Group Director explained that the £500,000 was a flat figure annually over the 4 years with an additional sum of money which relate to Island-wide exercises. The Director also explained that the costs for the CERT team will be a shared cost with Guernsey:

**Deputy K.F. Morel:**

*“Yes. I wanted to ask, the £500,000, how do you break that down?”*

**Group Director, Financial Services and Digital Economy:**

*“So the breakdown for the C.E.R.T. team, this is joint working with Guernsey because to have an Island-specific team would be rather over-egging it. So the C.E.R.T. team in terms of its benefits: raise citizens’ and businesses’ cybersecurity awareness, provide the Government with a technical adviser, the management of major Island-wide incidents, and it can recommend appropriate triage and support, co-ordination of resources, supporting individual organisations to manage incidents and accelerate the process of recovery from a cyberattack, and ensure that Government and community are connected to the latest developments across the European Union and the international C.E.R.T. network, and that includes our own relationships with the National Cybersecurity Centre in the U.K. The step up, the extra £100,000 that is required every second year, relates to Island-wide exercises. So that is incident response plans to be robustly tested to ensure that they work effectively in the event of a real incident, that key contacts from the Government and from critical national infrastructure, so telecoms, utilities and so on, can work together to facilitate smoother relationships in the event of a major cyber incident, and to test and probe unknown vulnerabilities within that system. So the way it breaks down is this £500,000 is a flat figure annually, 2020 through to 2023, and that is for the C.E.R.T. team and it is a shared cost with Guernsey.”*

**Deputy K.F. Morel:**

*“Do they put in £500,000?”*

**Group Director, Financial Services and Digital Economy:**

*“They will put in on a 60:40 ratio so that roughly reflects things like population and economic size differential. Then every second year there is £100,000 specifically for the testing. In terms of how that breaks down, the £500,000 is a base figure, £275,000 of that is staff and the other £225,000 is for essentially a range of disbursements, so training, marketing and awareness to citizens, threat intelligence tools and licensing, travel, project and advisory, affiliations with international C.E.R.T. bodies, and equipping of premises. We will look to find efficiencies in that where we can with other elements of the Government’s own estate”*<sup>152</sup>.

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<sup>151</sup> Public Hearing with the Minister for Economic Development, 4th October 2019, p.37


<sup>152</sup> Public Hearing with the Minister for Economic Development, 4th October 2019, p.40

The Panel is concerned that a coordinated approach to cyber security is only now coming into fruition. The Group Director explained that “.... we need to step up our game. Rather than just carry on as we were and expecting that firms will take their own responsibility for it or that citizens will be sufficiently aware just to protect themselves...”<sup>153</sup> Although there is some legislation which protects people’s data (i.e. data protection legislation), there are no current legislative protections from cyber-attacks such as hacking.



### FINDING 3.7

The project “Cyber Security Growth” seeks to deliver a number of initiatives which form part of the Cyber Security Strategy. The Panel is concerned that a coordinated approach between the Government and private sector in terms of cyber security is only now coming into fruition when Jersey has been at risk for a number of years particularly with a prominent finance sector.

CSP3-5-02 – Heritage, Arts and Culture			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Ensure 1% of the Government budget is dedicated to Jersey’s arts and culture	We will enable Islanders to lead active lives and benefit from the arts, culture and heritage	Minister for Economic Development, Tourism, Sport and Culture	

### Business Case: Overview

- The Business Case explains that the additional investment required is for a collective programme for Jersey’s culture, arts and heritage offering. The investment required includes stabilisation funding for the four relevant arm’s-length bodies:
  - Jersey Heritage Trust
  - Jersey Opera House
  - ArtHouse Jersey
  - Jersey Arts Centre Association
- The programme also reflects the support for Deputy Tadier’s [proposal](#) to increase revenue expenditure on arts, heritage and culture so that it reaches a target of 1% of overall revenue expenditure by 2022.
- The business case includes two separate submissions, one from the Jersey Heritage Trust and the other from “Arts and Culture” which pools together the Jersey Arts Centre Association, Jersey Opera House and ArtHouse Jersey.
- The business case seeks to secure funding of:
  - £700,000 in 2020

<sup>153</sup> Public Hearing with the Minister for Economic Development, 4th October 2019, p.39

- £3,065,000 in 2021
- £5,425,000 in 2022
- £5,060,000 in 2023

### Panel analysis

The Panel held a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture and discussed this project with Deputy Tadier, who is the Assistant Minister with political responsibility for arts, culture and heritage. The Assistant Minister advised that the base budget for 2019 is £4,506,800 and, including the Investment Advisory Board bids of £295,000, the total figure funded to arts, culture and heritage is £4.8 million. The additional investment required for this project is on top of the existing budget.

The Panel notes a separate proposition “Channel Islands Lottery: Allocation of Proceeds from 2018” ([P.105/2019](#)) which, if approved, would allocate £1 million of the proceeds to the Association of Jersey Charities for distribution. Therefore, organisations under arts, culture and heritage may benefit from the proceeds and so the Panel asked whether the funding from both the lottery proceeds and the funding allocated in the Government Plan were being treated separately:

**The Deputy of St. Mary:**

*“Two questions really. One statement. I think you have clarified that the lottery proceeds money will not go to the ... will go to new organisations or newer?”*

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

*“Not necessarily but the lottery funding can never be used in order to pay for what Government should already be doing.”*

**The Deputy of St. Mary:**

*“I am pleased to hear that, yes.”*

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

*“That is accepted as a principle. Maybe Darren wants to jump in”.*

**Director, Economic Development:**

*“We had this discussion previously that the working assumption or working principle, the recommendations that the principle of additionality is used, so lottery funding, irrespective of whether it is culture, arts, heritage or wherever the States Assembly determine it should go would not be used for anything that should be Government funding<sup>154</sup>”.*

The Panel wrote to all four of the arm’s length bodies asking for their views on this project. The Panel received responses from:

- [Jersey Heritage](#)
- [Jersey Opera House](#)

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<sup>154</sup> Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 4th October 2019, p.50

- [ArtHouse Jersey](#)
- [Jersey Arts Centre Association](#)

## Jersey Heritage

The business case for “Heritage” requested an increase in government grant funding to Jersey Heritage including the development of a Heritage Strategy. It explains that a risk to the success of the partnership with Jersey Heritage is the current absence of a coherent and cohesive Heritage Strategy.

The Panel received written submission from Jersey Heritage on 3rd October. The submission included the following points (paraphrased):

- Jersey Heritage welcomes the 1% levels as agreed in Deputy Tadier’s proposal (P.40/2019).
- The level of funding intended for heritage is not clear because of the grouping of “culture, arts and heritage”.

Jersey Heritage wrote to the Minister for Economic Development, Tourism, Sport and Culture on 11th September requesting an indication of the split between culture, arts and heritage.

- The level of funding identified in 2020 is going to be short of that required to recover the loss of value in the grant over recent years, risking service level and jobs.

It is noted that Jersey Heritage originally submitted a bid of £1.7 million which was split into:

- Fulfilment of statutory obligations (£250k)
- Conservation and preservation of the current portfolio (£650k)
- Interpretation display and education (£400k)
- Developing a world class heritage service (£400k)
- The Government Plan only issues funding for one year making it difficult to mobilise future work.
- There is no forward looking set of government objectives for heritage, as the current service level agreement expires at the end of 2019.
- A long-term strategy for investment in heritage infrastructure is necessary.

The Panel asked the Assistant Minister about the original bid from Jersey Heritage of £1.7 million:

**Deputy K.F. Morel:**

*“So you can tell me how much you are going to give them in public or not, it is entirely up to you but I will say in public that the maximum they will have is £700,000, which is £1 million short of what they need”.*



**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

*“We cannot tell you how much because we have not decided yet how much they are going to get so we are working on those figures. We have given them an indication of what they are going to get, they have accepted that and they seem to say that they are pleased, and they will be pleased when that is concrete so they know exactly what they can do within the work programme. For example, within that there is going to be a sum of money for Jersey Archive because there is a body of work that needs to be done quite urgently with Jersey Archive<sup>155</sup>”.*

The Panel is concerned that the proportion of money (out of the £700,000 identified) has not yet been split between heritage, arts and culture. For any organisation this must make forward work planning extremely difficult.

Another point raised by Jersey Heritage is the lack of strategic direction over a number of years. The Panel was advised during the Public Hearing that although there was a [strategy](#) which included arts, culture and heritage, it was published in 2005 and therefore needed updating<sup>156</sup>. The business case explains that a Heritage Strategy will be developed in 2020 as well as a separate Arts and Culture Strategy.

**Jersey Opera House**

The Business Case explains that the core funding request for 2020 for the Jersey Opera House is an increase of £60,000 on grant funding given in 2019. The increase is largely for revenue stabilisation and minor capital expenditure.

The Panel received a [submission](#) from the Chairman of the Jersey Opera House who commented that:

**Chairman, Jersey Opera House**

*“It is important to recognise that the Opera House makes a really important and tangible contribution to island life and deserves to be promoted and cherished, rather than relatively neglected as in past years under previous government administrations, I say this while very much welcoming the help and views expressed by the present administration.*

*A new and very enlightened relationship now exists between us and the economic development department and we very much hope that this will develop into tangible benefits arising from the government plan review. There are three areas in particular that need close attention and these are, urgent maintenance of the building, replacement of outdated theatre equipment, establishing a headcount of senior staff to enable succession planning and avoiding some staff having to perform two people’s jobs to a degree that is beyond our duty of care to our employees...”*

In relation to property maintenance, the Minister for Economic Development, Tourism, Sport and Culture acknowledged that this was an issue that needed addressing:

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<sup>155</sup> Public Hearing with the Minister for Economic Development, 4th October 2019, p.45

<sup>156</sup> Public Hearing with the Minister for Economic Development, 4th October 2019, p.56

**The Minister for Economic Development, Tourism, Sport and Culture:**

*“One thing we have never been good at in the States in all of our tenure is looking after the structure of our buildings. This is something we are considering how we fund moving into the future - whether it is part of the core funding agreed by the States - is how we look after the structures of our buildings moving forward. For example, Jersey Arts Centre and the Opera House have been curtailed by the responsibilities put on them from their core funding to look after the structures of their buildings. That is one thing I will agree, we have neglected that. We have not addressed it properly. We have relied on them to do it from their core funding and that is something that has to change, but we have taken hold of this”.*

**ArtHouse Jersey**

In relation to ArtHouse Jersey, the Business Case explains that the increase in funding (£401,700) is based on business as usual funding in 2019 of £198,400, plus a successful bid to the Investment Appraisal Board in 2018 of £160,000 (in total £358,400).

The Panel received a written [submission](#) from the Director of ArtHouse Jersey. The submission included the following points (paraphrased):

- Monies awarded to ArtHouse Jersey in 2019 were “transformational”, enabling an uplift in the contribution it makes to the local community, and capacity to earn more income from other sources.
- Deputy Montford Tadier’s proposition to ensure that 1% of the Government budget is dedicated to Jersey’s arts and culture from 2021 onwards was long-overdue, necessary and urgent.
- ArtHouse Jersey have been assured that they will be receiving the full amount requested for 2020.

**Director, ArtHouse Jersey:**

*“Islanders expect that their hard-earned taxes contributed to the public purse are going to be well spent. Value for money and offering a return on investment (in terms of a social return, as well as financial returns), must at all times be guiding principles when funding decisions are made in the arts as is the case in every other sector.*

*At present, EDTSC, led by Senator Lyndon Farnham and Group Director Dan Houseago, are doing sterling work in ensuring the arts and cultural sector is stabilised. But there seems to be a growing recognition that we are now in desperate need of a new cultural strategy to replace the current one which was adopted by the States Assembly in 2005.*

*There must be a plan, a road map, to guide investment, enabling decision-makers to make funding decisions guided by set objectives, thereby ensuring that public money is well-spent and contributing to the achievement of stated aims.”*

## Jersey Arts Centre Association

The Business Case explains that the core funding request for 2020 for the Jersey Arts Centre Association is an increase of £70,000 on grant funding given in 2019. The increase is largely for revenue stabilisation and minor capital expenditure.

The Panel received a [submission](#) from the Director of the Jersey Arts Centre Association who commented that:

### **Director, Jersey Arts Centre Association**

*“Having sat in the Public Gallery in the States Chamber on Friday 3 May, we welcome the decision to increase the level of funding for arts, heritage and culture to 1% in future States budgets. This is by far the single most important piece of cultural legislation these past 10 years and we congratulate Deputy Tadier for this achievement.*

*In real terms, the 20% cut in our revenue grant since 2013 has impacted on our operation, programme and facility and there is now an imperative to recalibrate this shortfall and to ensure future inflationary increase to the revenue grant. The current base budget allows for a business as usual approach, and whilst our current Strategic Plan supports this, our ambition exceeds it.*

*We welcome the recent initiative to carry out a Condition Survey on our Phillips Street building but there is a further imperative that the capital, infrastructure and maintenance needs of the building be fully addressed and funded. We have been told that there is no capital budget available for 2020 and this could prove problematic for us.*

*The reduction in our facilities in not having the use of either St James Church (2000-2013) or the Old Magistrates Court (2013– 2016) has had an impact on our operation.*

*Jersey Arts Centre supports the need for a new Cultural Strategy but not a further arts review or report. Too many consultative reports exist which have not been acted upon but these could easily inform a new Cultural Strategy.*

*We have a good relationship with the department for GHE, and it’s officers.”*



### **FINDING 3.8**

The project “Heritage, Arts and Culture” seeks to award funding to four arm’s length bodies (Jersey Heritage, Jersey Opera House, ArtHouse Jersey and Jersey Arts Centre Association). The Panel is concerned that the funding identified for 2020 (£700,000) has not yet been split between the four organisations. This will impact on the organisations’ ability to forward plan.



### **FINDING 3.9**


There has been a significant lack of strategic direction within Heritage, Arts and Culture, with the last strategy published in 2005. The Minister for Economic Development, Tourism, Sport and Culture plans to develop two strategies in 2020

– the Heritage Strategy and Arts and Culture Strategy. All four arm’s length bodies were supportive of the development of a Culture Strategy.



### FINDING 3.10

The project “Heritage, Arts and Culture” seeks to award funding to four arm’s length bodies. A proposition (P.105/2019) lodged by the Minister for Economic Development, Tourism, Sport and Culture seeks approval to award the Association of Jersey Charities with £1 million of Channel Island lottery proceeds to distribute amongst various organisations. The organisations chosen may include those which fall under heritage, arts and culture. It was confirmed to the Panel that these proceeds would not be used to fund the Government’s commitments in the heritage, arts and culture areas.

CSP3-1-09 – Trade and Export function			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
-	-	Minister for Economic Development, Tourism, Sport and Culture	

### Business Case: Overview

- The business case explains funding is being sought for staff costs (two principle roles) necessary to deliver the key trade-related Growth, Housing and Environment functions and responsibilities in respect of Brexit.
- A Trade Policy for Jersey will be developed, working in partnership with External Relations, Law Officers and Justice and Home Affairs.
- The original business plan had proposed that funding would commence in 2020, however the implementation of the Trade and Export function has been deferred until 2021.
- The business case seeks to secure funding of:
  - £0 in 2020
  - £169,000 in 2021
  - £187,000 in 2022
  - £195,000 in 2023

### Panel analysis

The Panel [met](#) the Minister for Economic Development, Tourism, Sport and Culture on 17th September and asked a number of questions about this project. The Group Director of Economy and Partnerships explained the reasoning behind deferring the project funding until 2021:

**Group Director, Economy and Partnerships:**

*"I think that if we are going to get into the trade debate post-Brexit, if we get there, then I think we need time to start positioning ourselves as a Government around the trade piece. At the moment we need to do some thinking around what bits are missing in terms of our competency within Government. In my view, at the moment we need to start thinking about what it is ... not just about what the opportunities in the outside world are and in our global market strategy and what sort of legislation we might want to do to protect our autonomy and all this sort of stuff. There is a big domestic piece as well, so it is what is the impact of that trade domestically on businesses that are here already and what might be the impact in terms of the need for additional jobs or the upskilling of businesses or what type of critical national infrastructure, air and sea transport links, et cetera. I do not think that is at this stage as developed as we would want it to be in a world where we are not working with Europe. So I think that is the rationale behind that and it is going to take us a bit of time to do that thinking and tee that up, at which point we are going to need someone to lead on that programme going forward<sup>157</sup>".*

The Group Director also explained that the justification for appointing more staff was creating more competency within the department, rather than outsourcing economic activity.

The Panel received a [submission](#) from the Chamber of Commerce regarding this project. The Chamber of Commerce was asked: "Are all forms of resourcing that are allocated to projects sufficient or excessive in enabling the project to meet its stated aims". The Chamber commented:

**Chamber of Commerce:**

*Import trade is a very important one to ensure availability choice, price and goods. We must be mindful that these quick commercial wins have far reaching environmental and service implications for our Island. Amazon is an animal and it won't stop until it monopolises our society.*

*We need to protect and maintain the sustainability of Transport, Tourism and Retail. We need to invest this budget wisely, so it can continue to flourish on a like for like basis. For example, Hello Fresh offering, has very little overheads, polluting our Island with excessive packaging and unrefrigerated distribution. Breaks in the chill chain puts the island food safety at risk but puts retailers and restaurateurs take away options in despair. Having no GST applied to the cost of goods. More resource and funding is most certainly needed.*

*Carteret Marina is expanding by 50% over this winter. This may open up a market for a new ferry service. (Carteret – Jersey, Gorey). Gorey Port currently is unmanned. Some of the members opinion needs to be put into action with a JCIS officer as Jersey will be one of the closet ports for Carteret private and commercial boat owners. This will ensure that there is a base close to Les Ecrechous for a warden to launch from. So with in this mind it would be good to see if we can see where this additional funding is going?*

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<sup>157</sup> Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 17th September 2019, p.21


When the Panel met the Minister, it asked what level of consultation had been had with industries. The Group Director explained:

**Group Director, Economy and Partnerships:**

*“Retail in particular, but we are about to establish through the future economy programme effectively an external stakeholder group to advise the Political Oversight Group members. We are in quite a good dialogue with all aspects of the industry, so we meet regularly, for example, with the aquaculture and fisheries sector. We meet regularly with the Chamber of Commerce, who have a range of committees covering a lot of the bases as well, et cetera. So the engagement in I think what the future looks like in terms of the economy is probably better than it has ever been. I think that has been driven to some extent by Brexit<sup>158</sup>”.*

Given the number of stakeholders effected by the project, the Panel welcomes and encourages the continuation of consultation with industries.

The Panel notes that funding for this project, if approved, will not commence until 2021. Therefore the Panel has highlighted the project as amber to indicate that it will be revisited by the Panel in a future Government Plan when funding is being requested. Therefore, in this instance, the amber rating indicates ‘awaiting further information’.

CSP3-1-01 – Brexit – Constitutional implications policy resource			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protect and strengthen Jersey’s status as a self-governing nation	We will promote and protect Jersey’s interests, profile and reputation internationally	Chief Minister	

**Business Case: Overview**

- The Business Case explains that the investment will enable government to:
  - Maintain a dedicated policy resource focusing on the ongoing constitutional implications of Brexit
  - Meet the challenges and opportunities that will arise in this respect
- The existing resource is funded until December 2019, and so the additional investment required will extend capacity over the next 4 years.
- The business case seeks to secure funding of:
  - £78,000 in 2020
  - £82,000 in 2021

<sup>158</sup> Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 17th September 2019, p.22

- £86,000 in 2022
  - £90,000 in 2023
- It is noted that the sum identified for 2020 is lower (£94,000 to £78,000) than the amount identified in the original business case. The Panel has been advised that the change reflects a saving in relation to a senior policy officer role.

### Panel analysis

The Panel wrote to the Chief Minister about this project, posing a number of questions. The Chief Minister [responded](#) advising the Panel that the base budget in 2019 is £74,000 and the increase over the 4 year period is to support the employment of one policy officer at grade 12. The investment required increases each year (by 5%) to cover increases in salary and pension contributions.

The Panel asked the Chief Minister what impact the extension to Brexit had had on this project. The Chief Minister responded as follows:

*The extension to Brexit has had an impact. The constitutional implications of Brexit are ongoing, and consequentially there continue to be known and unknown challenges and opportunities in this respect.*

*There is, however, a broader context to this work. Jersey has long made efforts to enhance and protect its constitutional autonomy. This work has been significantly enhanced in the past 15 years, and notably since the signing of a framework agreement with the UK in 2007. This led, in time, to the appointment of a dedicated Assistant Chief Minister with responsibility for external affairs in 2011 and the establishment of a Minister for External Relations in 2013. The protection of Jersey's constitutional status has always been at the heart of efforts to promote the Island's international image and reputation, such is its importance for our economic success.*

The Chief Minister advised that if the funding is not secured as part of regular departmental budgets, it will leave a high-risk resource deficit during a period of change.

CSP3-1-02 – Brexit and International Trade			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
-	-	Non-Ministerial	

### Business Case: Overview

- The business case explains that additional funding is sought in order for the Law Officers' Department to be resourced to provide legal advice post Brexit.
- It explains that while Brexit itself will continue to require additional legal resources for the foreseeable future, the aftermath of Brexit, with new treaties and laws to ensure that Jersey is able to advance and protect its interests, will require significantly higher volume of legal advice from the Department than pre-Brexit.

- The business case seeks to secure funding of:
  - £110,000 in 2020
  - £110,000 in 2021
  - £110,000 in 2022
  - £110,000 in 2023

### Panel analysis


The Panel did not seek a direct response from the Law Officers' Department regarding this project, however, it is noted in his [response](#) to the Panel, the Chief Minister highlighted the importance of resourcing for the impacts of Brexit:

#### Chief Minister:

*Brexit, and some of the consequential impacts it has had on politics in the UK, has created the circumstances in which Jersey's constitutional position has, and will likely continue to, come under threat. These challenges must be combatted, both in the immediate term and by seeking to develop processes and arrangements that enhance Jersey's constitution and autonomy as part of the British family.*

*Not continuing to make moves in this respect will leave Jersey more open and vulnerable than it might otherwise be to potential threats to our constitutional privileges. These may result directly from the Brexit process, or from developments in the UK that are a consequence of Brexit.*

The Panel accepts that additional resources are required for dealing with the impact of Brexit.

CSP3-2-08 – Jersey Financial Stability Board			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Establish a Financial Stability Board		Chief Minister	

### Business Case: Overview

- The Business Case explains that this project seeks investment to establish a Financial Stability Board (FSB) which includes funding for the board and secretariat.
- The establishment of an FSB was recommended by the Boleat report in 2011. It is understood that this report is not in the public domain. In response to the report, an interim FSB (iFSB) was established in 2012. The purpose of the iFSB was to:
  - focus on macro prudential oversight and contribute to identifying, monitoring and addressing systemic risks to the Island's financial system
  - provide a forum for the Chief Minister's Department, the Treasury and Resources Department, the Economic Development Department, the Jersey Financial Services Commission (JFSC), and others as necessary, to liaise and develop coordinated strategies and policies to enhance Jersey's capability to prevent and deal with threats to financial stability



- advise on the establishment in due course of a statutory macro-prudential body with appropriate independence, transparency powers and accountability, possibly as part of a broader monetary authority.
- It is envisaged that the FSB would include similar objectives to the iFSB. It is also envisaged that the FSB would be independent, providing detached advice to the government with a Chairperson, two ex- officio members namely the CEO of Jersey Financial Services Commission and a representative of government, and two independent members, plus the secretariat.
- The Rt Hon. Lord Andrew Tyrie has expressed an interest in the role of Chairperson, with Bill Allen (ex-Bank of England) as one of the independent members.
- The business case seeks to secure funding of:
  - £150,000 in 2020
  - £150,000 in 2021
  - £150,000 in 2022
  - £150,000 in 2023

### Panel analysis

The Panel wrote to the Chief Minister about this project, posing a number of questions. The Chief Minister [responded](#) advising that there is no base budget for 2019 and that preliminary work is being conducted within departmental year to date underspends.

The Panel notes that the Chief Minister signed a [Ministerial Decision](#) on 26th July 2019 for the establishment of the Jersey Financial Stability (Shadow) Board. The Decision explains that the resource implications are an annual budget of £150,000 to fund the board and that action is required by the Chief Economic Advisor to organise the recruitment of a full-time officer to serve as the secretariat. Therefore, it seems that work is already being undertaken to establish the FSB and employ a full-time officer before the funding in the Government Plan is approved by the States.

The Panel asked the Chief Minister about the work of the interim FSB since it was established in 2012. The Chief Minister advised that due to a lack of definition and funding the interim FSB had faded away. The Chief Minister advised that the FSB will be formulating the Terms of Reference and a proposition will be lodged in the second half of 2020 detailing its objectives and legislative enablers for a statutory board.

The Panel notes in the Business Case that Rt Hon. Lord Andrew Tyrie has already expressed an interest in the role of Chairperson, with Bill Allen (ex-Bank of England) as one of the independent members. The Panel asked why the government was already accepting expressions of interest before the Government Plan is approved. The Chief Minister responded:

**Chief Minister:**

*“Lord Tyrie has been appointed as Shadow Chair by Ministerial Decision, allowing for continuity in the Shadow Board phase. Bill Allen has been similarly ‘grand-fathered’ into a shadow position and we will look to appoint one further member that is locally-based.”*

The Panel was also advised that the Jersey Appointments Commission will be asked to engage on all appointments to the statutory Board.

The Panel question why the Government of Jersey should be establishing and funding a Financial Stability Board when this could be undertaken by an external body.

The Panel highlights the fact that the Government failed in its first attempt at establishing an interim Board, which “faded away” due to a lack of definition and funding. Although it is noted that this project seeks funding and plans for the board to become statutory, the Panel will lodge an amendment to remove it completely from the Government Plan which will create the opportunity for it to be established by an external body. It is noted that, if accepted, the funds could be used to fund the Panel’s amendment to “Sport Division – Minor Capital Replacements” which increases funding in 2020 to £125,000.



**FINDING 3.11**

The project “Financial Stability Board” seeks investment to establish the Board. A [Ministerial Decision](#) was signed by the Chief Minister on 26th July 2019 which actions the Chief Economic Advisor to organise the recruitment of a full-time officer to serve as the secretariat. Therefore, it seems that work is already being undertaken to establish the FSB before the funding in the Government Plan is approved by the States.



**FINDING 3.12**

The project “Financial Stability Board” (FSB) seeks investment to establish the Board. An interim FSB was established in 2012 but due to a lack of definition and funding it has faded away.



**FINDING 3.13**

The project “Financial Stability Board” (FSB) seeks investment to establish the Board. The Panel question why the Government of Jersey is establishing and funding a Financial Stability Board when this could be undertaken by an external body. In that regard, the Panel will lodge an amendment to remove it completely from the Government Plan.

CSP3-2-02 – Competition policy and Jersey Competition Regulatory Authority			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Increasing the capacity of the Jersey Competition Regulatory Authority		Chief Minister	

**Business Case: Overview**

- The Business Case makes reference to various reviews of the Jersey Competition Regulatory Authority (JCRA) which have identified a need to establish a sustainable litigation funding for the authority.
- The additional investment required will enable £100,000 per year to be paid into the Court and Case Costs Reserve of the States. This would fulfil a recommendation made

by Oxera that the JCRA should have greater certainty of funding against the risk that one of its decisions is appealed.

- A further £170,000 per year is being sought to improve capacity and capability of the JCRA to pursue market studies and investigation in support of States strategies on anti-inflation, the economic framework and affordable living.
- The original Business Case had sought funding of £270,000 per year over the 4 year period, but this has been reduced in years 2020 and 2021 to reflect the final decision of the Council of Ministers.
- The business case seeks to secure funding of:
  - £200,000 in 2020
  - £250,000 in 2021
  - £270,000 in 2022
  - £270,000 in 2023

### Panel analysis

The Panel wrote to the Chief Minister and included a number of questions about this project. In his [response](#), the Chief Minister advised that the JCRA had been consulted in establishing the funding request. In that regard, the JCRA advised that funding is required to meet the Oxera recommendation of a Court and Case Costs Reserve and improve its capability and capacity to supervise markets.

It is noted that the JCRA is the Jersey strand of the Channel Island Competition Regulatory Authority (CICRA) with the other strand in Guernsey. The Panel asked how much investment was being matched by the Guernsey strand of CICRA. The Chief Minister advised:

#### **Chief Minister:**

*Jersey and Guernsey set budgets for competition based on their own domestic priorities and so at any point budgets may be different. However, it is important that the budget that Jersey allocates is spent on Jersey competition law activity.*

*The JCRA (and GCRA) annual accounts recognise that the Members of the Authorities are required to exercise their judgment in determining the split of general expenses incurred for work undertaken under the aegis of the Channel Islands Competition and Regulatory Authorities. Part of that includes an assessment of resource allocation, including that of staff time. The notes to the Accounts further set out that where resources are shared between the islands there is a recharge system in place and states that expenses incurred are met on a no gain / no loss basis. Board costs and the costs of the Chief Executive are shared equally between the islands.*

*There is an expectation that the JCRA will spend the Jersey competition law grant only on Jersey activity and this is reflected in the language of the service level agreement and the grant assurance statement that the Authority submits. It is also reflected in the separation of accounts of the two Authorities that remain separate legal entities.*

*The JCRA internal audit (September 2017), in the past, has identified the risk that fees generated from the JCRA might be used to pay the costs of the GCRA and vice versa.*


*The auditors therefore looked for errors of commission during their work on income and expenditure. There were no errors of commission findings reported for that year.*

*The JCRA has advised:*

*Competition law funding in Guernsey is different in approach following concerns identified in the course of previous investigations where unavailability of funds meant cases were not pursued. To remedy past issues an expedited procedure was made available giving access to funding for investigations through the Treasurer until the systemic issue is resolved (which is in train through the current government budget round). More recently, this process gave access to additional funding over and above the current £140k grant to fund specified investigations, doubling the 2019 grant. In addition, the Committee for Economic Development has sought an additional £160k of funding in its latest budget submission.*

*To reassure the Scrutiny Committee, at all times there is an explicit division between Guernsey and Jersey competition law grant funding and there is absolutely no cross-subsidisation between the JCRA and GCRA's competition law activities. CICRA has in the past and may in future engage in joint market studies for example but these are shared on a 50:50 basis. If the Committee would benefit from approaching the Authority's internal and external auditors, the JCRA is happy to assist in that.*

The Panel is satisfied with the justification provided regarding this project.

CSP6-2-10 – Guernsey-Jersey Joint Working Programme			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Continue to expand on the Guernsey-Jersey Joint Working Programme		Chief Minister	


### Business Case: Overview

- The Business Case explains that the Joint Working Programme (established in May 2018) has an impact on the Common Strategic Policy themes as it aims to improve collaboration and delivery of public services in every area.
- The levels of efficiencies are yet to be identified but work is underway to develop a tracking method.
- The Business Case requests funding for a Programme Manager and Programme Support Officer, both posts shared 50/50 with Guernsey.
- The business case seeks to secure funding of:
  - £63,000 in 2020
  - £63,000 in 2021
  - £63,000 in 2022

- £63,000 in 2023

### Panel analysis

The Panel asked the Chief Minister for more detail around efficiencies by working more collaboratively with Guernsey. In his [response](#), the Chief Minister advised that most joint working projects were at an early stage but efficiencies were expected to be realised over the period of the Government Plan. This includes reduced operating and staff costs, joint procurement, shared expertise to reduce recruitment costs and potentially shared services in some areas.

CSP-1-06 – Continuation of External Relations funding			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Protect and strengthen Jersey's status as a self-governing nation</li> <li>➤ Closely monitor and respond to the future UK/EU partnership negotiations</li> <li>➤ Continue delivery of the Global Markets Strategy</li> <li>➤ Deliver year 1 of the European Relations Strategy 2020-23</li> <li>➤ Continue to invest in Jersey's overseas offices (London, Brussels and Caen)</li> <li>➤ Ensure that Jersey continues to engage effectively with relevant multilateral bodies</li> </ul>	We will promote and protect Jersey's interests, profile and reputation internationally	Minister for External Relations	

### Business Case: Overview

- The business case explains that contingency funding for External Relations was agreed in 2016 and 2017 and funding as made available from the Investment Advisory Board in 2018. This enabled the Minister to respond to Brexit and any challenges, risks and opportunities arising.
- The business case therefore requests the consolidation of contingency funding granted in 2016, 2017 and 2018 into the Minister's base budget for 2020-2023.
- The business case also makes recommendations for additional funding required to ensure the Government is resourced to achieve "*optimum economic, political and constitutional outcomes from its international engagement in future years*". In that regard, an additional £1.2-1.4 million per annum has been requested in addition to the Minister's base budget (£1.74m).

- The funding sought in the business case includes a minor shortfall compared to the original request. The Panel has been advised that the slightly lower values can be absorbed through delaying recruitment plans until mid-2020.
- The business case seeks to secure funding of:
  - £1,201,000 in 2020
  - £1,407,000 in 2021
  - £1,347,000 in 2022
  - £1,347,000 in 2023

### Panel analysis

The Panel held a [Public Hearing](#) with the Minister for External Relations on 12th September to discuss this project. The Minister provided an overview of how the money would be spent over the next 4 years:

#### **The Minister for External Relations:**

*“So we will be spending a bit more on the London office, about 125 and then the vast majority of the rest is on staffing, some of whom we already have on contract being funded from contingency so we are talking about, overall between base 2019 and 2020, 14 new people. We have got a little more ...we are creating a new bilateral co-operation fund. That is doing things like funding the Jersey Rwandan artwork that will be delivered around C.H.O.G.M (Commonwealth Heads of Government Meeting) in Rwanda next year. It is that sort of small amounts of money on top of but the vast majority is staff”.*

#### **Deputy K.F. Morel:**

*“Okay. I was thinking you were going to answer something along the lines of you would use to build market strategies, some of it will used for Brexit, some of it will be used....”*

#### **The Minister for External Relations:**

*“Those staff will be doing those pieces of work but I am being absolutely clear, because I know sometimes Members get upset about employing people, it will be, by its very nature, employing people. As I say, the majority of whom are already employed but they are on short-term contracts”<sup>159</sup>.*

The Panel notes that the External Relations team is divided across 4 locations: Jersey, London, Brussels and Caen (Brussel and Caen are joint with Guernsey). The Panel asked what the budgets were for each location. The Minister advised<sup>160</sup>:

- London: £425,000
- Brussels: £360,000
- Caen: £110,000

In terms of the London Office, the Minister advised that additional funding was required from top up grants. The Minister explained that if the base budget was increased, extra funding would no longer have to be provided from top up grants.

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<sup>159</sup> Public Hearing with the Minister for External Relations, 12th September 2019, p.5

<sup>160</sup>Public Hearing with the Minister for External Relations, 12th September 2019, p.11

As part of the continuation of funding for External Relations, the team will continue delivery of the Global Markets Strategy (GMS) – this is also identified as an “action” linked to the additional investment project. The Government Plan explains that the GMS “*will establish new international agreements with target economies to facilitate increased trade, achieve better access and visibility to Ministers and officials in governments in key markets, and support increased economic growth across a range of sectors*”<sup>161</sup>.

The Panel asked how much of the funding from External Relations had been identified to support the delivery of the GMS. The Minister advised that for 2020, £610,000 had been identified (plus travel). The Panel raised a concern about the amount of money identified for the GMS and whether the significant sum would impact on time spent on Jersey’s relationship with the European union, particularly as the business case acknowledges the considerable challenges in this area:

**The Minister for External Relations:**

*“...We should be seeing a lot of money allocated to Global Market Strategy, because that is where our future is, even though we have to continue to manage our existing relationship and a new relationship with the E.U. As I said earlier, I am satisfied with the strategy for 2020. As we go through 2020, hopefully the future economic relationship becomes clearer. It may not, but hopefully it will become clearer and it may mean that I am having to ask fellow Ministers for more money to strengthen the Brussels office, in particular, during 2021”.*

**Deputy K.F. Morel:**

*“It is interesting you talk in terms of markets and obviously the Global Market Strategy, I understand that. Where I am coming from on this is that there are potentially threats from a constitutional perspective, both in London and Brussels or Paris. There are no threats at a constitutional level from anywhere in the Global Market Strategy, particularly”.*

[...]

**Deputy K.F. Morel:**

*“In terms of markets, I understand what you are saying, but in terms of danger to Jersey’s autonomy, constitutional position, I would argue that London and Brussels are far greater threats to that. That is why I ask about the weighting towards the Global Market Strategy”.*

**The Minister for External Relations:**

*“... If we are, and rightly, concerned about the threats to our autonomy and constitution, if we think about the actual break down of the money: what is the majority of the spend in the London office going on? It is on building and maintaining that relationship and fighting off any constitutional issue in London. C.I.B.O. office has got a very similar aim: new E.U. engagement team doing the same thing across capitals. I take your point that is 3 people against 27. We have always been that sort of ... we have a limited resource and we have to employ it in the best way we can. Also then officials here in Jersey as well, whose vast majority of time is taken up nowadays with*

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<sup>161</sup> Government Plan (P.71/2019) p.54

*Brexit and those constitutional arguments and protection of economy. If you split it like that then I could be making your argument that I am not putting enough into the new global markets to protect jobs and build the economy.”*


**Deputy K.F. Morel:**

*“Yes. The argument I am making is that you need a stable platform in order to be able to have an effective Global Market Strategy.”*

**The Minister for External Relations:**

*“Yes”<sup>162</sup>.*

The Panel accepts that there needs to be a continuation of funding within External Relations, particularly in relation to the impact of Brexit, and the importance of Jersey’s relationship with EU countries.

CSP3-3-02 – Jersey Finance Growth			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Forge new and stronger commercial relationships across Jersey Finance’s overseas markets	We will promote and protect Jersey’s interests, profile and reputation internationally	Minister for External Relations	

**Business Case: Overview**

- The business case provides an overview of Jersey Finance explaining that it was established in 2001 *“to support the effective development and promotion of Jersey’s financial and professional services sector”*. It presently has offices in Jersey, Dubai, Hong Kong and New York (with representatives based in London and Mumbai).
- Jersey Finance’s baseline grant is £4.8 million. It receives a further £1 million through other activities including member subscriptions.
- The additional investment required for Jersey Finance growth includes two additional measures:
  - Consolidation of the New York Office into its baseline budget (£400,000).
  - Maximising the ability to influence in overseas markets (£430,000). This includes provision for the Brexit effect on the foreign exchange rate (£180,000) and staff costs (£250,000).
- The business case seeks to secure funding of:
  - £830,000 in 2020
  - £830,000 in 2021

<sup>162</sup> Public Hearing with the Minister for External Relations, 12th September 2019, p.11




- £830,000 in 2022
- £830,000 in 2023

### Panel analysis

The Panel met the Chief Executive and Deputy Chief Executive of Jersey Finance on 6th September. The Chief Executive explained that the growth bid was less than originally bid for and as a result, some activity had been scaled back. In that regard, the Chief Executive advised that Jersey Finance were exploring ways to raise additional funding from members.

The Panel questioned the External Relations Minister during a [Public Hearing](#) about this project, but had no further concerns or queries about how the growth bid would be spent.

CSP3-3-01 – Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) processes			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Invest in Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) processes	We will promote and protect Jersey's interests, profile and reputation internationally	Minister for External Relations	

### Business Plan: overview

- The business plan explains that Jersey has achieved high ratings from external assessment bodies in the areas of anti-money laundering (AML) and countering the financing of terrorism (CFT). The next assessment by Moneyval is scheduled for late 2021/early2022. Moneyval is the common and official name of the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism.
- The next assessment is due to be a sterner test of AML/CFT regimes with the focus on the effectiveness of the regime, something which a number of other jurisdictions have failed. The business case notes that failures in the assessment tend to be reported on by the international media.
- Therefore, funding is sought to uplift the core budget in order to:
  - Deliver transparency of beneficial ownership policy commitments
  - Address international anti-bribery and corruption standards
  - Provide for closer engagement with U.K. and international counterparts
  - Support Moneyval and Financial Action Task Force engagement on policy and plenary matters
  - Develop a holistic view of AML/CFT effectiveness and outcomes through a new Customer Relationship Management (CRM) tool.

To provide additional resource within States of Jersey Police for:

- strategic analysis of AML/CFT risk
- increased training and development budget

- an increase to investigative capacity
- improved engagement with counterparts elsewhere.

To increase grant for Jersey Financial Services Commission in order to:

- Provide for greater AML/CFT supervision of the financial and professional services sector
  - Assessment of AML/CFT related risk data
- The business case seeks to secure funding of:
    - £1,500,000 in 2020
    - £1,000,000 in 2021
    - £750,000 in 2022
    - £730,000 in 2023

### Panel analysis

The Panel held a [Public Hearing](#) with the Minister for External Relations on 12th September and asked a number of questions about this project. The Panel asked why the growth bid decreased over the 4 year period. The Group Director of Financial Services and Digital responded:

**Group Director, Financial Services and Digital:**

*“The grant or the monies for A.M.L./C.F.T. are going out partly to the Jersey Financial Services Commission, partly to the States of Jersey Police and part will be retained within my department to build this new financial crime directorate. The J.F.S.C. component is a grant from Government to the commission and the reason that the bid tails off over the period of the plan or is intended to tail off is because the J.F.S.C. will transition the costs of supervision to the industry that they are supervising. So what this means is that the transition is just going to have to be done slightly differently in that the J.F.S.C. will need to absorb a little bit more of it from their reserves position and find organisational efficiencies rather than get the full amount that they had asked for from the Government”.*

The business case explains that through the work of the Jersey Financial Crime Strategy Group, a number of effectiveness gaps have been identified including:

- Insufficient volume of prosecutions for money laundering
- Some prosecution activity does not adequately correlate to the jurisdictional risks identified with the National Risk Assessment process
- Inadequate AML/CFT supervision of regulated firms by the Jersey Financial Services Commission
- Lack of strategic analysis capability within the Joint Financial Crimes Unit
- Lack of quality management information throughout the end to end process
- Insufficient corporate focus on AML/CFT matters across the Government of Jersey including limited policy resource capability

In terms of the “insufficient volume of prosecutions for money laundering” the Panel asked whether there was a risk that Government could be creating a financial incentive for prosecuting people. For example, a source of income for the Jersey Financial Services

Commission is through sanctions on companies that have transgressed in some way. The Group Director of Financial Services and Digital responded:

**Group Director, Financial Services and Digital:**

*“I would say yes and no because at the end of the day if we bring the right business into the jurisdiction and we manage it effectively, then there is no cause to prosecute or to levy civil penalties and so on”.*

**Deputy K.F. Morel:**

*“Which means the J.F.S.C. will get less money.”*

**Group Director, Financial Services and Digital:**

*“Yes, but the civil penalties ... and this is something the Minister and I spoke about just after the recent fine that the J.F.S.C. charged against a local firm, is that we have a very close overlay to make sure that we are satisfied that the commission is not using this as some sort of revenue-earning opportunity for itself ...”*


**Deputy K.F. Morel:**

*“Yes, that is the concern”.*

**Group Director, Financial Services and Digital:**

*“... and that it is applying those penalties after thorough investigation, after the strongest possible governance within the commission as a body and that the level of sanction, the level of fine, is commensurate with the underlying issue. So we are very mindful of that. It is not to incentivise fines being levied, but equally fines have to be dissuasive. You are looking ultimately for a change of behaviour and, as I say, it is back to the cost of compliance versus the cost of non-compliance”<sup>163</sup>.*

The Panel accepts that investment is required in this area and had no further concerns or queries about how the growth bid would be spent.

CSP3-1-04 – Jersey Customs and Immigration Brexit Officers			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Further work to manage the impacts of Brexit on Jersey’s customs and immigration	We will promote and protect Jersey’s interests, profile and reputation internationally	Minister for Home Affairs	

**Business Case: overview**

- The business case explains that the Jersey Customs and Immigration Service (JCIS) has a responsibility to complete the ongoing Customs and immigration work-streams that exist as a consequence of Brexit.
- Therefore, the request seeks funding for a further 12 months for two existing Brexit officers until the end of 2020.


<sup>163</sup> Public Hearing with the Minister for External Relations, 12th September 2019, p.32

- The business case seeks to secure funding of:
  - £100,000 in 2020
  - £0 in 2021
  - £0 in 2022
  - £0 in 2023

### Panel analysis

The Minister for Home Affairs has political responsibility for this project and therefore the Panel wrote to the Minister in September. In his [response](#), the Minister explained that the final operational implications of Brexit cannot be accurately predicted at the current time however it is likely that there will be an increased control on the importation of goods from the EU. Similarly, there is also likely to be an increased control on the movement of EU nationals entering the Common Travel Area via Jersey. Both have the potential for an increase in the detection and management of irregularities, for example smuggling.

The Minister advised that, in the medium term, additional resources both in terms of manpower and finances could not be ruled out at this stage. The business case however only seeks additional funding for 2 Brexit officers until the end of 2020.

CSP3-1-07 – Reversing the decline in Jersey’s Overseas Aid contributions			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Increase Jersey’s overseas aid contributions	We will promote and protect Jersey’s interests, profile and reputation internationally	Minister for International Development	

### Business Case: overview

- The business case proposes to align Jersey’s overseas aid budget more closely with other developed nations. It seeks funding to arrest the decline in Jersey’s aid contributions by returning in 2020 to their level in 2015. Over the subsequent years, it then proposes a phased 0.1% increase from 0.25% of Goods Value Added (GVA) in 2020 to 0.28% in 2023, representing an increase in the annual budget from £10.3 million to £15.2 million over the period.
- The business case seeks to secure funding of:
  - £1,090,000 in 2020
  - £1,970,000 in 2021
  - £3,890,000 in 2022
  - £4,870,000 in 2023

### Panel analysis

The Panel held a [Public Hearing](#) with the Minister for International Development on 1st October 2019. The Panel asked for a breakdown of how the money would be spent over the 4 year period:

**The Minister for International Development:**

*“As you know, we carve our budget up, roughly speaking, into grants, into emergency aid, into local charities, community work projects. Also recently we have increased the amount we give in grants, because we find it has a greater impact if we can increase the amount and have the project for sometimes 2 or 3 years, so we can go into a country - which we have focused down on fewer countries now - and we have a greater impact. We can make an impact and build relationships with the people, get to know the culture and possibly build relationships with the governments as well”.*

**Deputy K.F. Morel:**

*“Given that you are getting, by some departments’ standards, quite a large rise, will you just be spending more on grants, more on emergency aid or are you expanding the programme outwards? How do you use that extra money?”*

**The Minister for International Development:**

*“We can spend our money 10 times over, as you can imagine. We are going through the process at the moment of sifting through all the applications we have for giving grants in our chosen countries in our 3 themes. We could spend the money 10 times over, so we are sifting through those now, as I say, and we will be able to give more grants, to respond to more applications, more proposals that we have. It is always good to be able to give to emergencies as and when they happen. We have not at this stage sat down, as the Commission, and worked out if we are going to give more in any particular areas because I think that is counting your chickens. We have made this proposal in the Government Plan, which we hope to get. The 2020 figure will just be putting us back up to our 2015 levels, so for the first year from here to 2020, we will be reversing the decline in our budget, because it has been going down in real terms<sup>164</sup>”.*

The Minister also confirmed that the JOA budget is linked to GVA, so if the States annual budget goes up or down, the JOA budget will adjust accordingly.

In terms of the JOA’s operational accountability, the business case explains that it commissioned an independent report which made several recommendations on improving its governance. As a result, the JOA has improved its governance processes within the organisation:

- The identification of an Accountable Officer role (yet to be appointed but the role is currently being undertaken by the Executive Director of JOA<sup>165</sup>)
- The implementation of a double-gate approval process for all new projects
- A formal delegation of powers to the Executive (approved by the States in 2018). This includes a Memorandum of Understanding with the Office of the Chief Executive and a separate chapter of the Public Finances Manual outlining its financial governance arrangements.

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<sup>164</sup> Public Hearing with the Minister for International Development, 1st October 2019, p.2

<sup>165</sup> Public Hearing with the Minister for International Development, 1st October 2019, p.29

The Executive Director of the JOA explained the improved governance arrangements in more detail:

**Executive Director, Jersey Overseas Aid Commission:**

*“... we have changed the way that we monitor and oversee grants and put a real emphasis on the outcomes, the results, and of course even selecting it in the first place. We are not interested in people who say: “We are going to dig a well.” You have to just keep asking “why” questions: “What is the impact of that going to be?” “People are going to have clean water.” Again: “So what?” “It is going to improve the health of the children in the village so that they attend school more and that improves their grades, and it is going to allow the women to make a bit more money from their vegetable gardens and be less likely to be assaulted on the way to the well to get water.” So then you have got 3 outcomes that you can measure and see whether this project has been successful. Did the grades improve? Were women assaulted less? Did household incomes rise? At the basis of every project is that very empirical analysis: will it work, has it worked, and if it did, what lessons can we share with other grantees?”<sup>166</sup>”*

The Panel welcomes the improved governance arrangements implemented by the JOA for providing grants. The improved arrangements should assure taxpayers that their money is being apportioned appropriately within the auspices of the JOA.

The business case explains that the JOA focus from 2020 onwards will be on three sectors:

- **Dairy for Development:** focussed on boosting incomes and improving nutrition by enhancing dairy production techniques, strengthening value chains and improving animal genetics.
- **Financial Services for the Poor:** focussed on tackling poverty and encouraging economic growth and employment by bringing financial services to poor communities.
- **Conservation Livelihoods:** focussing on the link between human development and environmental protection, in particularly vulnerable ecosystems under threat from population growth, habitat destruction and changing weather patterns.

The Panel welcomes the JOA’s development of a focused strategy, which in the past has not been as focused on specific areas.



**FINDING 3.14**

The project “reversing the decline in Jersey’s Overseas Aid contributions” seeks funding to align the JOA budget more closely with other developed nations. The JOA has made improvements to its governance arrangements which should assure taxpayers that their money is being apportioned appropriately with the right level of safeguards.

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<sup>166</sup> Public Hearing with the Minister for International Development, 1st October 2019, p.11

**FINDING 3.15**

The project “reversing the decline in Jersey’s Overseas Aid contributions” seeks funding to align the JOA budget more closely with other developed nations. Within the supporting business case, the Panel welcomes the focused strategy from the JOA which will focus on three areas from 2020 onwards: Dairy for Development, Financial Services for the Poor and Conservation Livelihoods.

### *Business Cases for Capital Expenditure*


The following capital investment projects have been scrutinised by the Panel (the projects in light grey do not require any additional funding in 2020, resulting in an amber RAG rating referencing the need for more information before the first year of spending begins).

Capital investment projects		
Project	Minister(s)	Scrutiny RAG Status
Fort Regent (pre-feasibility vote)	Minister for Economic Development, Tourism, Sport and Culture	
Island sports facilities, inspiring places (pre-feasibility vote)	Minister for Economic Development, Tourism, Sport and Culture	
Pride Software	Non-Ministerial (Judicial Greffe)	
Court Digitisation	Non-Ministerial (Judicial Greffe)	
PlainSail software - Viscounts	Non-Ministerial (Viscounts)	
Regulation Group Digital Assets	Minister for the Environment	
Cyber Security (major project)	Chief Minister	
Client Relationship Management system	Chief Operating Office (Minister unknown)	
Service Digitisation	Chief Operating Office (Minister unknown)	
Sports Division Refurbishment	Minister for Economic Development, Tourism, Sport and Culture	
New Skate Park	Minister for Economic Development, Tourism, Sport and Culture	

#### **Explanation of pre-feasibility vote**

Two of the projects assigned to the Panel (Fort Regent and Island sports facilities) are identified as “pre-feasibility” votes. The Government Plan explains what this means:

*Setting an appropriate and prudent level of funding will require a more mature approach to the development of project business cases and feasibility assessment. To facilitate this, a head of expenditure called 'pre-feasibility vote' has been created, which provides funding to undertake assessment of proposals for projects and develop robust and comprehensive business cases<sup>167</sup>.*

Fort Regent			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>Long-term solution for Fort Regent</b>	➤ We will make St Helier a more desirable place to live, work, do business and visit	Minister for Economic Development, Tourism, Sport and Culture	

### Business Case: Overview

- The business case explains that, over the years, the Fort has provided valuable facilities for the community but major elements are dated, underutilised and no longer fit for purpose. As the facility has deteriorated due to a lack of investment, there is an immediate requirement to review its short-term uses and long-term future.
- As a result of the assessment work undertaken so far on the future use of Fort Regent, the business case explains that three preferred themes/options have emerged:
  - Jersey Business Hub
  - Botanic Gardens
  - Sports Village
- The project is currently at strategic business case stage of development and therefore a more detailed appraisal process to produce a full outline business case for the project is required. This work will quantify the financial costs and benefits of the options.
- The business case was included in pre-feasibility so that the budget was managed by the States Treasury and Exchequer. The business case explains that this ensures that money is available to develop the case for the preferred option, without second-guessing what the preferred option is and therefore what the cost of the project will be. It is envisaged that the Growth, Housing and Environment Department will draw down funding as required.
- In the Government Plan, £2 million has been allocated to this project. Therefore, when it comes to the debate, States Members will be asked to approve this funding as part of the pre-feasibility vote. If approved, this will enable the commencement of the full outline business case.

<sup>167</sup> Government Plan (P.71/2019) p.142



## Panel analysis

There are two feasibility projects that relate to Fort Regent in the Government Plan. The first is the Fort Regent project and the second is the “Island Sports Facilities, Inspiring Places” project (which the Panel analyses in the next section). The Fort Regent business case explains that three options for its future use have emerged (business hub, botanical gardens or sports village). In the Island Sports Facilities project, workstream one includes work on the development of a sports campus, which is similar to the sport village option identified in the business case for Fort Regent:

### **Business Case: Island Sports Facilities, Inspiring Places:**

**High-Level Feasibility** - *Consultation and options appraisal on the facility mix for an Island Sports Campus. The key decision in this phase is whether the preference is to focus all facilities on one site or to split out the Sports Centre and Island Stadium across two sites. The output of this workstream will include site options appraisals, consultation with key organisations to determine need, an identified facility mix for the preferred option(s), high level designs and massing to determine the ‘fit’ on the sites and early stage capital costing. A high level revenue business plan will be developed to determine the likely on-going deficit/surplus of delivering sport and physical activity services within its new format and structure.*

*This phase will also consider to what extent the Island Sports Campus will host cultural and conferencing events and will link with the parallel project being undertaken on the future of the Fort Regent site. The inclusion of cultural and conferencing events will significantly impact on the design requirements of this workstream, and an early decision will be crucial. This workstream will be completed by KKP leisure consultants in 2019 as a follow on from their 2017/18 work on the Sports Facilities Strategy. Funding is already in place to deliver this first phase of the project. The findings of the high-level feasibility stage will be brought back to Government for review and decision, which will also help to determine a more accurate estimate of the budget costs contained within this business case.*

In a [Public Hearing](#) with the Assistant Minister, the Panel asked about the crossover and possible duplication:

### **Deputy K.F. Morel:**

*“Yes, so straight away, if you were to choose the sports facility for Fort Regent and not the business hub, not the botanical gardens and you have got this separate project going on, my concern is clear, that there is duplication going on here”.*

### **Assistant Minister for Economic Development, Tourism, Sport and Culture:**

*“I will talk briefly about the Island sports strategy group and then I will hand over to the Director General to talk about Fort Regent. I do not currently sit on the Fort Regent group”.*

### **Deputy K.F. Morel:**

*“Yes. I appreciate that”.*

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

*“So I do not have all the necessary information around how that is progressing, so I will hand it over. I hope the Director General will agree with me, they are intrinsically linked. I think what we are doing with the Island’s sports strategy review is looking forward over the next 15, 20 years to have some understanding of what the sports portfolio needs to look like moving forward. The word “decay” or whatever, we have got a sports portfolio at the moment that is ageing, it is creaking a little bit at the seams. It does need some refurbishment and may need some replacement depending on the 5 outcomes of the review being carried out by Knight Kavanagh Page. They carried out an initial review of sports facilities in the Island and came up with several recommendations, which I think you have already seen that report. It is a public document<sup>168</sup>”.*

The Panel was advised that it was anticipated that a draft report by Knight Kavanagh Page (KKP) would be submitted by the end of November or early December. The Panel asked what would happen to the £2 million allocated to the Fort Regent project if KKP recommended, as part of the project on Island Sports Facilities, that Fort Regent should be developed as a sports facility:

**Director General, Growth, Housing and Environment:**

*“.....Now, your point is exactly right, they are all integrated together and what we need and what we do not have at the moment is quite that political oversight. Officer oversight is quite coherent, because it is the same people, but the political oversight needs to consolidate on the same people at the same meeting and they have got to be presented with all these streams of work to that same meeting so that there is not ... what we do not want to do is commission work that then becomes obsolete and then has a conflict and starts ...”*

**Deputy K.F. Morel:**

*“That is my concern.”*

**Director General, Growth, Housing and Environment:**

*“Yes, and I appreciate that completely. But I think this will enable us to innovate and come up with solutions that each individual process would not have come up with, so that spatial planning and that integration then starts working better than just doing it as separate entities. That is the theory which myself and Steve are going to try and instigate between now and Christmas in terms of resetting the political oversight on this<sup>169</sup>.”*

In terms of both these projects, there are working groups for each. The Fort Regent Working Group co-ordinates the project on Fort Regent and the Sports Facilities Group (chaired by the Assistant Minister) co-ordinates the Island Sports Facilities, Inspiring Places project. Further on in the Hearing, the Assistant Minister accepted the concern around duplication of the two projects, and also the political co-ordination:

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<sup>168</sup> Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.4

<sup>169</sup> Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.8

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

*“You have hit the nail on the head. At the moment they are going down two side-by-side railway tracks and they need to be closer linked in terms of they are trying to achieve. I think the Director General has made a ... and nothing that he said in the conversation I had with him a couple of weeks ago did I disagree with. I probably made a poor decision in removing myself from the Fort Regent steering group. If I am allowed to, I will reconsider that, because it is probably important that I have some view of that, considering I am chairing the [sports facilities group] ... “*

**Deputy K.F. Morel:**

*“I think that would be very good, but that whole problem could be avoided if they just brought the Fort Regent one into the sports facilities group and used it as a sub-panel of the sports facilities group, if you know what I mean. That to me would make a lot more sense<sup>170</sup>”.*

Both feasibility projects (Fort Regent and Island Sports Facilities) will require careful management by Growth, Housing and Environment in terms of duplication and the risk that money will be spent twice for the same outcome. There also needs to be a consistent approach to political oversight of both projects, which, organised in their current form, are isolated from one another. This is an unacceptable approach when so much investment is required to determine the feasibility of both projects.



**FINDING 3.16**

There are two feasibility projects that relate to Fort Regent in the Government Plan. The first is the “Fort Regent” project and the second is the “Island Sports Facilities, Inspiring Places” project. There is a degree of crossover between the two projects, which require a consistent level of political oversight on both working groups which co-ordinate them.



**RECOMMENDATION 3.2**

The Minister should ensure that there is a consistent level of political presence on both the Fort Regent Working Group and Sports Facilities Group. This will help mitigate the risk of duplication as the remits of both groups include Fort Regent. The Panel suggests that the two groups are amalgamated into one main group.

Island sports facilities, inspiring places			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>Further investment in sports facilities across the Island</b>	-	Minister for Economic Development, Tourism, Sport and Culture	

<sup>170</sup> Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.9

### Business Case: Overview

- The business case explains that this project seeks to deliver modern sports, leisure and fitness facilities which includes three main workstreams:
  - Island Sport Campus
  - Wider Sporting Estate Improvements and Lifecycle Planning
  - Decampment of Sport from Fort Regent, Skatepark and Netball Facility
- It is anticipated that three years of research, design and development will be undertaken as well as the delivery of interim solutions and “quick-wins”. Accurate budget costs will be identified following completion of the high-level feasibility and procurement study.
- The business case was included in pre-feasibility so that the budget was managed by the States Treasury and Exchequer. The business case explains that this ensures that money is available to develop the case for the preferred option, without second guessing what the preferred option is and therefore what the cost of the project will be. It is envisaged that the Growth, Housing and Environment Department will draw down funding as required.
- In the Government Plan £700,000 has been allocated to this project. When it comes to the debate, therefore, States Members will be asked to approve this funding as part of the pre-feasibility vote. If approved, this will enable the commencement of the feasibility study.

### Panel analysis

The Panel has already analysed this project to some degree in terms of its political oversight and its crossover with the project on Fort Regent (see previous section).

In 2018, Knight, Kavanagh Page (KKP) published its initial [Sports Facility Delivery Strategy](#). The strategy identified where funding should be invested and how the service should be operated in order to meet the Island’s wider strategic objectives and deliver increased opportunities for residents to be physically active. During the Public Hearing with the Assistant Minister, he explained that the KKP work has continued and will form part of the feasibility workstream (workstream 1 of 3 in the business case) and that it was hoped that a draft report would be submitted to the Department by the end of November:

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

*“I would expect to have - I hope I am right - a draft probably by the end of November, early December to review and then it is going to take us some time to review that with them. It needs to go to the sports facility group first. I think there is a good range of experience on that board and a good range of Government departments as well. We have just included Senator Vallois on that group from an education facilities point of view, which I think is important”<sup>171</sup>.*

The Panel welcomes the political engagement with the Education Minister who has been included on the working group for Island Sports Facilities. Further on in the Hearing, the

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<sup>171</sup> Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.6

Assistant Minister advised that a relationship and engagement with the Education Department was required in light of the many sports facilities the Department had available:

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

*“One element that we do need to improve on is our relationship and engagement with the Education Department around the use of school facilities for community use. We have got a new Les Quennevais School coming online before too long, which has got some fantastic sports facilities, so I think there is a piece of work for us to do and working with the Education Department to fully understand how we can most benefit from the facilities that we have currently got. I understand the concerns that head teachers have about having members of the public onsite at certain times of the day; I accept that safety issue and security”.*

**Deputy K.F. Morel:**

*“I have to say and I will state that they cannot see members of the public as a threat. They are part of our community”.*

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

*“They are part of our community, which is why we think we need to work with the headmasters and headmasters’ association to have a better understanding, because there is a lot of capacity to assist our sports clubs and associations which is not currently being used. That is a separate piece of work. I have already asked for a meeting with the ministerial team at Education so we can get some ministerial agreement about moving that forward<sup>172</sup>”.*

The Panel agrees that more sports facilities within the Children, Young People, Education and Skills Department (referred to as the Education Department) could be used by the community and looks forward to seeing the outcomes of the improved engagement with the Education Minister and her Department.



**FINDING 3.17**

The pre-feasibility project “Island Sports Facilities, Inspiring Places” aims to deliver modern sports, leisure and fitness facilities. It has been accepted by the Assistant Minister for Economic Development, Tourism, Sport and Culture that more engagement is required with the Education Minister in order to use more facilities that are currently held by the Education Department.

Pride Software			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
-	-	Non-Ministerial	

<sup>172</sup> Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.10

### Business Case: Overview


- The Panel only received the summary business case in relation to this project.
- The summary business case explains that the “Public Registry Index and Document Enrolment” online system has not been upgraded for approximately 7 years. Therefore, a sum of money has been identified for a major upgrade in 2022 to encompass new legislation and functionality.
- The capital investment required for this project is:
  - £0 in 2020
  - £0 in 2021
  - £200,000 in 2022
  - £0 in 2023

### Panel analysis

This project falls under the Judicial Greffe (a non-Ministerial department). Therefore, it is not linked to any actions or common themes in the Government Plan and seems to be an operational matter of upgrading an IT system.

Nevertheless, the Panel wrote to the Judicial Greffier and asked a number of questions. The Judicial Greffier [responded](#) explaining that the bulk of the investment is required for upgrading the functionality of the software, and a further enhancement will be undertaken to permit the registration of lasting powers of attorney created under the Capacity and Self-Determination (Jersey) Law 2016.

The Panel notes that funding for this project, if approved, will not commence until 2022. Therefore, the Panel has highlighted the project as amber to indicate that it will be revisited by the Panel in a future Government Plan when funding is being requested. Therefore, in this instance, the amber rating indicates ‘awaiting further information’.

Court Digitisation			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>Technology Transformation Programme</b>	-	Non-Ministerial	

### Business Case: Overview

- The Panel only received the summary business case in relation to this project.
- The summary business case explains that the current paper-based court processes and the lack of homogenised technology mean that Jersey has fallen behind comparable jurisdictions. Modernising the legal system via the courts digital project will therefore rectify this.
- The capital investment required for this project is:

- £500,000 in 2020
- £1,093,000 in 2021
- £1,043,000 in 2022
- £1,300,000 in 2023

### Panel analysis


This project falls under the Judicial Greffe (a non-Ministerial department). Therefore, it is not linked to any actions or common themes.

Nevertheless, the Panel wrote to the Judicial Greffier and asked a number of questions. The Judicial Greffier [responded](#) explaining that detailed planning for this project is just starting. In advance of the States Assembly approving the capital investment required, the Jersey Legal Information Board has seed funded some “pump-priming” activities which include funding a project manager/business analyst to form a project board, plan the phases of the project and begin gathering the requirements that will go into an invitation to tender. Specialist advice will also be sought, given that the court is a specialist area.

The timetable for this project will result in paperless courts and will include the following functions:

- Case management – the new system will enable better end-to-end management of cases by court administrators (initiation, tracking, scheduling, workflow and reporting)
- Document management – storage and management of all case documents lodged with the court
- Court calendar management (scheduling cases, court room, judges and equipment)
- Digital signatures
- Financial management (fines, fees, collection, distribution, reconciliation)
- E-filing – the ability for professionals and self-represented litigants to upload documents to the court online
- Public access portal – a website where parties can access case information, documents, the court calendar and make payments of fines and fees.
- Case presentation – a website where counsel, judges and Jurats access “bundles” prepared by the parties which includes electronic documents, scanned images, photographic, audio and video evidence.

The Panel asked what, if any, allocations of investments will be required for future years for this project. For example, when IT software needs upgrading or updating. The Judicial Greffier explained that the preference is for a cloud-hosted system called an “evergreen” system that includes regular updates to the software, so ensuring it is kept up-to-date. He explained that for the years 2020 – 2023 covered by the Government Plan the running costs for the software are included, but there will need to be revenue funding from 2024 onwards.

PlainSail Software – Viscount’s			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>Technology Transformation Programme</b>	-	Non-Ministerial	

### Business Case: Overview

- The Panel only received the summary business case in relation to this project.
- The summary business case explains that the phoenix application was replaced in 2018 with PlainSail. This application provides case management, database, document management, a multi-client book-keeping functionality across the department. Therefore, a sum of money has been identified for a small upgrade in 2020 and a major upgrade in 2023.
- The capital investment required for this project is:
  - £45,000 in 2020
  - £0 in 2021
  - £0 in 2022
  - £300,000 in 2023

### Panel analysis

This project falls under the Viscount’s Department (a non-Ministerial department). Therefore, it is not linked to any actions or common themes in the Government Plan and seems to be an operational matter of upgrading an IT system.


Nevertheless, the Panel wrote to the Viscount and asked a number of questions. The Viscount [responded](#) explaining that the project relates to anticipated further development or replacement of PlainSail.

Funding for a replacement of PlainSail after 5 years in operation is considered best practice and recommended for all Government of Jersey “line-of-business” applications. The Information Services Department recommended to the Viscounts Department that the use of PlainSail is reviewed annually after three years to ensure it continues to meet expectations. The Viscount explained that the review may recommend the following:

- The current system is working well and should continue as is;
- The current system is enhanced/modified to meet new business requirements; or
- The current system is failing to meet requirements and should be replaced.

The funding sought, therefore, has anticipated for the most expensive option of a full replacement.



Regulation Group Digital Assets			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>Technology Transformation Programme</b>	-	Minister for the Environment	

### Business Case: Overview

- The business case explains that the request is for “*essential replacement and service improvements to the Regulation group line of business application suites*”. It says that many of the group’s IT assets are at the end of their economic lifespan and are dependent on specialist technical knowledge by a few people within the Government.
- Therefore, the Regulation group are seeking an investment to restructure, replace and improve the IT assets.
- The capital investment required for this project is:
  - £120,000 in 2020
  - £1,230,000 in 2021
  - £1,230,000 in 2022
  - £0 in 2023

### Panel analysis


The Government Plan cites the Minister for the Environment as the lead Minister for this project. In that regard the Panel wrote to the Minister asking a number of questions about the project. The Minister [responded](#) explaining that the capital request is presented in three phases:

- Phase 1 – Discover and design will enable a thorough analysis of the costs of the available options.

In his response, the Minister did not allude to phase two, but by reviewing the business case, the Panel notes:

- Phase 2 – the development and delivery of the planning and building system
- Phase 3 – the development and delivery of the land law and other group improvements

The business case mostly concentrates on phase 1 explaining that it will identify the best of three options (1. do nothing, 2. replacement of a back-end process with a singular system or 3. replacement of the entire system with a new system).

Cyber Security (major project)			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>Technology Transformation Programme</b>	-	Chief Minister	

### Explanation of major project

The project on “Cyber Security” has been identified as a “major project”. The new Public Finances Law defines ‘major projects’ under Article 1 as follows:

*‘major project’ means –*

- a) *a capital project the duration of which, from start to finish, is planned to be of more than one year and the total cost of which is planned to be of more than £5 million;*  
or
- b) *a project that has been designated as a major project under an approved government plan;*

### Business Case: Overview

- The business case explains that funding is being sought to develop a programme of technology initiatives to detect and protect the Government of Jersey from malicious activities.
- Investment is being sought for a 2-year Cyber Security Programme which aims to:
  - Reduce information and cyber security risks to Government of Jersey operations.
  - Improve the Government of Jersey’s compliance to international and local laws and regulations.
  - Improve the security of all Government of Jersey technology systems and employees.
  - Improve the cyber security maturity of the Government of Jersey.
  - Support Government of Jersey programmes and initiatives e.g. OneGov, Future Jersey etc.
- The capital investment required for this project is:
  - £6,100,000 in 2020
  - £7,700,000 in 2021
  - £0 in 2022
  - £0 in 2023

### Panel analysis

The Panel notes that there are two business cases which include cyber security. One business case details the outline business case for the Cyber Security Programme, which focuses on the capital investment required to deliver the programme. The other business case “Technology Transformation Fund” details the overall portfolio of a technology programme, which includes cyber security.

The Panel held, alongside the Corporate Services Scrutiny Panel, a [Public Hearing](#) with Deputy Scott Wickenden (Assistant Chief Minister) who is responsible for modernising the Government's internal digital technology. The Chief Operating Officer explained the crossover between the two businesses cases:

**Deputy K.F. Morel:**

*"How come you have got the cyber security business case but then cyber security is part of this Technology Transformation Programme money as well?"*

**Chief Operating Officer:**

*"The Technology Transformation Programme business case was put together to support the overall portfolio, so there are 10 elements in which tax has already funded, so 9 to come. Each one of those will have its own business case, so the Technology Transformation Programme sits at the top. The cyber security O.B.C. is a subset of that".*

**Deputy K.F. Morel:**

*"So what does the Technology Transformation Programme do rather than just sit at the top? What does it do?"*

**Chief Operating Officer:**

*"It created that vision of where we are going to go in the next 7 years. What do we want to invest in?"<sup>173</sup>*

Further on in the Hearing, the Panel asked whether there was a risk that money would be duplicated within the two businesses cases. The Chief Operating Officer [confirmed](#) that individual business cases will be created, once the outline business case had been approved, to specify how much will be required for each technology project.

**Chief Operating Officer:**

*"For those 2 cyber security and I.T. business cases where we have got to outline business cases, we now need to spend money to develop a full business case, so the next step is then to get funding for that phase between the outline business case and full business case"<sup>174</sup>.*

The Chief Operating Officer confirmed that in order to move forward with the project, additional manpower resources were required:

**Chief Operating Officer:**

*"Again, cyber security is currently overseen by one person and one support person. We need a bigger cyber team to do that properly. I mean, 2 people for an organisation the size of the Government to run the whole of the cyber security estate is just too lean".*

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<sup>173</sup> Public Hearing with the Assistant Chief Minister, 17th September 2019, p.2

<sup>174</sup> Public Hearing with the Assistant Chief Minister, 17th September 2019, p.9

**Deputy K.F. Morel:**

*“How many are you expecting to hire there?”*

**Chief Operating Officer:**

*“A team of 7 and that team of 7 with an outsourced security centre”<sup>175</sup>.*

The Panel notes that this project seeks a significant amount of investment to develop a programme of technology initiatives to protect the Government of Jersey from malicious activities. The Panel accepts the importance of such workstreams particularly in light of the growing number of cyber threats in today’s society but is also cogniscent of the need to ensure IT spend is not wasted but is used effectively and efficiently.

**FINDING 3.18**

The major capital project “Cyber Security” seeks funding to develop a programme of technology initiatives to detect and protect the Government of Jersey from malicious activities. The Panel has rated this project as amber at this stage, because further Full Businesses Cases for individual projects will be developed once funding for the overall cyber security portfolio has been approved. The Chief Minister should ensure that the full business cases are passed to scrutiny before they are finalised.

Client Relationship Management system			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
-	-	Unknown	

Service Digitisation			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
-	-	Unknown	

**Business Case (Client Relationship Management system): Overview**

- The business case explains that this project will provide a single source of Islanders data providing a multichannel way for islanders to interact with the Government.
- “Customer Relationship Management” comes under front office capabilities.
- The capital investment required for this project is:
  - £0 in 2020
  - £0 in 2021

<sup>175</sup> Public Hearing with the Assistant Chief Minister, 17th September 2019, p.36

- £2,000,000 in 2022
- £2,500,000 in 2023

### **Business Case (service digitisation): Overview**

- The business case explains that this project will provide an online capability for Islanders to request services and automation and digital delivery of core processing based on the Government's integration platform.
- "Service Digitisation" comes under government wide capabilities
- The capital investment required for this project is:
  - £0 in 2020
  - £1,000,000 in 2021
  - £1,000,000 in 2022
  - £0 in 2023

### **Panel analysis**

The Panel comments on both capital projects on "Client Relationship Management System" and "Service Digitisation" as they have been amalgamated into one "Technology Transformation Fund" business case which details various technology capability initiatives. This was explained in the previous section under the Panel's analysis of the "Cyber Security" project.

The Panel held, alongside the Corporate Services Scrutiny Panel, a [Public Hearing](#) with Deputy Scott Wickenden (Assistant Chief Minister) who is responsible for modernising the Government's internal digital technology. The Assistant Chief Minister explained:

#### **Assistant Chief Minister:**

*"The idea around the I.T. plan at the moment is to try to bring Government services together with a digital platform to create a secure and safe environment to give efficiencies across the service<sup>176</sup>".*

In terms of the project "Client Relationship Management System" the Assistant Chief Minister explained that in the past, Departments had worked in isolation and, as a result, a standardised system had not been put in place. The aim of the project was to implement one system, across the Government:

#### **Assistant Chief Minister and Assistant Minister for Social Security:**

*"I think the challenge was of the old ways of working with the different departments and the silos. Everyone went out and bought their own things, their own computer programmes, so we have multiple versions of C.R.M. (customer relationship management) tools across the organisation that are all being used differently in different ways. That is the unfortunate thing of the past."*

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<sup>176</sup> Public Hearing with the Assistant Chief Minister, 17th September 2019, p.2

**Deputy K.F. Morel:**

*“So if we have 5 C.R.M. applications, for argument’s sake, will you be saying: “Right, we only need one. Let us work out which one we need, which is best?””*

**Assistant Chief Minister and Assistant Minister for Social Security:**

*“Yes<sup>177</sup>”.*

In terms of the project “Service Digitisation”, it is noted that the aim is for a single front door portal for the public to access all digital services, providing them with the capability to self-serve and easier access to information and resources.

**FINDING 3.19**

The capital projects “Client Relationship Management System” and “Service Digitisation” were included in a “Technology Transformation Fund” business case which details the overall portfolio of a technology programme. The Panel has rated both these projects as amber at this stage, because further Full Businesses Cases will be developed once funding for the overall technology portfolio has been approved.

Sports Division Refurbishment			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Replace equipment which is at its end of life or requires upgrades	-	Minister for Economic Development, Tourism, Sport and Culture	

**Business Case: Overview**

- The business case explains that as part of the [“Fit for Future”](#) strategy (2014 – 2018), a number of refurbishments and improvements were made to the island’s sports infrastructure. The investment required in the business case therefore seeks funding to refurbish and improve many of the other sport facilities which were not included as part of the strategy.
- It is noted that the original business case included the new skatepark, however, once the business case had gone through the formal process, it was agreed that the funding contained in the standalone business case was sufficient.
- The capital investment required for this project is:
  - £300,000 in 2020
  - £1,300,000 in 2021
  - £0 in 2022
  - £0 in 2023

<sup>177</sup> Public Hearing with the Assistant Chief Minister, 17th September 2019, p.11

## Panel analysis

The Panel notes that there are several business cases relating to sport facilities and equipment. These each bid for different levels of investment to fund various sport provision. The business case for this particular project explains that refurbishments and improvements will be made to the following facilities:

- FB Playing Fields Pavillion/s & Car Park Refurbishments
- Les Quennevais Pitch 1 Lighting
- Grainville Playing Groundsmen's Shed & Pitch Drainage
- Havre Des Pas Bathing Pool Railings
- Les Quennevais Playing Fields Tree Surgery
- Cricket nets & wicket replacements (various sites)
- Les Quennevais Sports Centre Sauna/Steam Room replacement
- Temporary Skate Park (this has since been taken out of the business case as its own separate business case provides for funding)
- Springfield Café Toilets

During the Panel's Hearing with the Assistant Minister, an exchange took place with the Operations Manager about the levels of funding and where it had been allocated for refurbishment. The exchange corresponds with the facilities in the bullet points above, however, the Operations Manager advised that additional funding would be allocated in 2023:

**Operations Manager, Sport Division, Growth, Housing and Environment:**

*"Then 2023 we have other projects. Again, I mentioned Grainville pavilion. It needs new windows. The changing rooms are very small now. Some of these facilities have been in their current format for 15 years and they need to be upgraded. We have a number of ball courts at our schools. Langford has a ball court; Oakfield has a ball court. These buildings and facilities were built in 2006, so those surfaces need replacing. It is like re-tarmacking tennis courts, we need to do the same in those environments<sup>178</sup>".*

It is noted, however, that this business case only seeks funding over a 2-year period. The Panel makes the general point that there seems some confusion around the funding levels allocated for sport facilities detailed within the various business cases. The Panel therefore considers that the business cases relating to sports facilities and the funding allocated to them are either at risk of duplication, or at risk of not being delivered altogether because of a lack of funding.

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<sup>178</sup> Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.35

**FINDING 3.20**

There are several business cases that relate to investment in sport facilities, some are allocated funding over the 4 year period and others are not. There has been some confusion around how the allocation of funding for some sport provision will be distributed over the 4 year period. The Panel therefore considers that the business cases relating to sports facilities and the funding allocated to them are either at risk of duplication, or at risk of being delivered altogether because of a lack of funding.

**RECOMMENDATION 3.3**

The Minister should provide further supplementary information on each business case relating to sport. This should include specific breakdowns of how funding will be allocated in each business case.

New Skate Park			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ <b>Replace equipment which is at its end of life or requires upgrades</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ Enabling islanders to lead active lives and benefit from the arts, culture and heritage</li> <li>➤ Nurturing a diverse and inclusive society</li> <li>➤ Promoting and protecting Jersey's interests, profile and reputation internationally</li> </ul>	Minister for Economic Development, Tourism, Sport and Culture	

**Business Case: Overview**

- The business case explains that the investment required is for the proposed new skatepark which will be a facility to meet current demand in skateboarding, BMX, rollerblading and scootering popularity.
- [Feasibility](#) work undertaken to date has identified Les Quennevais Sport Centre as a suitable site including the estimated cost to deliver the project.
- The capital investment required for this project is:
  - £250,000 in 2020
  - £535,000 in 2021
  - £0 in 2022
  - £0 in 2023



## Panel analysis

The Panel held a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture on 4th October. The Assistant Minister, Senator Steve Pallett, has political responsibility for sport and therefore answered the Panel's questions on this project.

The Panel notes that it has been announced publicly that a new skate park would be completed in 2020 in time for the Olympics. The Assistant Minister explained that the Government Plan has split the funding over 2 years and therefore, the new facility would not be completed before 2021:

**Assistant Minister for Economic Development, Tourism, Sport and Culture (2):**

*"The first time I saw this was when I opened the document. I knew there was going to be some money for the skate park, but I did not know it was going to be split over two years. It was not something I was involved in the discussion about. I am very disappointed, because it means now that on the face of it, it cannot be delivered until 2021, which puts me in a bit of a position. In saying that, I have had some support from both Senator Farnham and from the Chief Minister around whether that funding can be brought forward, but in essence, what it says in here, if you go by what is said in here, it could not be built until 2021".*

**Deputy K.F. Morel:**

*"Who made that decision to split the funding over 2 years?"*

**Assistant Minister for Economic Development, Tourism, Sport and Culture (2):**

*"It was not a political decision. I think it is an officer decision".*

**The Minister for Economic Development, Tourism, Sport and Culture:**

*"It was an officer recommendation. That is something we have to think about now. We have been discussing it internally, because it was an election promise and it is a promise we are all going to stand by"<sup>179</sup>.*

At this point, the Panel noted that discussions were being had about the timescale for delivery of the project. The Panel held a third [Public Hearing](#) with the Assistant Minister, and he explained that realistically, the project would be delivered in 2021:

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

*"I met with the Director General about two weeks ago, where we looked at some of the sequencing and timing for how that project might move forward. I have to say we did not totally see eye to eye about everything we discussed. We have come to an understanding that to try to deliver that all in 2020 was probably not achievable. Although we will work towards that, it is more likely, in terms of getting that project completed, it probably would not be completed until 2021. That is the first time I have said that publicly. It is extremely disappointing for me to have to admit that"<sup>180</sup>.*

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<sup>179</sup> Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 4th October 2019, p.78

<sup>180</sup> Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.41

The Panel notes that the business case states that the investment required from the Government of Jersey assumes a contribution from Ports of Jersey of £250,000 in 2020 and 2021 (totalling £500,000). The Panel asked how the £500,000 from Ports of Jersey had been allocated:

**The Minister for Economic Development, Tourism, Sport and Culture:**

*“I am not sure that was the correct amount, but there is some confusion over this”.*

**Assistant Minister for Economic Development, Tourism, Sport and Culture (2):**

*“This is a political issue, this is not an officer issue. At the time this was printed, Ports had not agreed to this funding and I am not even sure they knew about this funding. If they knew about it, it certainly had not been agreed. I do not know how you can put something like that in the Government Plan when you do not even have the agreement of a third party to the funding of this”.*

**The Minister for Economic Development, Tourism, Sport and Culture:**

*“Can I just come in? I think it is fair to say that Ports had offered financial support in the past, but it was about the amount”<sup>181</sup>.*

This exchange highlights the importance of stakeholder engagement and consultation before a document is published.

The Panel received a [submission](#) from the Jersey Skateparks Association (JSA) who were evidently very supportive of the project and the engagement with the Government of Jersey:

**Jersey Skateparks Association:**

*“These are just a few of the fantastic and exciting benefits and opportunities that the New Skatepark can bring to the island. We feel these are very well aligned with the Ongoing Initiatives, Common Themes and Common Strategic Policies of this government, in particular, those relating to health and wellbeing and children and young people. We also believe we have been working in a very modern and forward thinking manner with both politicians and officers of the Government of Jersey. We feel this is absolutely necessary as this government moves forward and delivers the needs of the public and our island. We sincerely hope that the partnership we have built with the Government of Jersey that has been essential to progress this project thus far continues and the project is delivered successfully”.*

The business case explains that as well as a large facility at Les Quennevais, there will be three further “satellite” facilities into existing public space in St Helier. In their submission, the JSA suggests that work on opening the “satellite” parks should commence in the short-term, using some of the funding proposed for 2020:

**Jersey Skateparks Association:**

*“We would really like to get to work on opening some of the ‘satellite’ parks in the short term, using some of the funding that is proposed to become available in 2020. These smaller facilities will benefit the project as a whole, by showing the young people that ‘things are happening’ for them, getting more people involved in the sports (people of*

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<sup>181</sup> Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 4th October 2019, p.79

*all ages - parents will use the parks, alongside their kids); thereby attracting more attention, a stronger following from a new generation, and even more opportunity and reason for a major, world class facility when the latter portion of funding becomes available in 2021. The satellite parks require far less specialist knowledge and equipment than the primary facility at Les Quennevais and can be put in place much faster and at a far lower cost. We believe all of the expertise required for these satellite parks, on the scale that we envisage, already exists locally and each one will only require a modest portion of the proposed funding in 2020, keeping all of those pounds local!"*

The Assistant Minister explained that the business case does not include funding for any of the satellite parks<sup>182</sup>. Therefore, it will be a political decision as to whether to proceed with developing the satellite parks by using a proposition of the funding earmarked for 2020.

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<sup>182</sup> Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 4th October 2019, p.77

### 3.7 Final Panel Comments

The Panel has completed its review of the Government Plan and the various actions, projects and capital projects that were assigned to it by the Government Plan Review Panel. It has been a challenging process given the deadline for completing the work, but we have endeavoured to undertake a thorough analysis of the projects, satisfying ourselves that the investment sought within each of them is appropriate.

A large number of the projects we have scrutinised are rated “green” which indicates that we are satisfied with the level of background information provided to the projects and the level of funding allocated for each one. Although we have rated a number of the projects as “amber” or “red” which we felt unable to rate “green” because they flagged a number of concerns, or simply did not provide enough detail. The projects rated amber and red are:



- Further investment in sports facilities (action)
- Inspiring an Active Jersey
- Promoting Jersey
- Heritage, Arts and Culture
- Fort Regent (pre-feasibility)
- Island Sports Facilities, Inspiring Places (pre-feasibility)
- Pride Software
- Cybersecurity (major project)
- Client Relationship Management System
- Service Digitisation
- New skate park



- Sport division – minor capital replacements
- Jersey Financial Stability Board
- Sports division refurbishment

The Panel has also raised concerns over the Minister for Economic Development, Tourism, Sport and Culture’s plans to remove Economic Development from the Growth, Housing and Environment Department. It is unclear at this stage what impact that might have on the projects listed under the department and also the efficiencies identified around the re-organisation of staff through the Target Operating Model.

### 3.8 Witnesses and Evidence Gathered

The Panel has compiled this report drawing on a range of evidence. At the launch of the review, the Panel requested all supporting information relating to actions, programs and capital projects from Ministers/Departments.

Public hearings were held with the following Ministers:

- Minister for External Relations (x1)
- Minister for International Development (x1)
- Minister for Economic Development, Tourism, Sport and Culture (x 3)

Responses to written questions were received from the following Ministers:

- Chief Minister
- Minister for the Environment
- Minister for External Relations
- Minister for International Development
- Minister for Justice and Home Affairs

Responses to written questions were received from the following Departments:

- Viscount's
- Judicial Greffe

Requests for written submissions were sent to 10 stakeholders and responses were received from the following:

- Jersey Sport
- Jersey Heritage
- ArtHouse Jersey
- Jersey Opera House
- Jersey Farmer's Union
- Jersey Skatepark Association
- Royal Jersey Agricultural and Horticultural Society
- Stuart Langhorn (member of the public)
- Chamber of Commerce

To view all the submissions, responses to written questions and public hearing transcripts, please visit the [Government Plan Review: Economic and International Affairs Review Page](#) on the States Assembly website.

## Section 4 – Environment, Housing and Infrastructure Panel’s Government Plan Review

### 4.1 Environment, Housing and Infrastructure Panel membership

The Panel comprised of the following States Members:



Constable Mike Jackson (Chair)



Constable John Le Maistre (Vice-Chair)



Constable Sadie Le Sueur-Rennard



Deputy Kirsten Morel



Deputy Inna Gardiner

## 4.2 Chair's Foreword



My panel is pleased to present its report on its areas of interest in the proposed 2020 Government Plan.

We have endeavoured to probe into the detail of the proposals whilst being cognisant of the timelines involved.

Analysis has been undertaken of projects submitted and comment invited from industry representatives where appropriate to enable the panel to form a view. We understand that some areas are constantly evolving and present our views based on information received at the time of writing.

There is considerable concern over the level of funding directed towards environmental matters particularly in light of the net carbon neutrality strategies which are likely to require a significant financial input. There are no indications of realistic incentivisation which the panel found disappointing but anticipate the department will be addressing this during 2020 as part of the process of updating the 10-year-old Sustainable Transport Policy.

Detail on the long-term housing policy and the £10 million spend is presently lacking and the panel look forward to being involved in its development in early course.

A strategy and funding level sufficient to enhance the St. Helier Urban Environment appears to be insufficient and once again the panel are keen to monitor progress. Proposals by the Connétable to restructure could potentially have an effect on this. Revenue raising measures in the guise of broadening the hours of car parking charges are likely to be unpopular and therefore the panel questions whether any work has been carried out on the consequential effects. An increase in fuel duties has been proposed on the basis of a desire to stimulate behavioural change however there is little in the report to justify this in terms of predicted social and economic outcomes.

Details on a vehicle testing strategy are anticipated during 2020 and the panel note the significant spend forecast for subsequent years.

The panel are pleased to see funding directed towards necessary infrastructure maintenance with more than 50% going towards transport due to backlogs from the past. Perhaps we should learn from this.

The panel looks forward to monitoring government business cases, actions and expenditure over the next 12 months so that the public of the island receive value in return for their taxes, duties and contributions.

M.K. Jackson  
**Chairman**  
**Environment, Housing and Infrastructure Panel**

## 4.3 Findings and Recommendations

### *Key Findings*

#### **FINDING 4.1**

The total Heads of Expenditure for the Department for Growth, Housing and Environment is £64.4m, although the proposed efficiencies are hoped to reduce this figure to £62.2m. In respect of Ministerial allocations, the Minister for the Environment receives the lowest allocation of funding (£7.3m) for his remit out of all the Council of Ministers.

#### **FINDING 4.2**

There are historic concerns that the former Environment Department was under-resourced and under-funded and there is still uncertainty as to whether the proposed funding under this Government Plan is sufficient enough to adequately deliver the operations, functions and projects within the Environment remit of Growth, Housing and Environment.

#### **FINDING 4.3**

A total of 40m in efficiency savings is proposed for 2020. In respect of Growth, Housing and Environment, £2.2m in efficiency savings is planned, £500k of which is planned to come from a spend reduction in the Target Operating Model (staffing re-organisation) for the Department for Growth, Housing and Environment. However, as the new structure is not yet complete, it is not yet possible to be certain of the final outcome.

#### **FINDING 4.4**

A further £700k is proposed to come from increasing revenue by extending the hours parking charge hours from 8am-5pm to 7am-6pm, although the full impact of this proposal is unknown.

#### **FINDING 4.5**

The Panel found that there is no funding request for the Shoreline Management Plan in the proposed Government Plan as funding has previously been approved.

#### **FINDING 4.6**

The Panel found that there is £400,000 already set aside to 'enhance the St. Helier Urban Environment' for 2020, however it is questionable as to whether this funding is sufficient enough to achieve the aims set out in the Government Plan.

#### **FINDING 4.7**

The types of homeownership schemes to be funded by the proposed additional investment are not yet known and the estimation of the funds required is based on uplifting a previous deposit scheme which was piloted in 2013.

#### **FINDING 4.8**

There is currently no robust definition of a 'key worker', only a guideline. The true demand of accommodation for key workers is also unknown.

#### **FINDING 4.9**

The £110,000 funding requested for 2020 would cover part year funding for a Housing Options service.



**FINDING 4.10**

There is ambiguity around the indicative funding requests for 2021-23 and how projects could be self-funded, suggesting that further work needs to be done to provide a more informed estimation of the figures.

**FINDING 4.11**

The Climate Emergency Fund business case proposes a one-off transfer of £5m from the Consolidated Fund in 2020 and outlines forecasted income of £2,000,000 and expenditure of £2,545,000 for 2020. Income is expected to come from a rise in fuel duty, as well as depositing the balance of the income raised above Retail Prices Index (RPI).

**FINDING 4.12**

The Climate Emergency Fund is proposed to fund the development of a Carbon Neutral Strategy, Sustainable Transport Policy and various other expenditure to 'strengthen environmental protection.'

**FINDING 4.13**

An estimate of £1.55m of the Climate Emergency Fund is proposed for the funding of sustainable transport initiatives although it was acknowledged in the business case that it is not possible to define the exact policies or initiatives until the Sustainable Transport Policy is agreed.

**FINDING 4.14**

There is a large degree of uncertainty over whether the proposed funding of the Climate Emergency Fund will be sufficient to deliver the aims of the project and any tangible results.

**FINDING 4.15**

There is lack of clarity as to whether there has been adequate engagement and discussion with key stakeholders on the Carbon Neutral Strategy.

**FINDING 4.16**

The commercial sector was not consulted on proposals to increase fuel duty and a thorough impact assessment was not carried out as to how the proposals would especially affect businesses with large vehicle fleets.

**FINDING 4.17**

The £150,000 funding requested for 2020 would provide funding for an external partner to develop an infrastructure model, carry out assessments and develop a future Island Infrastructure Plan.

**FINDING 4.18**

The Minister for the Environment is the Lead Minister for the assessment of public infrastructure business case, not the Minister for Infrastructure, as this work feeds directly into the Island Plan for which the Minister for the Environment is responsible.

**FINDING 4.19**

The £195,000 funding requested for 2020 would provide £150,000 for contractual management and improvement of the countryside access path network and £45,000 for staff costs.

**FINDING 4.20**

The Minister for the Environment is Lead Minister for the countryside access business case and there is evidence of joint working with the Minister for Infrastructure regarding access to infrastructure.

**FINDING 4.21**

The £100,000 funding requested for Jersey National Park for 2020 would provide funding for staff costs, as well as other initiatives, such as marketing, education and information materials.

**FINDING 4.22**

The Minister for Economic Development, Tourism, Sport and Culture is the Lead Minister for this project rather than the Minister for the Environment. This was justified due to the part the Jersey National Park plays in tourism. There appears to be some evidence of joint working between the two Ministers.

**FINDING 4.23**

The Jersey National Park has relied heavily on the commitment and drive of volunteers in previous years who welcome the proposed additional funding and believe the funding should be sufficient to meet the project's aims.

**FINDING 4.24**

The Government Plan requests additional funding of £650,000 to deliver the 2020 Island Plan, which together with the £350,000 in funding already allocated, brings the total cost of the Island Plan Review to £1,000,000. This is approximately double the cost of the previous 2011 Island Plan.

**FINDING 4.25**

The rationale for the request for a substantial increase in funding is due to it being considered that previous Island Plan funding was not considered adequate to deliver the Island Plan in a timely manner, without further investment to produce a robust evidence base, as well as resources to provide enhanced public engagement and communication.

**FINDING 4.26**

The £130,000 funding requested for 2022 would cover refurbishment costs for Government House which on average received 3,000 guests each year including members of Royal Family, Heads of State, Ambassadors, Ministers' of State, foreign dignitaries and islanders.

**FINDING 4.27**

The Office of the Lieutenant Governor does not have capacity to fund the required refurbishment works at Government House.

**FINDING 4.28**

Jersey Property Holdings hold the Governor's residence on behalf of the public and therefore the Minister for Infrastructure has ultimate political accountability for the refurbishment of Government House.

**FINDING 4.29**

Having reviewed all the supporting information, the Panel is satisfied with the funding requests for the pre-feasibility studies which are being requested in this Government Plan.

**FINDING 4.30**

Funding of £12,650,000 is requested for 2020 to fund the ongoing maintenance and replacement of: the sewerage network, roads and sea defences. Historically, networked assets have not received 1% of value due to funding pressures and therefore there is currently a maintenance backlog.

**FINDING 4.31**

£6.56m is required to address the maintenance backlog in respect of Jersey's highways. This amount is considered to be sufficient in terms of what is also deliverable regarding the scheduling of works on Jersey's roads.

**FINDING 4.32**

Funding of £7,850,000 in 2020 and £4,000,000 in 2021 for the Sewage Treatment Works is requested in this Government Plan to enable its completion. £29m in funding allocations has previously been made from the Infrastructure Rolling Vote, which is considered not to be a sustainable funding mechanism going forward.

**FINDING 4.33**

The total funding of £11.85m is considered to be sufficient to deliver the Sewage Treatment Works project to completion.

**FINDING 4.34**

Having reviewed all the supporting information, the Panel is satisfied with the funding request of £1,500,000 for 2020 for the drainage foul sewer extensions, noting that the requests for 2021-23 are indicative and that approval will be required by the States in future Government Plans.

**FINDING 4.35**

The business case for Sewage Treatment Works – odour mitigation does not request funding for 2020 and only outlines indicative funding for 2021 of £1,500,000, therefore a States' decision is not required at this time.

**FINDING 4.36**

The business case for Bellozanne Sewage Treatment Works outfall rehabilitation does not request funding for 2020 and only outlines indicative funding for 2023 of £1,000,000, therefore a States' decision is not required at this time.

**FINDING 4.37**

Having reviewed all the supporting information, the Panel is satisfied with the funding request of £650,000 for 2020 for the First Tower pumping station upgrade.

**FINDING 4.38**

Having reviewed all the supporting information, the Panel is satisfied with the funding request of £500,000 for 2020 for an inert waste site feasibility study.

**FINDING 4.39**

Having reviewed all the supporting information, the Panel is satisfied with the funding request of £500,000 for 2020 for the La Collette waste site development, noting that the requests for 2021-23 are indicative and that approval will be required by the States in future Government Plans.

**FINDING 4.40**

Having reviewed all the supporting information, the Panel is satisfied with the funding request of £400,000 for 2020 for the Island Public Realm including St. Helier, noting that the requests for 2021-23 are indicative and that approval will be required by the States in future Government Plans.

**FINDING 4.41**

The £580,000 funding requested for 2020 would cover the costs of refitting the Norman Le Brocq fisheries vessel which are required to operate legally on health and safety grounds. The £2,800,000 indicative funding for 2023 will cover the costs of a new build vessel which is required to meet the challenges and pressures on Jersey's fishing territories following Brexit.

**FINDING 4.42**

The Norman Le Brocq vessel is currently the only States owned fisheries vessel and is not deemed adequate in size to deal with fishing disputes which are likely to arise as a result of Brexit.

**FINDING 4.43**

Funding of £4,333,000 is requested in 2020 for the replacement of various fixed assets including elements of the Energy Recovery Facility, pumping stations, La Collette Waste Site and Belozanne Sewage Treatment Works.

**FINDING 4.44**

There are a number of capital projects which do not require funding decisions for 2020 and only provide indicative funding proposals for 2021-3. The Panel will review these projects in future Government Plans when requested funding is confirmed and further details are available.

**FINDING 4.45**

This Government Plan is requesting funding approval for 2020-23, totalling £6.5m for a new Vehicle Testing Centre despite the options appraisal not having been concluded. The rationale has been given that this is due to the project being defined as a likely major capital project.

**FINDING 4.46**

The funding requested for the Prison Improvement Works Phase 6(b) is for both 2020 (£1,714,00) and 2021 (£90,000) and will involve the demolition of A, B and C wings and relocation of the Atlas Lock Hub.

**FINDING 4.47**

Funding of £450,000 is requested for 2020 to convert Courtroom 1 in the Magistrates Court Building to be able to accommodate Assize trials (Jury trials). Currently only the Royal Court Building can accommodate an Assize trial.

**FINDING 4.48**

The Chief Minister considers the funding proposals to be sufficient at this time, although the final cost will be dependent on fluctuating prices for construction materials. He also considers the conversion to be sustainable for a minimum of 10 years.

**FINDING 4.49**

There is a discrepancy between page 128 of R.91/2019 and page 149 of the Government Plan as to whether the funding request for Dewberry House is for both 2020 and 2021 or just 2020.

The Minister for Justice and Home Affairs confirmed in response to written questions that it is only funding for 2020 which is being requested at this time.

**FINDING 4.50**

It was first identified that Dewberry House was not fit for purpose in 2015.

**FINDING 4.51**

The Minister for Justice and Home Affairs considers that it is impossible to be entirely confident that the level of funding for the project is sufficient, however, the estimate has been based on 'reasonable assumptions and current build costs'.

**FINDING 4.52**

There is a discrepancy between page 128 of R.91/2019 and page 149 of the Government Plan as to whether the funding request for Five Oaks is for both 2020 and 2021 or just 2020. The Department for Health and Social Services has confirmed that it is only funding for 2020 which is being requested at this time.

**FINDING 4.53**

There are no plans to incorporate the relocation of the services provided at Five Oaks into plans for a future hospital at this time.

**FINDING 4.54**

The Minister for Health and Social Services is confident that the funds are sufficient to deliver the project's aims, based on the advice he has been given.

**FINDING 4.55**

The funding requested for Jersey Fleet Management is for the purchase of vehicles that generate an income from internal leases to various Departments of the Government of Jersey.

**FINDING 4.56**

A decision on funding of £553,000 for 2020 is requested for car park maintenance and refurbishment. Further indicative funding proposals are given, including those for car park modernisation plans in 2022-3, although a decision on these proposals is not required until a future Government Plan.

### *Key Recommendations*

#### **RECOMMENDATION 4.1**

The Panel does not consider the extension of parking charges to be an efficiency as it is a revenue raising initiative. The Panel recommends this be removed from the Efficiencies Plan. If the Minister for Infrastructure wishes to continue with this measure, a full impact assessment on the proposal to extend the hours for parking charges should be provided to the Environment, Housing and Infrastructure Scrutiny Panel for proper scrutiny prior to actioning the proposal.

#### **RECOMMENDATION 4.2**

The Council of Ministers should ensure that detailed strategic direction on how to deliver the action 'enhance the St. Helier Urban Environment' is provided in 2020 for the next annual approval of the Government Plan 2021, including more robust leadership and co-ordination to deliver on the intended aims.

#### **RECOMMENDATION 4.3**

The Minister for Children and Housing should, by the end of February 2020, provide more robust estimations which are backed up by more extensive evidence-based research for the delivery of long-term housing policies and initiatives.

#### **RECOMMENDATION 4.4**

The Minister for Children and Housing should ensure that, for the next Government Plan, a clear proposal is provided in the business case detailing what will be self-funded and what will be Government funded and that appropriate stakeholder engagement and consultation is carried out when developing this proposal.

#### **RECOMMENDATION 4.5**

The transfer of £5m in funds currently proposed to come from the Consolidated Fund should instead be transferred from the Strategic Reserve Fund.

#### **RECOMMENDATION 4.6**

The Department for Strategic Policy, Planning and Performance should carry out improved stakeholder engagement, even in the initial planning stages of policy proposals for a Carbon Neutral Strategy and Sustainable Transport Policy, in order to take on board crucial feedback, expertise and, where appropriate, recommendations from key stakeholders. This should be started before the end of Q4 2020.

#### **RECOMMENDATION 4.7**

Impact assessments and consultation with the commercial sector should be undertaken in respect of the proposed increases in fuel duty before January 2020.

#### **RECOMMENDATION 4.8**

The Panel recommends that the Minister for the Environment and the Minister for Infrastructure should take a joint lead approach to delivering this project throughout the remainder of 2019 and until the project's completion, in order to ensure the highest level of expertise, collaboration and political oversight.

#### **RECOMMENDATION 4.9**

The Minister for Economic Development, Tourism, Sport and Culture should provide the Environment, Housing and Infrastructure Scrutiny Panel with quarterly cost-benefit updates,

starting from January 2020, detailing how the requested funds for the Jersey National Park have been spent and what has been achieved.

**RECOMMENDATION 4.10**

In order to demonstrate clear political accountability, all business cases within the Government Plan, including for projects driven by Non-Ministerial Departments and capital projects, should clearly state a Lead or 'Accountable' Minister / Assembly Committee or Panel in order to demonstrate clear, transparent political accountability and leadership for the project's delivery. The Council of Ministers should incorporate this for the next Government Plan 2021.

**RECOMMENDATION 4.11**

The Minister for Infrastructure should provide the Environment, Housing and Infrastructure Panel with a report on the outcome of the options appraisal for a vehicle testing centre as soon as this has been concluded.

**RECOMMENDATION 4.12**

The Panel recommends that further information is provided in the next Government Plan outlining how future requests for funding will take into account the purchase of electric vehicles, which are generally more expensive than other fossil fuel vehicles.

## 4.4 Departmental Budgets and Efficiencies

### *Departmental Budgets*

The following table provides a summary of the proposed expenditure for the Growth, Housing and Environment Department:

Summary Table 3(i) Proposed 2020 Revenue Heads of Expenditure <sup>183</sup>			
	Income (£000)	Expenditure (£000)	Head of Expenditure (£000)
<b>Growth, Housing and Environment</b>	37,975	102,377	64,402

The Panel requested a further breakdown of how this figure is allocated across the wide remit of the Department, as well as the expenditure for 2019. The following information was provided to the Panel on the 27<sup>th</sup> September 2019<sup>184</sup>:

2019 Net Revenue Expenditure (£000)	Service Area	2020		
		Income (£000)	Expenditure (£000)	Net Revenue Expenditure (£000)
163	GHE - General	(371)	534	163
17,680	Economy & Partnerships	(5,153)	25,782	20,629
3,357	Natural Environment	(769)	4,321	3,552
19,533	Operations & Transport	(19,768)	46,224	26,456
12,545	Property & Capital Delivery	(4,739)	17,284	12,545
1,057	Regulation	(7,174)	8,231	1,057
<b>54,335</b>	<b>Net Revenue Expenditure</b>	<b>(37,975)</b>	<b>102,377</b>	<b>64,402</b>

<sup>183</sup> [Proposed Government Plan 2020-2023 – P.71/2019 - Appendix 2](#)

<sup>184</sup> Email from the Ministerial Support Unit to all Panels, 27<sup>th</sup> September 2019



These figures correspond with the figures in the Government Plan. However, the draft Business Plans<sup>185</sup> for each department were subsequently published on 23<sup>rd</sup> October 2019 and details the Heads of Expenditure figures *including* efficiencies. Therefore, the figures in the draft Business Plan are less than the figures detailed above:

<b>Changes to GHE Departmental Budget Heads of Expenditure<sup>186</sup></b>			
	<b>2020 Budget (£000)</b>	<b>Efficiencies (£000)</b>	<b>2020 Revised Budget (£000)</b>
<b>Growth, Housing and Environment</b>	64,402	<b>(2,159)</b>	62,243

The Panel further notes that much of the project policy work under the Environment, Housing and Infrastructure remit sits with the Strategic Policy, Performance and Population Department, with the proposed Head of Expenditure for 2020 being set at £12,508,000.

The Government Plan states that, as expenditure is approved based on departments, it therefore does not directly align with areas of Ministerial responsibility. However, an indicative mapping of departmental allocations to Ministers' portfolios is included on page 138 of the Plan. The 2020 resources allocated to the Ministers within this Panel's remit are as follows:

<b>Resources mapped to Ministerial portfolios<sup>187</sup></b>	
<b>Minister</b>	<b>2020 Allocation (£000)</b>
<b>Minister for Children and Housing</b>	31,557
<b>Minister for Infrastructure</b>	39,379
<b>Minister for the Environment</b>	7,259

The Panel would have liked to have seen these breakdowns provided for each Minister as an Appendix to the Government Plan, in order to identify more easily where the money is coming from and how they translate / correspond with Department budgets.

In a public hearing, the Panel questioned the Minister for the Environment as to whether he considered the budget allocated to environment related department operations and projects was sufficient, given that previous resources allocated to the former Department for

<sup>185</sup> [Departmental Operational Business Plans 2020](#)

<sup>186</sup> [Efficiencies Plan 2020-23 p.49](#)

<sup>187</sup> [Proposed Government Plan 2020-2023 – P.71/2019 p. 138](#)

Environment under previous Medium-Term Financial Plans (MTFP) had not been considered sufficient. The Minister responded as follows:

***The Minister for the Environment:***

*The answer is a qualified yes, for now it is a good start. My position is well known. A starting point on this is that budgets for the environmental functions or the functions that sit within the Minister for the Environment is around £4 million, which is a net budget. That is a very minuscule amount of money compared with the States overall budget. I think it is about 0.5 per cent. I have always thought that falls well short of what is really needed to bring the Environment more into balance with the way we put money into our economy. But nonetheless, what we have had to do is be practical about it. It is a major start that the new Council of Ministers, of which I was pleased to join, has decided to make the Environment a priority. Therefore that was one of our 5, which meant that it has therefore received favourable treatment in the plan and there are additional funds in there...I think that, relative to the very poor amount of money that has been historically spent on the environment, it is a very, very significant improvement but is it enough to, I think, transform the situation? I think the jury is out on that. The way I see it, is this is a plan for 2020. There are illustrative figures in 2021, 2022 and 2023, but there is no doubt about it, that as we progress we will be certainly revising those figures and I believe we will be revising them upwards.<sup>188</sup>*

Given the degree of uncertainty surrounding whether the allocated funding to the environment is considered sufficient, as well as noting that the Minister for the Environment receives the lowest allocation out of all the Ministers, the Panel requested a breakdown of the figures regarding the Minister for the Environment's allocation of £7.3m (see Government Plan page 138). The following breakdown was provided:<sup>189</sup>

Breakdown of funding allocation to Minister for the Environment				
<b>Protecting our environment</b>	Embracing environmental innovation and ambition	Climate Emergency Fund	(£000)	<b>Government Plan pg. no.</b>
			2000	205
	Protecting the natural environment	Assessment of public infrastructure and resources	150	205
		Countryside access	195	205
Improving the built environment	Island Plan Review	650	205	
		<b>Total</b>	2995	

<sup>188</sup> [Public hearing with the Minister for the Environment, 1<sup>st</sup> October 2019, p. 2](#)

<sup>189</sup> Email correspondence from the Ministerial Support Unit to the Environment, Housing and Infrastructure Panel on 11<sup>th</sup> October 2019.

	<b>Base budget</b>	4264
	Total	4264
	<b>Overall Total</b>	<b>7259</b>

It is difficult for the Panel to ascertain whether the funding for the environment remit of Growth, Housing and Environment is a sufficient improvement on previous years due to the way the figures have been presented in the Government Plan, as we are unable to easily draw direct comparisons with the previous MTFP. Given that, to a certain extent, the Minister for the Environment is also reserving judgment on whether the environment remit has received sufficient funding, the Panel remains unconvinced that the funding provides as much investment as there should be after having declared a climate emergency.

The Panel would have liked to have seen the figures displayed in the Government Plan in an easier, more translatable way, in order to easily identify comparisons with previous years' funding under the MTFP.

### *Efficiencies*

The Government Plan proposes £40m of efficiency savings in 2020. Of this total, £7m is increased tax revenues arising from more efficient tax collection. The remaining £33m is included at the bottom of Summary Table 3(i) Proposed 2020 Revenue Heads of Expenditure in Appendix 2 of P.71/2019.

### **Growth, Housing and Environment (GHE)**

The Departmental Business Plan for GHE outlines overall proposed efficiencies as follows:

<b>GHE Efficiency Targets 2020<sup>190</sup></b>	
<b>Efficiency Targets</b>	<b>(£000)</b>
<b>Departmental (Target Operating Model)</b>	500
<b>Efficient commercial operations</b>	1,500
<b>Efficient organisational structures</b>	75
<b>Modern and efficient workforce</b>	84
<b>TOTAL</b>	<b>2,159</b>

Further information provided in the Efficiencies Plan 2020-23<sup>191</sup> informs that approximately £500k of this £33m will come from a spend reduction in the Target Operating Model for the

<sup>190</sup> [Departmental Operational Business Plans 2020, p. 134](#)

<sup>191</sup> [Efficiencies Plan 2020-23 p.49](#)

GHE Department. The Target Operating Model is aimed at achieving the re-organisation of staffing and it is anticipated the reorganisation and redesign of tier 3 and 4 of the GHE Department will achieve savings of approximately £500,000. However, it is stressed in the Efficiencies Plan that until the structure is complete and appointments made at tiers 3 and 4, it is not yet possible to be certain of the final outcome.

In addition, the Efficiencies Plan also proposes to extend the hours of parking charges from the present 8am-5pm to 7am-6pm, asserting that doing so will increase revenue by £700k and enable Government to achieve *“a financial return in excess of the cost of delivering the service.”*<sup>192</sup>

The Panel questions whether this is a true ‘efficiency’ as instead of saving the public money, it imposes a cost rise to increase revenue. As acknowledged in the Efficiencies Plan there is no guarantee that this will increase revenue as forecasted, as the demand for parking may reduce as a result. Additionally, the required cost of increased enforcement may reduce overall income. If it does, this could result in a situation where higher parking costs are imposed on the public with little to no extra revenue to show for it. The Efficiencies Plan further notes that this will be analysed in greater detail to determine the impact. The Panel is of the view that this impact assessment should have been carried out before being proposed in the Efficiencies Plan. The Panel considers it imperative that these proposals are subject to full and proper scrutiny before they are actioned.



#### FINDING 4.1

The total Heads of Expenditure for the Department for Growth, Housing and Environment is £64.4m, although the proposed efficiencies are hoped to reduce this figure to £62.2m. In respect of Ministerial allocations, the Minister for the Environment receives the lowest allocation of funding (£7.3m) for his remit out of all the Council of Ministers.



#### FINDING 4.2

There are historic concerns that the former Environment Department was under-resourced and under-funded and there is still uncertainty as to whether the proposed funding under this Government Plan is sufficient enough to adequately deliver the operations, functions and projects within the Environment remit of Growth, Housing and Environment.



#### FINDING 4.3

A total of 40m in efficiency savings is proposed for 2020. In respect of Growth, Housing and Environment, £2.2m in efficiency savings is planned, £500k of which is planned to come from a spend reduction in the Target Operating Model (staffing re-organisation) for the Department for Growth, Housing and Environment. However, as the new structure is not yet complete, it is not yet possible to be certain of the final outcome.



#### FINDING 4.4

A further £700k is proposed to come from increasing revenue by extending the hours parking charge hours from 8am-5pm to 7am-6pm, although the full impact of this proposal is unknown.



<sup>192</sup> [Efficiencies Plan 2020-23 p.49](#)









**RECOMMENDATION 4.1**



















The Panel does not consider the extension of parking charges to be an efficiency as it is a revenue raising initiative. The Panel recommends this be removed from the Efficiencies Plan. If the Minister for Infrastructure wishes to continue with this measure, a full impact assessment on the proposal to extend the hours for parking charges should be provided to the Environment, Housing and Infrastructure Scrutiny Panel for proper scrutiny prior to actioning the proposal.















## 4.5 Actions, Programs and Capital Projects Reviewed

The tables included below provide a summary of each action, program and capital project, the Common Strategic Policy (CSP) reference (where applicable), the Scrutiny 'RAG' (red, amber, green) rating, and the page number within this report where each is discussed in further detail.

Actions			
Action	CSP reference	Page number	Scrutiny RAG Status
<b>Produce a Shoreline Management Plan</b>	N/A	<a href="#">225</a>	
<b>Enhance the St. Helier urban environment</b>	N/A	<a href="#">225</a>	

Additional Revenue Programs			
Program	CSP reference	Page number	Scrutiny RAG Status
<b>Long-term housing policy</b>	CSP4-2-01	<a href="#">227</a>	
<b>Rights for tenants</b>	CSP4-2-02	<a href="#">229</a>	
<b>Climate Emergency Fund</b>	CSP5-1-01	<a href="#">231</a>	
<b>Assessment of public infrastructure and resources</b>	CSP5-2-01	<a href="#">236</a>	
<b>Countryside access</b>	CSP5-2-02	<a href="#">238</a>	
<b>Jersey National Park</b>	CSP5-2-03	<a href="#">240</a>	
<b>Island Plan Review</b>	CSP5-3-01	<a href="#">242</a>	
<b>Government House refurbishment</b>	OI-Non-02	<a href="#">245</a>	

Capital Expenditure Projects			
Capital Project	CSP reference	Page number	Scrutiny RAG Status
<b>Prefeasibility vote</b>			
Jersey Instrumental Music Service premises	1	<a href="#">247</a>	
VCP replacement school	1	<a href="#">247</a>	
North of St Helier Youth Centre	1	<a href="#">247</a>	
Le Squez Youth Centre/Community Hubs	1	<a href="#">247</a>	
Rouge Bouillon site review	1	<a href="#">247</a>	
Mont a l'Abbe secondary school	1	<a href="#">247</a>	
Review of Greenfields	1	<a href="#">247</a>	
Piquet House – Family Court	1	<a href="#">247</a>	
Further education campus	3	<a href="#">247</a>	
Infrastructure funding	O14	<a href="#">247</a>	
<b>Infrastructure including the Rolling Vote</b>			
Rolling Vote	5	<a href="#">248</a>	
Sewage Treatment Works (existing major project)	5	<a href="#">250</a>	
Drainage Foul Sewer extensions	5	<a href="#">251</a>	
STW odour mitigation (P.115/2017)	5	<a href="#">252</a>	
Bellozanne STW outfall rehabilitation	5	<a href="#">252</a>	
First Tower Pumping Station upgrade	5	<a href="#">252</a>	
Inert waste site feasibility	5	<a href="#">253</a>	
La Collette Waste Site development	5	<a href="#">254</a>	
Island public realm, including St Helier	5	<a href="#">254</a>	
<b>Replacement assets</b>			


Refit and replacement of Fisheries protection vessel and auxiliary vessels	5	<a href="#">255</a>	
Replacement assets and minor capital	5	<a href="#">256</a>	
<b>Estates including new schools</b>			
Jersey Instrumental Music Service premises	1	<a href="#">257</a>	
VCP replacement School	1	<a href="#">257</a>	
Le Squez Youth Centre/Community Hubs	1	<a href="#">257</a>	
North of St Helier Youth Centre	1	<a href="#">257</a>	
St Aubin Fort upgrade	1	<a href="#">257</a>	
Mont a l'Abbe secondary school	1	<a href="#">257</a>	
Review of Greenfields	1	<a href="#">257</a>	
Elizabeth Castle development	5	<a href="#">257</a>	
Vehicle Testing Centre (major project)	5	<a href="#">258</a>	
Prison Improvement Works – Phase 6b	2	<a href="#">260</a>	
Prison Phase 7	2	<a href="#">257</a>	
Prison Phase 8	2	<a href="#">257</a>	
Conversion Courtroom 1 Magistrates Court	2	<a href="#">261</a>	
Dewberry House SARC	2	<a href="#">262</a>	
Piquet House – Family Court	2	<a href="#">257</a>	
Five Oaks refurbishment	2	<a href="#">264</a>	
Rouge Bouillon Site review outcome	2	<a href="#">257</a>	
<b>Trading Operations</b>			
Jersey Fleet Management	5	<a href="#">265</a>	
Jersey Car Parking	5	<a href="#">266</a>	



## 4.6 Reports on Specific Actions and Business Cases

### *Actions not linked to a Business Case*

The following two actions that were allocated to the Panel to examine are not linked to a business case.

Protect the environment – Produce a Shoreline Management Plan	
Minister(s)	Scrutiny RAG Status
Minister for the Environment	

### **Summary Report**

On page 85 of the Government Plan, one of the actions specified under ‘Improve the built environment’ is to produce a Shoreline Management Plan. This action pledges to<sup>193</sup>:


Produce a Shoreline Management Plan. Outputs from an extensive technical analysis and wide-ranging public engagement in 2019 will be incorporated into the Island Plan throughout 2020. Work in 2020 will also include the design and public consideration of initial shoreline management infrastructure schemes, in order that they can be delivered, in a phased way, throughout the Government Plan period in order to make our coastline more resilient to the effects of climate change.

In the public hearing, the Panel questioned the Minister for the Environment as to why this action did not relate to a business case for additional investment or a capital project. The Minister advised the Panel that this was due to the fact that funding had already been approved and the Shoreline Management Plan was due to be finalised and published before the end of 2019. The Panel therefore has no concerns relating to the funding of this action in the proposed Government Plan.



#### **FINDING 4.5**

The Panel found that there is no funding request for the Shoreline Management Plan in the proposed Government Plan as funding has previously been approved.

Protect the environment – Enhance the St. Helier Urban Environment	
Minister(s)	Scrutiny RAG Status
Minister for the Environment	

<sup>193</sup> [Proposed Government Plan 2020-2023 – P.71/2019 p. 85](#)

## Summary Report

On page 86 of the Government Plan, one of the actions specified under ‘Invest in our infrastructure (capital investment)’ is to enhance the St. Helier urban environment. This action pledges to<sup>194</sup>:

Shape plans to enhance the St Helier urban environment (set out in our 2020 plan for a sustainable, vibrant economy, above) so that environmental improvements are prioritised – such as legibility enhancements to the public realm, tree planting, and access to high quality open spaces.

In public hearings the Panel questioned both the Minister for Infrastructure and the Minister for the Environment as to why this action did not relate to a business case. In the public hearing with the Minister for Infrastructure, when questioned on why this action did not link to an expression of interest for additional investment or a capital project, the Panel was advised:

**Director General, Growth, Housing and Environment:**

*There is funding available through receipts from S.O.J.D.C. (States of Jersey Development Company).*

**Director of Transport:**

*Basically, within the Government Plan for Island public realm, including St. Helier, there is a provision for £400,000 next year... We have the developing southwest of town planning framework and the measures that are included within the States of Jersey Development Company. We also have the northwest of town master plan. We have a town cycle network, which is being developed, and the eastern cycle network and western cycle network. The intention for that £400,000 is to start pulling all those different aspects together into a cohesive and legible programme of works.<sup>195</sup>*

When asked a similar question in the public hearing with the Minister for the Environment, the Panel was advised:

**Minister for the Environment:**

*In terms of making things happen, I am disappointed that we have not gone express provision in the Government Plan for this... we need probably at least £25 million to be able to make a significant difference with land acquisition, creation of public realm, improved spaces and so on with a major programme. We have not got it, I think, as an express provision, and nor do we have unfortunately yet the ministerial structure to produce an overall coherent strategy for our urban area, which is something the Constable of St. Helier and I are concerned about.<sup>196</sup>*

The Panel is concerned that there currently appears to be a lack of strategic direction around this action in the Government Plan. The Panel is not convinced that adequate funding is in place to achieve the aims of this action. Whilst the Panel was advised that there is a

<sup>194</sup> [Proposed Government Plan 2020-2023 – P.71/2019 p. 86](#)

<sup>195</sup> [Public hearing with the Minister for Infrastructure – 19<sup>th</sup> September 2019 – p. 41](#)

<sup>196</sup> [Public hearing with the Minister for the Environment, 1<sup>st</sup> October 2019, p. 27](#)

Regeneration Steering Group established to co-ordinate the project, the Panel considers that a more co-ordinated approach to leadership is required, along with improved collaboration with internal and external stakeholders. The Panel has placed this action as amber and will monitor the delivery of this action over forthcoming Government Plans.



#### FINDING 4.6

The Panel found that there is £400,000 already set aside to 'enhance the St. Helier Urban Environment' for 2020, however it is questionable as to whether this funding is sufficient enough to achieve the aims set out in the Government Plan.



#### RECOMMENDATION 4.2

The Council of Ministers should ensure that detailed strategic direction on how to deliver the action 'enhance the St. Helier Urban Environment' is provided in 2020 for the next annual approval of the Government Plan 2021, including more robust leadership and co-ordination to deliver on the intended aims.

### *Business Cases for Additional Revenue Expenditure*

The following business cases are for department programs requiring additional expenditure:

CSP4-2-01 – Reduce inequality – Long-term housing policy			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ <b>Publish the Housing Policy Development Board's review</b></li> <li>➤ <b>Extend the key worker accommodation</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ Nurturing a diverse and inclusive society</li> <li>➤ Making St. Helier a more desirable place to live, work, do business and visit</li> <li>➤ Preparing for more Islanders living longer</li> </ul>	Minister for Children and Housing	

### **Summary Report**

The business case in R.91/2019 requests funding for 2020 and outlines indicative funding for 2021- 23 as follows:

- **2020: £140,000**
- *2021: £1,425,000*
- *2022: £1,450,000*
- *2023: £1,450,000*

The business case further states that the Housing Policy Development Board will be considering options to:

- Ensure appropriate renting and ownership choices are available in Jersey
- To help with housing costs
- To increase the supply of land and finance
- To maximise the use of existing stock
- To consider options to reduce the cost of building new homes

To deliver on these supporting these options, it is stated that over 14 million will be available from 2021.<sup>197</sup>

It was not clear to the Panel how the £14 million funding was split and so in response to a written question, the Minister for Children and Housing clarified that the £14 million breaks down into two elements:

**Minister for Children and Housing:**

*The first element, £10 million, will provide homeownership schemes for households who are unable to purchase a home in the open market based on the recommendations of the Housing Policy Development Board.*

*The second element, £4.5 million, relates to a continuation of the funding set out in response to question 1 [to provide housing policy officer support and possible consultancy fees for external support to develop housing policy], and to provide a funding mechanism for recommendations made by the Housing Policy Development Board in relation to issues such as making the efficient use of existing housing stock (e.g. tackling vacant homes and incentives to support downsizing) and the introduction of support for innovative approaches to housing delivery.<sup>198</sup>*

Page 139 of the Government states that the £10 million in existing funds will be transferred from the States' Consolidated Fund.<sup>199</sup> The Panel requested a breakdown of the £10 million requested for homeownership schemes, however the response was that this was not yet known as it would depend on the types of schemes recommended by the Housing Policy Development Board. When questioned as to how this figure had been estimated, the response was that it was based on funding allocated to a starter home deposit loan scheme in 2013 which provided £3 million to assist with the cost of a deposit when purchasing a home. The Panel is advised that this scheme helped 50 households to purchase a home, and therefore the £3 million figure has been uplifted to reflect the current demand for assisted purchase schemes evidenced by the Affordable Housing Gateway.<sup>200</sup>

The Panel is unconvinced that £10 million is a reliable estimate, given that the types of homeownership schemes have not yet been identified and also given the present scale of housing unaffordability in Jersey.

These concerns are also shared by Andium Homes who wrote the following in their submission to the Panel:

**Andium Homes:**

*We welcome the £10 million investment to support home ownership schemes, albeit it is not clear what these schemes might be. The Government's "Deposit Loan Scheme" which was piloted in 2013 was only obtainable for existing stock, which in our view did nothing for affordability. We strongly believe that any investment in housing must be directed into the supply of new homes...£10 million is not sufficient investment to address the housing issues facing the Island today.<sup>201</sup>*

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<sup>197</sup> [R.91/2019 – p. 78-9](#)

<sup>198</sup> [Minister for Children and Housing – Response to written questions](#)

<sup>199</sup> [Proposed Government Plan 2020-2023 – P.71/2019 p. 139](#)

<sup>200</sup> [Minister for Children and Housing – Response to written questions](#)

<sup>201</sup> [Andium Homes – Submission](#)

This business case also encompasses the action ‘to extend key worker accommodation’. The Panel questioned the Minister for Children and Housing in the public hearing, asking whether Government had a robust definition of what constitutes a key worker. The response was that only a “guideline definition” presently exists and that more work was required to put in place a definitive definition. The Panel was also advised that the true demand for key worker accommodation was also not yet known and that work was underway to assess the demand. The Panel is therefore concerned that the figures included in the business case do not reflect a robust enough estimation supported by sufficient background research. The Panel considers that for figures of this substantial amount, evidence-based research should be carried out prior to Government Plan funding proposals.

Due to concerns over ambiguous and indeterminate estimations of the funding and delivery of homeownership schemes, as well as key worker accommodation, the Panel has designated this business case amber.



**FINDING 4.7**

The types of homeownership schemes to be funded by the proposed additional investment are not yet known and the estimation of the funds required is based on uplifting a previous deposit scheme which was piloted in 2013.



**FINDING 4.8**

There is currently no robust definition of a ‘key worker’ only a guideline. The true demand of accommodation for key workers is also unknown.



**RECOMMENDATION 4.3**

The Minister for Children and Housing should, by the end of February 2020, provide more robust estimations which are backed up by more extensive evidence-based research for the delivery of long-term housing policies and initiatives.

CSP4-2-02 – Reduce inequality – Rights for tenants			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ <b>Improve support and protection of tenants</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ Nurturing a diverse and inclusive society</li> <li>➤ Making St. Helier a more desirable place to live, work, do business and visit</li> <li>➤ Preparing for more Islanders living longer</li> <li>➤ Working in partnership with Parishes, churches, faith groups, community groups, the third sector, volunteers, businesses, trade unions and key stakeholders</li> </ul>	Minister for Children and Housing	

## Summary Report

The business case in R.91/2019 requests funding for 2020 and outlines indicative funding for 2021- 23 as follows:

- **2020: £110,000**
- 2021: £680,000
- 2022: £380,000
- 2023: £380,000

The business case further states that the aim of this project is to strengthen the legal protection of tenants in both the private and social rented housing sectors. This will include<sup>202</sup>:

- Setting up a new 'Housing Options' service to sign-post people to appropriate housing support
- Extending the Discrimination Law to cover the provision of accommodation for parents with Children
- Introducing a legal framework to control letting fees that can legally be charged.
- Introducing measures in the Residential Tenancy Law to provide additional security of tenure and rent stabilisation
- Reappointing a tenancy deposit scheme provider in November 2020
- Establishing a social housing regulator

The business case stresses that some of these projects could be self-funding. However, if Government fully funds solutions, there will be ongoing costs for the Housing Options service, social housing regulator and a rent tribunal and deposit scheme.

As the £110,000 for 2020 is being requested now for this Government Plan, the Panel requested a breakdown of this allocation of funding and was advised that the funding, if secured, would cover part year funding for a Housing Options service<sup>203</sup>. The Panel is satisfied with the proposed funding for the 2020 element of funding a Housing Options service based on the recommendation made in the independent 'Review of Access to Social Housing'.

With regard to funding for 2021-23 and the suggestion in the business case that some of these projects could be self-funding, following the public hearing with the Minister for Children there still remains ambiguity around how projects could be self-funded. Whilst assurances were given in the public hearing that regulation is proposed to be at no cost for social housing providers<sup>204</sup>, the Panel is still nonetheless concerned that much is still unknown and that there needs to be further consultation and engagement with stakeholders. The Panel considers that any such proposals brought forward will require further scrutiny at that time.

This ambiguity which remains around what will be self-funding and what will Government funded is why the Panel has designated this business case amber. The Panel will monitor the progress of these projects and the funding requests made in future Government Plans.



### FINDING 4.9

The £110,000 funding requested for 2020 would cover part year funding for a Housing Options service.

<sup>202</sup> [R.91/2019 – p. 80](#)

<sup>203</sup> [Minister for Children and Housing – Response to Written Questions](#)

<sup>204</sup> [Public hearing with the Minister for Children and Housing, 1<sup>st</sup> October 2019, p. 12](#)

**FINDING 4.10**

There is ambiguity around the indicative funding requests for 2021-23 and how projects could be self-funded, suggesting that further work needs to be done to provide a more informed estimation of the figures.

**RECOMMENDATION 4.4**

The Minister for Children and Housing should ensure that, for the next Government Plan, a clear proposal is provided in the business case detailing what will be self-funded and what will be Government funded and that appropriate stakeholder engagement and consultation is carried out when developing this proposal.

CSP5-1-01 – Protect our environment – Climate emergency fund			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Tackle the climate emergency</li> <li>➤ Develop a new Sustainable Transport Plan</li> <li>➤ Fully design and propose changes to how we price and cost pollution</li> <li>➤ Enhance environmental protection</li> </ul>	Not provided in full business case	Minister for the Environment	

**Summary Report**

The business case in R.91/2019 proposes a transfer of £5m from the Consolidated Fund in 2020 and outlines forecasted income and expenditure for 2020- 23 as follows:

Climate Emergency Fund	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Opening Balance	0	4,455	4,005	4,705
Income	2,000	3,000	4,000	4,000
Expenditure	(2,545)	(3,450)	(3,300)	(3,300)
Transfers	5,000	0	0	0
Closing Balance	4,455	4,005	4,705	5,405

In the public hearing with the Minister for the Environment, the Panel questioned why the transfer to the Climate Emergency Fund of £5m was proposed from the Consolidated Fund

and not the Strategic Reserve Fund which is “to be used in exceptional circumstances to insulate the Island’s economy from severe structural decline such as the sudden collapse of a major Island industry or from major natural disaster”.<sup>205</sup> The Minister responded that he was not aware of the reason why the Consolidated Fund was the preferred choice to transfer the funds from and that he was not given a choice as to the source of the funds.<sup>206</sup>

In further correspondence that was received from the Department for Treasury and Exchequer, the Panel was advised that the transferring the funds from the Strategic Reserve Fund was not consistent with the purposes of that Fund and would establish a precedent of using the Fund to fund carbon neutrality into the future, when depleted reserves could leave the Island at risk in the future.<sup>207</sup> The Panel is nonetheless of the opinion that the Climate Emergency Fund is ‘emergency’ funding to prevent and mitigate against the potential of any future natural disaster and therefore funding should be borne out of the Strategic Reserve Fund. The Panel considers the source of funding to be important in terms of who is paying for the Climate Emergency Fund. With the Consolidated Fund acting as the Government of Jersey’s ‘current account’ it would mean that last year’s tax payers are bearing the costs of the Climate Emergency Fund. Given that climate change is a cross-generational issue, the Panel considers it appropriate and fair that the £5m transfer to Climate Emergency Fund is made through the Strategic Reserve Fund, which has been built up through contributions from multi-generational tax-payers.

The source of income from 2020-23 is proposed to come from a rise in fuel duty as well as depositing the balance of the income raised above Retail Prices Index (RPI) into the Climate Emergency Fund. The expenditure noted in the table above is for the initiatives noted in the business case in R.91/2019, such as the development of a Carbon Neutral Strategy, Sustainable Transport Policy and other relevant expenditure deemed necessary to ‘strengthen environmental protection’. Further breakdown of the amounts for each initiative is provided in R.91/2019 pages 85-7.<sup>208</sup>

With regard to the Sustainable Transport Policy, the Panel questioned the Minister for Infrastructure as to how the £1.55m proposed funding for sustainable transport initiatives had been estimated, given that it is acknowledged in the business case that it is not possible to define the exact policies or initiatives until the Sustainable Transport Policy is agreed. The Minister for Infrastructure provided the following written response:

**Minister for Infrastructure:**

*The £1.55M is noted as illustrative expenditure and has been identified on the basis of a selection of likely schemes and initiatives that have been identified as ‘no regrets’ i.e. are likely to form the basis of any interventions proposed within a new STP. They have been costed using professional’s experience and scheduled according to their likely feasibility in the 2020 delivery timescales available<sup>209</sup>*

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<sup>205</sup> [Establishment of a stabilisation fund and policy for strategic reserve – 24<sup>th</sup> October 2006](#)

<sup>206</sup> [Public hearing with the Minister for the Environment, 1<sup>st</sup> October 2019, p.10](#)

<sup>207</sup> Email correspondence to the Environment, Housing and Infrastructure Panel from the Department for Treasury and Exchequer, 9<sup>th</sup> October 2019.

<sup>208</sup> [R.91/2019 – p. 85-7](#)

<sup>209</sup> [Minister for Infrastructure – Response to Written Questions](#)



On the basis of these estimates, the Panel questioned the Minister for Infrastructure as to whether he considered the requested funding to be sufficient to meet the aims of the Climate Emergency Fund. His response was as follows:

**Minister for Infrastructure:**

*The Climate Emergency Fund has been proposed as a way to initiate funding to support the transition to a carbon neutral island. The exact form and timescale of this transition is yet to be defined in the Carbon Neutral Strategy and the subsequent States debate therefore we do not know the detailed costs yet. Nevertheless they are likely to be substantial and so the Climate Emergency Fund is being initiated with £5M<sup>210</sup>*

When posed the same question, the Minister for the Environment gave the same response, although adding that “we are confident that the smaller and more tangible and time limited projects are more easily costed and thus the resourcing is more accurate (i.e. Species and habitat protection, Invasive and non-native species, Marine environment research)”<sup>211</sup> The Panel therefore notes that there is currently a large degree of ambiguity surrounding the funding sufficiency of the Climate Emergency Fund.

Jersey Electricity commented in their submission that they had not yet had line of sight to any analysis from Government on the way in which it proposed to facilitate a carbon neutral future. Jersey Electricity further note that documentation in the public domain “does not fully consider the present, somewhat unique ‘starting position’ of the energy system in Jersey and the significant advantages this offers in enabling a carbon neutral future.” They say in their submission that “not taking advantage of [the access that Jersey has to significant volumes of cost-effective, on demand, low carbon, imported electricity] may lead to significantly higher energy costs and/ or taxation to subsidise on-island renewables than might otherwise be the case.”<sup>212</sup>

In the public hearing with the Minister for the Environment, the Panel questioned what engagement there was with the Jersey Energy Forum (of which Jersey Electricity is a member) on the Carbon Neutral Strategy. The response given was that the Forum had met three times, but that “the fundamental development work for the Carbon Neutral Strategy lies with the Council of Ministers who are of course charged to lead this piece.”<sup>213</sup>

The Panel is therefore concerned by the possibility that Government is nearing completion on an initial Carbon Neutral Strategy and there does not appear to have been adequate engagement with key stakeholders on this work.

Jersey Electricity further commented, in respect of the Sustainable Transport Policy, that they support the range of measures currently being considered by Government – such as more extensive public transport, car clubs, personal mobility. However, they believe that this might be extended to providing “*broader and deeper incentives for low carbon private vehicles (as was contemplated in the Energy Plan 2012)*”, on the basis that the car is likely to remain essential for many residents over the 10 years to 2030.<sup>214</sup>

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<sup>210</sup> [Minister for Infrastructure – Response to Written Questions](#)

<sup>211</sup> [Minister for the Environment – Response to Written Questions](#)

<sup>212</sup> [Jersey Electricity – Submission](#)

<sup>213</sup> [Public hearing with the Minister for the Environment, 1<sup>st</sup> October 2019, p.5-6](#)

<sup>214</sup> [Jersey Electricity – Submission](#)

In their submission to the Panel, Ronez are supportive of initiatives to reduce emissions, however they express concerns regarding the fuel duty rises and the impact this will have on their business:

**Ronez:**

*I am supportive in principle of the need to resource initiatives to reduce emissions and influence climate change. Establishing a climate fund is a reasonable objective. However, the level of additional duty will not in itself influence vehicle use. It is generally accepted that to do so would require fuel costs to increase by a very substantial factor and anything less will purely be borne by the user, driving inflation and hence wage demands, in an unhelpful circle. As a moderately intensive user of fuel, the additional cost to Ronez, all else being equal, would be £30-40,000 per year by 2022, which would inevitably be passed on in the cost of goods and services.<sup>215</sup>*

In the public hearing, the Panel questioned the Minister for the Environment on whether the commercial sector had been consulted on the proposals, to understand the impact an increase in fuel duty would have on their operations, and ultimately Jersey's economy. The response given was that Government had not had that discussion with local businesses.<sup>216</sup>

Ronez also comment in their submission that they are able to develop and produce locally, products with a lower environmental impact, but that these products have not been encouraged by Jersey's Government in the way that similar products have been adopted in the UK.<sup>217</sup> The Panel therefore notes that there needs to be considerably more engagement and collaboration between Government and stakeholders, to produce environmentally friendly initiatives and outcomes.

In another submission to the Panel, Earth Project Jersey raises concerns regarding the level of funding on background research and reports and how long it will take to start putting any initiatives into place:

**Earth Project Jersey:**

*...it is clear that it is going to cost a substantial amount to bring this work to fruition... how much is going to be spent on research and reports before any action is even contemplated? I can find no evidence of any great activity on behalf of the government, the private sector is ready willing and able to provide information and solutions here and now...<sup>218</sup>*

The Panel has designated this business case amber due to concerns in respect of the potential impact of proposed fuel duty increases on businesses. The Panel considers that this requires further investigation / impact assessment. There is also uncertainty over how much will be spent before actual climate emergency initiatives are put into place. The Panel is also in disagreement in respect of the £5m transfer from the Consolidated Fund and is of the belief that this should instead be transferred from the Strategic Reserve Fund.

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<sup>215</sup> [Ronez - Submission](#)

<sup>216</sup> [Public hearing with the Minister for the Environment, 1<sup>st</sup> October 2019, p. 37-8](#)

<sup>217</sup> [Ronez – Submission](#)

<sup>218</sup> [Earth Project Jersey - Submission](#)

**FINDING 4.11**

The Climate Emergency Fund business case proposes a one-off transfer of £5m from the Consolidated Fund in 2020 and outlines forecasted income of £2,000,000 and expenditure of £2,545,000 for 2020. Income is expected to come from a rise in fuel duty, as well as depositing the balance of the income raised above Retail Prices Index (RPI).

**FINDING 4.12**

The Climate Emergency Fund is proposed to fund the development of a Carbon Neutral Strategy, Sustainable Transport Policy and various other expenditure to 'strengthen environmental protection.'

**FINDING 4.13**

An estimate of £1.55m of the Climate Emergency Fund is proposed for the funding of sustainable transport initiatives although it was acknowledged in the business case that it is not possible to define the exact policies or initiatives until the Sustainable Transport Policy is agreed.

**FINDING 4.14**

There is a large degree of uncertainty over whether the proposed funding of the Climate Emergency Fund will be sufficient to deliver the aims of the project and any tangible results.

**FINDING 4.15**

There is lack of clarity as to whether there has been adequate engagement and discussion with key stakeholders on the Carbon Neutral Strategy.

**FINDING 4.16**

The commercial sector was not consulted on proposals to increase fuel duty and a thorough impact assessment was not carried out as to how the proposals would especially affect businesses with large vehicle fleets.

**RECOMMENDATION 4.5**

The transfer of £5m in funds currently proposed to come from the Consolidated Fund should instead be transferred from the Strategic Reserve Fund.

**RECOMMENDATION 4.6**

The Department for Strategic Policy, Planning and Performance should carry out improved stakeholder engagement, even in the initial planning stages of policy proposals for a Carbon Neutral Strategy and Sustainable Transport Policy, in order to take on board crucial feedback, expertise and, where appropriate, recommendations from key stakeholders. This should be started before the end of Q4 2020.


**RECOMMENDATION 4.7**

Impact assessments and consultation with the commercial sector should be undertaken in respect of the proposed increases in fuel duty before January 2020.

**Amendments recommended**

The Panel will be recommending two amendments to the Government Plan as follows:

1. To change the source of the transfer of £5m in funds from the Consolidated Fund (as currently proposed) to the Strategic Reserve Fund for the reasons outlined above.
2. To reduce the proposed increase in fuel duty from 6p to 4p until such time as the Sustainable Transport Plan is agreed by the States Assembly; and a full impact assessment has been undertaken to assess any impact on the commercial sector, as well as any unintended consequences for inflation this might have with the potential for this increase to be passed onto consumers.

CSP5-2-01 – Protect our environment - Assessment of public infrastructure and resources			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>Review our public infrastructure and natural resources</b>	<ul style="list-style-type: none"> <li>➤ Making St. Helier a more desirable place to live, work, do business and visit</li> <li>➤ Exploring the opportunities offered by digital</li> <li>➤ Improving transport and infrastructure links.</li> <li>➤ Promoting and protecting Jersey's interests, profile and reputation internationally</li> <li>➤ Working in partnership with Parishes, churches, faith groups, community groups, the third sector, volunteers, businesses, trade unions and key stakeholders</li> </ul>	Minister for the Environment	

**Summary Report**

The business case in R.91/2019 requests £150,000 funding for 2020 only. The business case further states that this funding will enable the procurement of an external partner to develop an infrastructure model, carry out assessments and develop a future Island Infrastructure Plan.

The rationale provided for carrying out this work is due to current work streams being undertaken to consider migration and housing, which will ask questions of the Island's infrastructure and therefore it being considered necessary to review the carrying capacity and longevity of current and planned social and public infrastructure and resources.<sup>219</sup>

<sup>219</sup> [R.91/2019 – p. 88](#)

When questioned as to whether he was confident that the funding request allocated to this project was sufficient to meet the project's aims, the Minister for Infrastructure responded:

**Minister for Infrastructure:**

*The total cost is based on day rates and costs of previous studies of an estimated similar volume of works (detailed information is commercially sensitive) e.g. review of electricity standby charge 2019; shoreline management plan 2018/2019.*<sup>220</sup>

When asked the same question the Minister for Environment gave the same response, adding that "we are therefore currently confident that the resource request is sufficient".<sup>221</sup>

The Panel questioned the Minister for Infrastructure as to why the Minister for the Environment was the Lead Minister for this project. The Panel was advised that this was due to the fact that this particular piece of work feeds directly into the Island Plan for which the Minister for the Environment is responsible.<sup>222</sup>

On reviewing all the supporting information provided, as well as the evidence gathered in the public hearing and written questions, the Panel is satisfied with the funding request in this business case and has designated this business case green.



**FINDING 4.17**

The £150,000 funding requested for 2020 would provide funding for an external partner to develop an infrastructure model, carry out assessments and develop a future Island Infrastructure Plan.



**FINDING 4.18**

The Minister for the Environment is the Lead Minister for the assessment of public infrastructure business case, not the Minister for Infrastructure, as this work feeds directly into the Island Plan for which the Minister for the Environment is responsible.



**RECOMMENDATION 4.8**


The Panel recommends that the Minister for the Environment and the Minister for Infrastructure should take a joint lead approach to delivering this project throughout the remainder of 2019 and until the project's completion, in order to ensure the highest level of expertise, collaboration and political oversight.

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<sup>220</sup> [Minister for Infrastructure – Response to Written Questions](#)

<sup>221</sup> [Minister for the Environment – Response to Written Questions](#)

<sup>222</sup> [Public hearing with the Minister for Infrastructure, 19<sup>th</sup> September 2019, p.37](#)

CSP5-2-02 – Protect our environment - Countryside access			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>Improve countryside access</b>	<ul style="list-style-type: none"> <li>➤ Making St. Helier a more desirable place to live, work, do business and visit</li> <li>➤ Promoting and protecting Jersey's interests, profile and reputation internationally</li> <li>➤ Preparing for more Islanders living longer</li> <li>➤ Enabling Islanders to lead active lives and benefit from the arts, culture and heritage</li> <li>➤ Working in partnership with Parishes, churches, faith groups, community groups, the third sector, volunteers, businesses, trade unions and key stakeholders</li> </ul>	Minister for the Environment	

### Summary Report

The business case in R.91/2019 requests funding for 2020 and outlines indicative funding for 2021- 23 as follows:

- **2020: £195,000**
- *2021: £215,000*
- *2022: £165,000*
- *2023: £90,000*

The business case further states that the aim of this project is to provide:

- User needs research to identify how people use the current network and how best to adapt it to future leisure activities
- A signage strategy to provide clear route marking and health and safety message
- A network of multi-user paths
- Additional countryside routes
- Maintenance of the current and predicted future growth of the network

The Panel requested, from the Minister for the Environment, a further breakdown of the proposed funding. The response was as follows:

***Minister for the Environment:***

*Contractual management and improvement of the path network as follows:*

*2020 – 150k, 2021 – 170k, 2022 – 120k and 2023 - 90k*

*And staff costs as follows:*

*2020 – 45k, 2021 – 46.3k, 2022 – 47.7k and 2023 - 49k<sup>223</sup>*

In addition to this, in response to whether the Minister considered that the funding requested was sufficient to meet the aims of the project, he responded that the funding refers to expected contracted rates for the infrastructure works, as well as staff costs and he is confident that the requested funding is adequate.<sup>224</sup>

The Panel also questioned the Minister for Infrastructure as to what involvement, if any, he had with this project. The Minister for Infrastructure advised that both himself and the Minister for the Environment worked together in the ‘CSP5 working group’ in Summer 2018 which established the importance of improving access to the countryside and further investment in access infrastructure. In addition, more recently, their joint working on the Government Plan ‘Environment’ theme working group which put forward this particular business case for inclusion in the Government Plan.

***Minister for Infrastructure:***

*Both Ministers recognise the importance of this as a priority and will continue to actively work together given that the newly created GHE [Growth, Housing and Environment] department contains the all operational resources associated with this mandate (in the Natural Environment Directorate and the Transport and Operations Directorate).<sup>225</sup>*

On reviewing all the supporting information provided, as well as the evidence gathered in the public hearing and written questions, the Panel is satisfied with the funding request in this business case **for 2020** and has designated this green. The Panel will however, monitor the progress of the project over the course of the remaining Government Plans for 2021-23.



**FINDING 4.19**

The £195,000 funding requested for 2020 would provide £150,000 for contractual management and improvement of the countryside access path network and £45,000 for staff costs.



**FINDING 4.20**


The Minister for the Environment is Lead Minister for the countryside access business case and there is evidence of joint working with the Minister for Infrastructure regarding access to infrastructure.

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<sup>223</sup> [Minister for the Environment – Response to Written Questions](#)

<sup>224</sup> [Minister for the Environment – Response to Written Questions](#)

<sup>225</sup> [Minister for Infrastructure – Response to Written Questions](#)

CSP5-2-03 – Protect our environment – Jersey National Park			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>No link to action</b>	<ul style="list-style-type: none"> <li>➤ Nurturing a diverse and inclusive society</li> <li>➤ Promoting and protecting Jersey's interests, profile and reputation internationally</li> <li>➤ Preparing for more Islanders living longer</li> <li>➤ Enabling Islanders to lead active lives and benefit from the arts, culture and heritage</li> <li>➤ Exploring the opportunities offered by digital</li> <li>➤ Working in partnership with Parishes, churches, faith groups, community groups, the third sector, volunteers, businesses, trade unions and key stakeholders</li> </ul>	Minister for Economic Development, Tourism, Sport and Culture	

### Summary Report

The business case in R.91/2019 requests funding for 2020 and outlines indicative funding for 2021- 23 as follows:

- **2020: £100,000**
- 2021: £150,000
- 2022: £200,000
- 2023: £250,000

The business case asserts that to ensure the longevity of Jersey National Park, the appointment a part-time events management, marketing and administration manager is required to deliver initiatives, in conjunction with the Countryside Access Investment and various partners to cement and further grow the profile of Jersey National Park.

The requested funding will support the delivery of the following initiatives:

- Marketing (both in partnership with Visit Jersey and independently)
- Fund raising
- Education centre at the Francis Le Sueur Centre
- Community engagement
- Signage
- Bins
- Maintenance in the Jersey National Park
- Rezoning land to the Jersey National Park through the Island Plan 2021-30<sup>226</sup>

<sup>226</sup> [R.91/2019 – p. 90](#)



The Panel was advised that the position of a Jersey National Park Manager will be created and attract an anticipated salary of £50,000 full time equivalent, although the position is expected to initially be part time only (20-25 hours per week).<sup>227</sup>

The Panel questioned the Minister for the Environment as to why he was not Lead Minister for this particular business case. His response was as follows:

**Minister for the Environment:**

*...The bits that you have got in the plan are flagged up as being the Minister for Economic Development, Tourism, Sport and Culture and I think I was quite clear that what these things are for is to use or to promote the national park, promote it as a tourism and recreational resource. Of course up until now, as Minister, I have had a lot of stick from people who complained that we have not done anything, because the Jersey National Park was formed a number of years ago, but of course it was never intended that the role of the Minister for the Environment would extend into promoting our environment in that way. What happened in the previous 2011 Plan, if you like, a planning zone was titled the Coastal National Park as a means of, I suppose, promoting the principle of wise use. Therefore excellent, outstanding local individuals came on board and put a huge amount of effort into getting the thing running, but then found they could not get any resources in Government. Of course I have explained there was just no money anywhere in the Environment budget to facilitate that...The Department for the Environment can provide resources in terms of expertise as to what are the valuable areas of land that need to be protected, what advice we can give, in terms of setting the lead I think it is right that it is the Minister for Economic Development, Tourism, Sport and Culture...<sup>228</sup>*

In response to a written question from the Panel on collaborative Ministerial working, the Minister for Economic Development, Tourism, Sport and Culture advised that himself and the Minister for the Environment would be working jointly together by feeding into the Countryside Access Scheme which encompasses the work being carried out by Jersey National Park.<sup>229</sup>

When questioned about sustainability and whether the proposed costs are deemed sufficient enough to deliver the project, the Minister for Economic Development, Tourism, Sport and Culture advised that the Jersey National Park does not anticipate overspending, however, if required additional funding was identified for the project in the future, a separate request would be made under a future Government Plan. Furthermore, the Minister stated that the requested funding should provide sufficient resources for the Jersey National Park over the next four years.<sup>230</sup>

The Panel invited the Jersey National Park to make a written submission to the review. In their submission it was emphasised that, in previous years, the Jersey National Park has been under-resourced and under-funded and had relied heavily on the work of committed

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<sup>227</sup> [Minister for Economic Development, Tourism, Sport and Culture – Response to Written Questions](#)

<sup>228</sup> [Public hearing with the Minister for the Environment, 1<sup>st</sup> October 2019, pp. 22-23](#)

<sup>229</sup> [Minister for Economic Development, Tourism, Sport and Culture – Response to Written Questions](#)

<sup>230</sup> [Minister for Economic Development, Tourism, Sport and Culture – Response to Written Questions](#)

volunteers. There was also agreement that proposed funding was considered sufficient to meet the aims of the project.<sup>231</sup>

On reviewing all the supporting information provided, as well as the evidence gathered in the public hearing and written questions, the Panel is satisfied with the funding request in this business case **for 2020**. However, the Panel has marked this business case amber due to a degree of ambiguity in the business case and an absence of justification for the increases in funding during 2021-23. The Panel will therefore monitor the progress of the project over the course of the remaining Government Plans for 2021-23 and will be requesting quarterly cost-benefit updates from the Minister for Economic Development, Tourism, Sport and Culture detailing how the requested funds have been spent and what has been achieved.



#### FINDING 4.21

The £100,000 funding requested for Jersey National Park for 2020 would provide funding for staff costs, as well as other initiatives, such as marketing, education and information materials.



#### FINDING 4.22

The Minister for Economic Development, Tourism, Sport and Culture is the Lead Minister for this project rather than the Minister for the Environment. This was justified due to the part the Jersey National Park plays in tourism. There appears to be some evidence of joint working between the two Ministers.



#### FINDING 4.23

The Jersey National Park has relied heavily on the commitment and drive of volunteers in previous years who welcome the proposed additional funding and believe the funding should be sufficient to meet the project's aims.



#### RECOMMENDATION 4.9

The Minister for Economic Development, Tourism, Sport and Culture should provide the Environment, Housing and Infrastructure Scrutiny Panel with quarterly cost-benefit updates, starting from January 2020, detailing how the requested funds for the Jersey National Park have been spent and what has been achieved.

CSP5-3-01 – Protect our environment – Island Plan review			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ <b>Develop the draft Island Plan 2020-30</b></li> <li>➤ <b>Publish a new Island Plan for the period 2021-30</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ Making St. Helier a more desirable place to live, work, do business and visit</li> <li>➤ Preparing for more Islanders living longer</li> <li>➤ Improving transport and infrastructure links</li> </ul>	Minister for the Environment	

<sup>231</sup> [Jersey National Park - Submission](#)

	<ul style="list-style-type: none"> <li>➤ Enabling Islanders to lead active lives and benefit from the arts, culture and heritage</li> <li>➤ Working in partnership with Parishes, churches, faith groups, community groups, the third sector, volunteers, businesses, trade unions and key stakeholders</li> </ul>		
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### Summary Report

The business case in R.91/2019 requests £650,000 of funding for 2020 only. It further states that an initial budget of £0.35m for 2018/19 has already been allocated from central contingencies to commission additional studies and evidence; as well as to support public engagement and consultation. The original level of funding considered to be required to review the Island Plan was £0.6m. Although, the business case asserts that this falls at the lower end of the overall likely cost of the review and would not enable a revised Island Plan to be delivered to the required level of soundness; within an appropriate timescale or with independent inspection (as required by law).

The rationale provided in the business case for the request for an additional £0.65m is due to it being considered that that additional resource is required to enable and ensure:

- The development of a robust, evidence-based Island Plan
- An Island Plan with an extended remit
- Early, meaningful and comprehensive engagement
- Statutorily required independent scrutiny
- Delivery within a more ambitious timescale<sup>232</sup>

The Panel requested a detailed breakdown of the requested £650,000 and received the following from the Minister<sup>233</sup>:

Breakdown of Island Plan 2020 Review Costs			
	2018/19	2020	Total
<b>Engagement</b>	£50,000	£50,000	£100,000
<b>Evidence base</b>	£200,000	£50,000	£250,000
<b>Strategic partner</b>	£100,000	£400,000	£500,000

<sup>232</sup> [R.91/2019 – p. 91](#)

<sup>233</sup> [Minister for the Environment – Response to Written Questions](#)

<b>Independent inspection</b>	-	£150,000	£150,000
<b>TOTALS</b>	<b>£350,000</b>	<b>£650,000</b>	<b>£1,000,000</b>

In addition, the Panel requested the total figure that was spent on the last Island Plan Review. In his response to written questions, the Minister advised that the Revised 2011 Island Plan was prepared in 2011 and cost £358,071.28. These costs included communication and engagement; preparation and publication of reports; engagement of independent planning inspectors and internal costs. In addition to this, some parts of the plan were subject to an external interim review in 2014 costing a further £131,428.32. The total cost of the 2011 Island Plan amounting to £489,857.20.<sup>234</sup>

The rationale for requesting double the funding for the next Island Plan 2020 was explained to the Panel as being due to the fact that the 2011 Island Plan relied on the following earlier and now out-of-date studies which need to be reviewed to ensure a more current, robust evidence base:

- Countryside Character Appraisal (1999)
- St Helier Urban Character Appraisal (2005)
- Mineral Strategy (1999)

It is also proposed that the additional funding will widen the scope beyond that undertaken in 2011 to ensure it encapsulates the new strategic priorities, such as putting children first and tackling and responding to the climate emergency. Further to this, it was explained that the additional funding will support better, more improved public engagement and communication and bringing on board additional help to deliver the Island Plan in a timelier manner. In the public hearing with the Minister for the Environment, the Panel was advised the following:

***The Minister for the Environment:***

*The honest truth, it was never possible to do the Island Plan on the sums that were available from the existing contingency fund. That was ridiculous that we could get the job done for £350,000...*

***Director, Planning Policy and Historic Environment:***

*...the plan comes around on a frequent basis but with quite a long time period in between so some are at least on a 10-year basis. Provision is not made for it on an annual budgetary basis so when the time comes to review the plan we need to secure additional resource to do that...we have approached this review of the plan in a different way to what we have done in the past. So we have engaged a strategic partner to support us through the process. That obviously comes at a cost. I think it is worth bearing in mind that when we did the last Island Plan we had certain pieces of work that helped form our evidence base for the review of the plan. Last time we reviewed the Island Plan we relied upon work that had been done previously so some of you may be familiar with the countryside character appraisal, which was done in the Island in 1999, which helps to form the basis of a lot of the countryside policies that we have; the green zone and the Coastal National Park policy. That was not reviewed when we*

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<sup>234</sup> [Minister for the Environment – Response to Written Questions](#)

*did the 2011 Island Plan. It needs to be reviewed for the current Island Plan because it is now quite dated information...*<sup>235</sup>

In response to whether the additional funding sought was sufficient to deliver the Island Plan within budget, the Minister for the Environment advised the Panel that *“having regard to previously commissioned work of a similar nature, there is confidence that the new Island Plan can be delivered with the proposed level of resources.”*<sup>236</sup>

On reviewing all the supporting information provided, as well as the evidence gathered in the public hearing and written questions, the Panel is satisfied with the funding request in this business case and has designated this business case green.



**FINDING 4.24**

The Government Plan requests additional funding of £650,000 to deliver the 2020 Island Plan, which together with the £350,000 in funding already allocated, brings the total cost of the Island Plan Review to £1,000,000. This is approximately double the cost of the previous 2011 Island Plan.



**FINDING 4.25**

The rationale for the request for a substantial increase in funding is due to it being considered that previous Island Plan funding was not considered adequate to deliver the Island Plan in a timely manner, without further investment to produce a robust evidence base, as well as resources to provide enhanced public engagement and communication.

OI-Non-02 – Modernising Government – Government House refurbishment			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>No link</b>	<ul style="list-style-type: none"> <li>➤ Nurturing a diverse and inclusive society</li> <li>➤ Promoting and protecting Jersey’s interests, profile and reputation internationally</li> <li>➤ Enabling Islanders to lead active lives and benefit from the arts, culture and heritage</li> <li>➤ Working in partnership with Parishes, churches, faith groups, community groups, the third sector, volunteers, businesses, trade unions and key stakeholders</li> </ul>	Minister for Infrastructure	

<sup>235</sup> [Public hearing with the Minister for the Environment, 1<sup>st</sup> October 2019, p. 18](#)

<sup>236</sup> [Minister for the Environment – Response to Written Questions](#)

## Summary Report

The business case in R.91/2019 requests £130,000 funding for 2022 only, to refurbish various aspects of Government House due to the existing base budget of the Office of the Lieutenant-Governor (OLG) not having capacity to fund the extensive refurbishment works required. The business case further explains that Government House is exposed to significant visitor use during the tenure of the Lieutenant Governor leading to wear and tear on the internal fabric, fixtures and fittings of Government House. Visitors average 3,000 a year and include members of the Royal Family, Heads of State, Ambassadors, Ministers' of State, foreign dignitaries and thousands of Islanders.

The proposed refurbishment works comprise:

- Redecoration Government House - £70,000  
e.g. Main function areas only, some bedrooms not required
- Re-Carpet Government house (Core Areas, Dining Room, Millais Suite) - £35,000  
e.g. Stairs, corridors and landings will be 15 years old
- Building Services (MandE) - £10,000  
e.g. Replacement of worn brassware, thermostatic valves, fan motors and pumps  
e.g. Replacement where feasible with energy efficient lighting
- Fixtures and Fittings - £10,000
- Contingency £5,000<sup>237</sup>

This particular business case falls under a Non-Ministerial Government Department and therefore does not have a Lead Minister assigned. The Panel questioned the Minister for Infrastructure as to what, if any, involvement or oversight he had of the project. The response was that Jersey Property Holdings hold the Governor's residence on behalf of the Public. Therefore, the Minister for Infrastructure retains ultimate political accountability for the residence and this project. In regard to involvement in the project, it was revealed that the Officer of the Lieutenant Governor instigated the project and the Minister and Jersey Property Holdings have had "very little involvement." The Panel was informed that advice on contractors had been taken from the maintenance department and in accordance with the procedure of seeking three quotes for the required works.<sup>238</sup>

On reviewing all the supporting information provided, as well as the evidence gathered in the public hearing and written questions, the Panel is satisfied with the funding request in this business case and has designated this business case green.



### FINDING 4.26

The £130,000 funding requested for 2022 would cover refurbishment costs for Government House which on average received 3,000 guests each year including members of Royal Family, Heads of State, Ambassadors, Ministers' of State, foreign dignitaries and islanders.

<sup>237</sup> [R.91/2019 – p. 118](#)

<sup>238</sup> [Minister for Infrastructure – Response to Written Questions](#)

**FINDING 4.27**

The Office of the Lieutenant Governor does not have capacity to fund the required refurbishment works at Government House.

**FINDING 4.28**

Jersey Property Holdings hold the Governor's residence on behalf of the public and therefore the Minister for Infrastructure has ultimate political accountability for the refurbishment of Government House.

**RECOMMENDATION 4.10**

In order to demonstrate clear politically accountability, all business cases within the Government Plan, including for projects driven by Non-Ministerial Departments and capital projects, should clearly state a Lead or 'Accountable' Minister / Assembly Committee or Panel in order to demonstrate clear, transparent politically accountability and leadership for the project's delivery. The Council of Ministers should incorporate this for the next Government Plan 2021.

*Business Cases for Capital Expenditure*

Pre-feasibility votes		
Project	Minister(s)	Scrutiny RAG Status
<b>Jersey Instrumental Music Service Premises</b>	Minister for Education	
<b>VCP Replacement School</b>	Minister for Education	
<b>North of St. Helier Youth Centre</b>	Minister for Education	
<b>Le Squez Youth Centre/Community Hubs</b>	Minister for Education	
<b>Rouge Bouillon site review</b>	Minister for Infrastructure	
<b>Mont à l'Abbé secondary school</b>	Minister for Education	
<b>Review of Greenfields</b>	Minister for Education	
<b>Picquet House – Family Court</b>	Chief Minister	
<b>Further Education campus</b>	Minister for Education	
<b>Infrastructure funding</b>	Minister for Infrastructure	

**Summary Report**

The Panel notes that the above requests for funding are based on pre-feasibility studies. The Panel has assessed the requests for funding along with all available supporting information and deems those rated green status to be satisfactory.

Mont à l'Abbé secondary school and Review of Greenfields do not include a request for funding in 2020 and therefore the Panel has highlighted these amber to indicate that they will be revisited by the Panel in a future Government Plan when funding is being requested. Therefore, in this instance, the amber rating indicates 'awaiting further information'.



#### FINDING 4.29

Having reviewed all the supporting information, the Panel is satisfied with the funding requests for the pre-feasibility studies which are being requested in this Government Plan.

Rolling vote			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No link	➤ Working in partnership with Parishes, churches, faith groups, community groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Infrastructure	

### Summary Report

The business case in R.91/2019 requests funding for 2020 and outlines indicative funding for 2021- 23 as follows:

- **2020: £12,650,000**
- 2021: £12,370,000
- 2022: £13,650,000
- 2023: £13,650,000

The bid includes maintenance and replacement of existing:

- Sewerage network (pipes, manholes and storm water storage)
- Roads, footways and associated equipment (e.g. traffic lights, streetlights, etc.)
- Sea Defences

The business case explains further that, historically, networked assets have not received 1% of value due to funding pressures and so there is currently a maintenance backlog. The request for funding also includes £150,000 per annum for feasibility studies to develop coastal adaption schemes in accordance with management policies which will be set out in the Jersey Shoreline Coastal Resilience Management Plan which is due to be finalised before the end of 2019.<sup>239</sup>

The Panel requested a further breakdown of what the funding for the rolling vote covers. The Minister for Infrastructure advised that it includes the planned maintenance of Highways

<sup>239</sup> [R.91/2019 p. 163](#)



(including traffic signal maintenance), Sea Defences, and Drainage. An indicative allocation of the 2020 capital allocation was provided as follows<sup>240</sup>:

Indicative allocation of 2020 capital allocation of the Infrastructure Rolling Vote	
	2020 (£'000)
Drainage	4,330
Transport	6,810
Sea Defences	1,360
Impact of climate change	150
<b>TOTAL ROLLING VOTE</b>	<b>12,650</b>

In a response to written questions, the Minister for Infrastructure advised the Panel that £6.56m is required to meet the maintenance backlog in respect of Jersey's highways.<sup>241</sup> When questioned further in the public hearing, the Panel queried whether this amount was sufficient to adequately address the backlog. The following response was given:

**Director of Transport:**

*Well, there is a difference between what is sufficient and what is deliverable. I think the £6.5 million is a good amount to be able to get ourselves back on to a steady footing and to get to a position where the road conditions are getting no worse. So we will be slowing the decline and then we will get to a sustainable position... I think if we were given more money than that... we would struggle to get it on to the road given all the other activities that are going on on the roads at the same time. You would not want to bring the Island to a standstill.<sup>242</sup>*

On reviewing all the supporting information provided, as well as the evidence gathered in the public hearing and written questions, the Panel is satisfied with the funding request in this business case and has designated this business case green.



**FINDING 4.30**

Funding of £12,650,000 is requested for 2020 to fund the ongoing maintenance and replacement of: the sewerage network, roads and sea defences. Historically, networked assets have not received 1% of value due to funding pressures and therefore there is currently a maintenance backlog.




**FINDING 4.31**

£6.56m is required to address the maintenance backlog in respect of Jersey's highways. This amount is considered to be sufficient in terms of what is also deliverable regarding the scheduling of works on Jersey's roads.

<sup>240</sup> [Minister for Infrastructure – Response to Written Questions](#)

<sup>241</sup> [Minister for Infrastructure – Response to Written Questions](#)

<sup>242</sup> [Public hearing with the Minister for Infrastructure, 19th September 2019, p. 9-10](#)

Sewage Treatment Works			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No link	<ul style="list-style-type: none"> <li>➤ Making St. Helier a more desirable place to live, work, do business and visit</li> <li>➤ Promoting and protecting Jersey's interests, profile and reputation internationally</li> </ul>	Minister for Infrastructure	

### Summary Report

The business case in R.91/2019 requests funding of £7,850,000 in 2020 **and** £4,000,000 in 2021. The business case further explains, that this is an ongoing capital project for which it was estimated in 2012 would cost £75m to replace the existing Sewage Treatment Works plant. The £11.85m requested in the business case is what is deemed to be required to enable the project to be fully funded to completion.

Funding allocations up until March 2019 totalled £68.1m, £29m of which came from the Infrastructure Rolling Vote, and which has led to the maintenance backlog on sewer and road networks and coastal defences. The now total estimated cost of the project, including 3m to cover odour control tanks, is £79.9m. The case is made in the business case that it is not sustainable for funding to continue in this manner and is why the funding bid for the remaining £11.85m has been put forward in this Government Plan.<sup>243</sup>

In the public hearing, the Panel questioned the Minister for Infrastructure as to whether he was confident the £11.85m funding was sufficient to deliver the project to completion. The following response was given:

**Group Director, Operations and Transport, Growth, Housing and Environment:**  
*... We do not expect to require any additional resources other than the £11.85 million, which will get us up to the £79 million. The reason for the increase was for the covers for the primary settlement tanks, which was approved within the States to deal with the odour issue, so that was some of the increased costs. There was originally things like the clinical waste incinerator which is also being funded from this vote.*<sup>244</sup>

On reviewing all the supporting information provided, as well as the evidence gathered in the public hearing, the Panel is satisfied with the funding request in this business case and has designated this business case green.



#### FINDING 4.32

Funding of £7,850,000 in 2020 **and** £4,000,000 in 2021 for the Sewage Treatment Works is requested in this Government Plan to enable its completion. £29m in funding allocations has previously been made from the Infrastructure Rolling Vote, which is considered not to be a sustainable funding mechanism going forward.

<sup>243</sup> [R.91/2019 p. 164](#)

<sup>244</sup> [Public hearing with the Minister for Infrastructure, 19<sup>th</sup> September 2019, p. 16](#)

**FINDING 4.33**

The total funding of £11.85m is considered to be sufficient to deliver the Sewage Treatment Works project to completion.

Drainage foul sewer extensions			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>No link</b>	<ul style="list-style-type: none"> <li>➤ Promoting and protecting Jersey's interests, profile and reputation internationally</li> <li>➤ Preparing for more Islanders living longer</li> </ul>	Minister for Infrastructure	

**Summary Report**

The business case in R.91/2019 requests funding for 2020 and outlines indicative funding for 2021- 23 as follows:

- **2020: £1,500,000**
- *2021: £1,500,000*
- *2022: £1,500,000*
- *2023: £1,500,000*

The business case explains that Jersey's population is projected to increase from 105,000 to 130,000 by 2035 and that as it is unclear where this increase in population will be housed, it is probable that extensions and enhancements to the sewerage network will be required to sustain such an increase.


The proposed works are in line with the objectives of the Waste Water Strategy 2014, which, amongst other aims, specifies that the collection, treatment and disposal of waste water is in accordance with future Island needs. Furthermore, it enables the planning of essential investment, whilst delivering the highest level of customer service in a sustainable way.<sup>245</sup>

On reviewing all the supporting information provided, the Panel is satisfied with the funding request in this business case and has designated this business case green.

**FINDING 4.34**

Having reviewed all the supporting information, the Panel is satisfied with the funding request of £1,500,000 for 2020 for the drainage foul sewer extensions, noting that the requests for 2021-23 are indicative and that approval will be required by the States in future Government Plans.

<sup>245</sup> [R.91/2019 p. 165](#)

Sewage Treatment Works – odour mitigation			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No link	Not provided in full business case	Minister for Infrastructure	


### Summary Report

The business case in R.91/2019 **does not** request funding for 2020 and only outlines indicative funding for 2021 of £1,500,000. Therefore, a decision on funding is not required at this time. The Panel has designated this business case as amber until the figure is confirmed and an assessment is undertaken for a future Government Plan approval.



#### FINDING 4.35

The business case for Sewage Treatment Works – odour mitigation **does not** request funding for 2020 and only outlines indicative funding for 2021 of £1,500,000, therefore a States' decision is not required at this time.

Bellozanne Sewage Treatment Works outfall rehabilitation			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No link	<ul style="list-style-type: none"> <li>➤ Promoting and protecting Jersey's interests, profile and reputation internationally</li> <li>➤ Making St. Helier a more desirable place to live, work, do business and visit</li> </ul>	Minister for Infrastructure	


### Summary Report

The business case in R.91/2019 **does not** request funding for 2020 and only outlines indicative funding for 2023 of £1,000,000. Therefore, a decision on funding is not required at this time. The Panel has designated this business case as amber until the figure is confirmed and an assessment is undertaken for a future Government Plan approval.



#### FINDING 4.36

The business case for Bellozanne Sewage Treatment Works outfall rehabilitation **does not** request funding for 2020 and only outlines indicative funding for 2023 of £1,000,000, therefore a States' decision is not required at this time.

First Tower pumping station upgrade			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No link	Not provided in full business case	Minister for Infrastructure	

**Summary Report**

The business case in R.91/2019 requests funding of £650,000 for 2020 only.

The business case explains that these works will include the extensive refurbishment of the existing station and will improve safety by reducing the frequency that workers will have to enter a hazardous area to conduct cleaning.<sup>246</sup>

On reviewing all the supporting information provided, the Panel is satisfied with the funding request in this business case and has designated this business case green.



**FINDING 4.37**

Having reviewed all the supporting information, the Panel is satisfied with the funding request of £650,000 for 2020 for the First Tower pumping station upgrade.

Inert waste site feasibility			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No link	<ul style="list-style-type: none"> <li>➤ Promoting and protecting Jersey's interests, profile and reputation internationally</li> <li>➤ Improving transport and infrastructure links</li> </ul>	Minister for Infrastructure	

**Summary Report**

The business case in R.91/2019 requests funding of £500,000 for 2020 only.

The business case explains that this request for funding is for a feasibility study to underpin a future strategy for the local management of inert construction waste. Based on estimates the business case asserts that the existing site will reach capacity by the end of 2021 and there is currently no plan for a Government operated facility once the existing site is full.<sup>247</sup>

On reviewing all the supporting information provided, the Panel is satisfied with the funding request in this business case and has designated this business case green.



**FINDING 4.38**

Having reviewed all the supporting information, the Panel is satisfied with the funding request of £500,000 for 2020 for an inert waste site feasibility study.

<sup>246</sup> [R.91/2019 p. 168](#)

<sup>247</sup> [R.91/2019 p. 169](#)

La Collette waste site development			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>No link</b>	➤ Promoting and protecting Jersey's interests, profile and reputation internationally	Minister for Infrastructure	

### Summary Report

The business case in R.91/2019 requests funding for 2020 and outlines indicative funding for 2021- 23 as follows:

- **2020: £500,000**
- 2021: £500,000
- 2022: £500,000
- 2023: £500,000


The business case states that the continuation of funding of £500,000 will allow the Collette waste site to continue to be developed to receive construction waste and funding will enable the creation of new hazardous and contaminated waste cells.

On reviewing all the supporting information provided, the Panel is satisfied with the funding request in this business case and has designated this business case green.



#### FINDING 4.39

Having reviewed all the supporting information, the Panel is satisfied with the funding request of £500,000 for 2020 for the La Collette waste site development, noting that the requests for 2021-23 are indicative and that approval will be required by the States in future Government Plans.

Island public realm, including St. Helier			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>No link</b>	Not provided in full business case	Minister for Infrastructure	

### Summary Report

The business case in R.91/2019 requests funding for 2020 and outlines indicative funding for 2021- 23 as follows:

- **2020: £400,000**
- 2021: £2,500,000
- 2022: £5,000,000
- 2023: £6,500,000

The business case states that funding for 2020 will be used to develop a prioritised programme of schemes to improve village and urban environments for Islanders and tourists. The schemes would be aimed at delivering an accessible town and encourage sustainable travel modes such as walking, cycling and public transport throughout the island. The business case asserts that delivery of these schemes will follow in subsequent years of the Government Plan.

On reviewing all the supporting information provided, the Panel is satisfied with the funding request in this business case and has designated this business case green.



**FINDING 4.40**

Having reviewed all the supporting information, the Panel is satisfied with the funding request of £400,000 for 2020 for the Island Public Realm including St. Helier, noting that the requests for 2021-23 are indicative and that approval will be required by the States in future Government Plans.

Refit and replacement of fisheries protection vessel and auxiliary vessels			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No link	➤ Promoting and protecting Jersey's interests, profile and reputation internationally	Minister for the Environment	

**Summary Report**

The business case in R.91/2019 requests funding for 2020 of £580,000 and outlines indicative funding for 2023 of £2,800,000.

The business case states that the 2020 request for funding is to refit on the current vessel in 2020 and the future proposed funding for 2023 is for the delivery of a new build vessel in 2023. It further states that a portion of the bid will be retained by Treasury and Exchequer in a central contingency.

In addition to protecting the Island's marine resources, the Norman le Brocq also provides a maritime asset for other States Departments including the States of Jersey Police Force, Customs and Immigration Service and Fire and Rescue Service.<sup>248</sup>

In the public hearing with the Minister for the Environment, the Panel queried the rationale for carrying out a refit in 2020 and delivering a new build vessel in 2023. The Director of Natural Environment gave the following response:

**Director, Natural Environment:**

*In 2 major areas, one being Brexit and one being the challenges around the Granville Bay Treaty and to answer your question, yes, we seek to replace that asset. We have gone ahead and the budget that we would require through the Government Plan is for uprating of our existing assets initially and then a replacement thereafter. The uprating of the existing assets is on the basis of health and safety, the Norman Le Brocq and our existing tender R.I.B.s (Rigid Inflatable Boat) SeaRiders, needs to be improved in order that we can operate safely and legally at sea. We have pushed the button on the order for a replacement R.I.B. for one of those, but it is going to be a larger R.I.B. because of the extra pressures that we are going to see, we think, through Brexit. We are going to have a larger R.I.B. which will be capable of operating on a standalone*

<sup>248</sup> [R.91/2019 – p. 197](#)

*basis, operating possibly nearer shore, inshore and then we will have a secondary R.I.B. that is the tender and the States vessel to the Norman Le Brocq. That is the work that is ongoing now, to be to upgrade those vessels in a practical way.<sup>249</sup>*

In addition to the health and safety requirements for the refit in 2020, it was further revealed during the public hearing that the Norman Le Brocq vessel is currently the only States' owned fisheries vessel, which is not deemed adequate in size to deal with potential for disputes over fishing territories which are likely to occur as a result of Brexit.

On reviewing all the supporting information provided, as well as the evidence gathered in the public hearing, the Panel is satisfied with the funding request in this business case **for 2020** and has designated this green. The Panel will however, monitor the progress of the project and the indicative funding request for 2023.



#### FINDING 4.41

The £580,000 funding requested for 2020 would cover the costs of refitting the Norman Le Brocq fisheries vessel which are required to operate legally on health and safety grounds. The £2,800,000 indicative funding for 2023 will cover the costs of a new build vessel which is required to meet the challenges and pressures on Jersey's fishing territories following Brexit.



#### FINDING 4.42

The Norman Le Brocq vessel is currently the only States owned fisheries vessel and is not deemed adequate in size to deal with fishing disputes which are likely to arise as a result of Brexit.

Replacement assets and minor capital			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No link	<ul style="list-style-type: none"> <li>➤ Promoting and protecting Jersey's interests, profile and reputation internationally</li> <li>➤ Improving transport and infrastructure links</li> </ul>	Minister for Infrastructure	

### Summary Report

The business case in R.91/2019 requests funding for 2020 and outlines indicative funding for 2021- 23 as follows:

- **2020: £4,333,000**
- 2021: £2,862,000
- 2022: £2,668,000
- 2023: £2,565,000

The business case details that the funding will cover:

- replacement of major elements of the Energy Recovery Facility
- maintenance and renovation of pumping stations

<sup>249</sup> [Public hearing with the Minister for the Environment, 1<sup>st</sup> October 2019, p. 32-3](#)



- replacement of a number of key fixed assets at the La Collette Waste Site that have reached the end of their lifespan
- replacement / servicing of key assets at the Bellozanne Sewage Treatment Works

The Panel requested a further breakdown of the proposed funding of £4,333,000 for 2020, which the Minister for Infrastructure provided in his response to written questions<sup>250</sup>:

Breakdown of proposed 2020 allocation of funding for replacement assets and minor capital	
	2020 (£'000)
<b>Energy Recovery Facility</b>	2,000
<b>Pumping stations</b>	1,478
<b>La Collette Waste Site</b>	600
<b>Bellozanne Sewage Treatment Works</b>	255
<b>TOTAL REPLACEMENT ASSETS</b>	<b>4,333</b>

On reviewing all the supporting information provided, including the evidence gathered in the response to written questions, as well as a comprehensive and detailed schedule requested of all the required works, the Panel is satisfied with the funding request in this business case **for 2020** and has designated this green. The Panel will, however, monitor the progress of the project and the indicative funding requests for 2021-23.










#### FINDING 4.43

Funding of £4,333,000 is requested in 2020 for the replacement of various fixed assets including elements of the Energy Recovery Facility, pumping stations, La Collette Waste Site and Bellozanne Sewage Treatment Works.

Estates including new schools (no funding requested in 2020)		
Project	Minister(s)	Scrutiny RAG Status
<b>Jersey Instrumental Music Service Premises</b>	Minister for Education	(!)
<b>VCP replacement school</b>	Minister for Education	(!)
<b>Le Squez Youth Centre/Community Hubs</b>	Minister for Education	(!)
<b>North of St. Helier Youth Centre</b>	Minister for Education	(!)
<b>St. Aubin Fort upgrade</b>	Minister for Education	(!)

<sup>250</sup> [Minister for Infrastructure – Response to Written Questions](#)

<b>Mont á l'Abbé secondary school</b>	Minister for Education	
<b>Review of Greenfields</b>	Minister for Education	
<b>Elizabeth Castle development</b>	Minister for Infrastructure	
<b>Prison – Phase 7</b>	Minister for Justice and Home Affairs	
<b>Prison – Phase 8</b>	Minister for Justice and Home Affairs	
<b>Picquet House – Family Court</b>	Chief Minister	
<b>Rouge Bouillon site review outcome</b>	Minister for Infrastructure	


### Summary Report

The Panel has categorised these capital projects as amber, not because it has any concerns about the projects at this initial stage, but to indicate that they will be revisited in a future Government Plan when funding is requested. Therefore, in this instance, amber indicates 'awaiting further information'.



#### FINDING 4.44

There are a number of capital projects which do not require funding decisions for 2020 and only provide indicative funding proposals for 2021-3. The Panel will review these projects in future Government Plans when requested funding is confirmed and further details are available.

Vehicle Testing Centre			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>No link</b>	<ul style="list-style-type: none"> <li>➤ Enabling Islanders to lead active lives and benefit from the arts, culture and heritage</li> <li>➤ Making St. Helier a more desirable place to live, work, do business and visit.</li> <li>➤ Promoting and protecting Jersey's interests, profile and reputation internationally</li> <li>➤ Improving transport and infrastructure links.</li> </ul>	Minister for Infrastructure	

## Summary Report

The business case in R.91/2019 requests funding for 2020 **and** 2021- 23 as follows:

- **2020: £250,000**
- 2021: £2,000,000
- 2022: £2,925,000
- 2023: £1,300,000

The business case explains that Jersey is required to comply with the United Nations Vienna Convention on Road Traffic which was extended to the Island on 29 March 2019 and that this is likely to require the inspection of circa 40,000 vehicles per annum. Delivering the inspection of all cars and motorbikes requires a new permanent arrangement.

It is further explained that an options appraisal study will be undertaken to determine the best option for delivery, with an agreed business case and delivery model established before the end of 2019. The Department for Environment, Housing and Infrastructure anticipates that permanent arrangements for the Periodic Technical Inspection of all vehicles in Jersey will be in place by 2022, subject to the outcome of the options appraisal study. The request for funding in this business case would address a scenario where a test centre will be required to undertake vehicle inspections. It assumes that Government will be required to provide the initial capital funding required for the construction of a Vehicle Testing Centre, but thereafter the centre should be self-funding.<sup>251</sup>

The Panel notes that the business case requests approval for all four years of funding, totalling £6.5m. In the public hearing with the Minister for Infrastructure, the Panel questioned why all four years was being requested at this time and whether these requests would fall away should the options appraisal conclude that a government-built facility is not required. The following responses were given:

**Director General, Growth, Housing and Environment:**

*What is difficult is this process sets the budget for 4 years and we do not know what the best way to organise this is going to be. That is why we are doing the review and we are going to work that out. But this was the worst-case scenario in terms of capital bids, so we put a capital bid in to make sure that it was in place. If it is not needed, we will not do it, but if it was the other way around and we had not put a bid in we would have been really struggling to get that back into the programme. There may be another solution that does not require this investment, but we do not have enough information about the project to go beyond that at the moment.*<sup>252</sup>

**Head of Finance Business Partnering, Growth, Housing and Environment:**

*This particular one is classed as one of the major projects, so the whole funding is agreed. There is a cash flow which is also agreed, which is the initial £250,000, and then it ramps up for the next 2 years and tails off at the end... if you were not going ahead with the project in that way, if it was being delivered by a third party rather than the States building the test centre, then you would just relinquish that and release it back into the programme. You are not tying up that money if you do not need it, but it does give you the certainty at the start of the project, with the major projects, that you*

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<sup>251</sup> [R.91/2019 p. 148](#)

<sup>252</sup> [Public hearing with the Minister for Infrastructure, 19<sup>th</sup> September 2019, p. 23](#)

*can continue up to that overall sum on the basis of the cash flow that has been identified...*<sup>253</sup>

The Panel also queried as to whether there was any stakeholder engagement between Government and the motor industry. The Director General for Growth Housing and Environment confirmed that the Department was currently in dialogue with the motor industry.<sup>254</sup>

The Panel has taken on board the rationale for why all four years' funding is being requested as a major project at this time. However, due to there being much still unknown until the options appraisal has concluded, the Panel has designated this business case amber and does not support approval for funding for 2021-23, until further information has been provided.




#### FINDING 4.45

This Government Plan is requesting funding approval for 2020-23, totalling £6.5m for a new Vehicle Testing Centre despite the options appraisal not having been concluded. The rationale has been given that this is due to the project being defined as a likely major capital project.



#### RECOMMENDATION 4.11

The Minister for Infrastructure should provide the Environment, Housing and Infrastructure Panel with a report on the outcome of the options appraisal for a vehicle testing centre as soon as this has been concluded.

Prison Improvement Works – phase 6b			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No link	➤ Promoting and protecting Jersey's interests, profile and reputation internationally	Minister for Justice and Home Affairs	

### Summary Report

The business case in R.91/2019 requests funding approval for 2020 of £1,714,000 and 2021 of £90,000.

The works outlined in Phase 6(b) include the demolition of A, B and C Wings in preparation for the new build, and relocation of the Atlas Lock Hub. The business case states that planning permission for these works is already granted and this can commence as soon as the funding is approved.<sup>255</sup>

As this business case is requesting funding for 2020 and 2021 the Panel questioned the Minister for Justice and Home Affairs in written questions as to whether he considered the requested funding to be sufficient to deliver the project on budget. The Minister responded

<sup>253</sup> [Public hearing with the Minister for Infrastructure, 19<sup>th</sup> September 2019, p. 26](#)

<sup>254</sup> [Public hearing with the Minister for Infrastructure, 19<sup>th</sup> September 2019, p. 25](#)

<sup>255</sup> [R.91/2019 p. 149](#)

advising that he is confident that funding is sufficient as “the funding levels are based on detailed project proposals which have been developed jointly between the Prison Service and Property Holdings”.<sup>256</sup>

Having reviewed the supporting information available, in addition to the response to written questions from the Minister for Justice and Home Affairs, the Panel is satisfied with the funding proposals and has designated this business case green.



#### FINDING 4.46

The funding requested for the Prison Improvement Works Phase 6(b) is for both 2020 (£1,714,00) **and** 2021 (£90,000) and will involve the demolition of A, B and C wings and relocation of the Atlas Lock Hub.

Conversion Courtroom 1 – Magistrates Court			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>No link</b>	➤ Promoting and protecting Jersey’s interests, profile and reputation internationally	Chief Minister	

### Summary Report

The business case in R.91/2019 requests funding of £450,000 for 2020 only and is for enhancements to Courtroom 1 in the Magistrates Court Building to be able to accommodate Assize trials (Jury trials). Currently only the Royal Court Building can accommodate an Assize trial.

The business case further explains that three other alternative options were considered in order to achieve this capability which included: building a new Royal Court at an estimated cost of £15m; or carrying the risk of not having a second court room available for accommodating an Assize trial; or finding an alternative location – cost undetermined. The preferred option of converting the Magistrates’ courtroom was chosen for the following reasons:

1. The site is known to stakeholders of the Royal Court and has an established security protocol and facilities
2. A local contractor is familiar with the building and the associated challenges to deliver this project
3. The cost of the project in comparison to the benefit of the court having this capability demonstrates forward thinking and contingency planning to ensure continued operations of courts should the Royal Court Building become unserviceable for a period of time
4. The Judicial service will be able to deliver concurrent trials, thus maintaining a prompt Justice Service<sup>257</sup>

The Panel questioned the Chief Minister in written questions as to whether he was confident the level of funding requested was sufficient to meet the project’s stated aims and whether he

<sup>256</sup> [Minister for Justice and Home Affairs – Response to Written Questions](#)

<sup>257</sup> [R.91/2019 p. 152](#)

was satisfied the conversion would be a long-term sustainable option. The Chief Minister responded as follows:

**Chief Minister**

*At the time of submission of the business case in January 2019, the funding for this project was appropriate. At present this remains the case, however there have been increases in the price of various building materials, such as concrete, that may affect the final cost. It is unlikely that this project would exceed the amount of £500,000.*

The court will include a technical fit out that will accommodate video courts which enable courts to operate remotely and on occasion from different jurisdictions. The proposed infrastructure follows the latest applications and it is anticipated that the infrastructure will last a minimum of 10 years considering the rate of development with digital courts and associated hardware. Incorporating these technological enhancements will not only benefit the Court Service for an Assize trial capability, but will ensure when used as a courtroom for other purposes, it remains current with the latest technology available.<sup>258</sup>

Having reviewed the supporting information available, in addition to the response to written questions from the Chief Minister, the Panel is satisfied with the funding proposals and has designated this business case green.

**FINDING 4.47**



Funding of £450,000 is requested for 2020 to convert Courtroom 1 in the Magistrates Court Building to be able to accommodate Assize trials (Jury trials). Currently only the Royal Court Building can accommodate an Assize trial.

**FINDING 4.48**



The Chief Minister considers the funding proposals to be sufficient at this time, although the final cost will be dependent on fluctuating prices for construction materials. He also considers the conversion to be sustainable for a minimum of 10 years.

Dewberry House (SARC)			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No link	<ul style="list-style-type: none"> <li>➤ Promoting and protecting Jersey's interests, profile and reputation internationally</li> <li>➤ Making St. Helier a more desirable place to live, work, do business and visit</li> </ul>	Minister for Justice and Home Affairs	

<sup>258</sup> [Chief Minister – Response to Written Questions](#)

## Summary Report

The business case in R.91/2019 requests funding approval for 2020 of £1,000,000 **and** 2021 of £1,550,000.<sup>259</sup> However, the Panel notes a discrepancy on page 149 of the Government Plan which states that only approval for the £1,000,000 for 2020 is being requested at this time. The Minister for Justice and Home Affairs confirmed in a response to written questions that only approval of the funding for 2020 is required at this time.<sup>260</sup>

The business case asserts that the current facility at Dewberry House is not fit for purpose, with significant issues of lack of disabled access and an environment which is not child or young person friendly. The request for funding is to explore the potential to either move the facility to an alternative existing location or to develop a new building. The funding proposal assumes an indicative cost for the development of a new build facility.<sup>261</sup>

The Panel questioned the Minister for Justice and Home Affairs as to when Dewberry House was first identified as not fit for purpose. The response was that it was identified during 2015 when property inspection valuations took place.<sup>262</sup>

The Panel further questioned the Minister as to whether he was confident the request for funding was sufficient to meet the project's stated aims. The Minister responded: "...Whilst it is impossible to be entirely confident that the proposed allocation will be sufficient, the estimate for this project has been based on reasonable assumptions and current build costs..."<sup>263</sup>

Having reviewed the supporting information available, in addition to the response to written questions from the Minister for Justice and Home Affairs, the Panel is satisfied with the funding proposals and has designated this business case green.



### FINDING 4.49

There is a discrepancy between page 128 of R.91/2019 and page 149 of the Government Plan as to whether the funding request for Dewberry House is for both 2020 and 2021 or just 2020. The Minister for Justice and Home Affairs confirmed in response to written questions that it is only funding for 2020 which is being requested at this time.



### FINDING 4.50

It was first identified that Dewberry House was not fit for purpose in 2015.



### FINDING 4.51

The Minister for Justice and Home Affairs considers that it is impossible to be entirely confident that the level of funding for the project is sufficient, however, the estimate has been based on 'reasonable assumptions and current build costs'.

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<sup>259</sup> [R.91/2019 p. 128](#)

<sup>260</sup> [Minister for Justice and Home Affairs – Response to Written Questions](#)

<sup>261</sup> [R.91/2019 p. 153](#)

<sup>262</sup> [Minister for Justice and Home Affairs – Response to Written Questions](#)

<sup>263</sup> [Minister for Justice and Home Affairs – Response to Written Questions](#)

Five Oaks refurbishment			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No link	➤ No link	Minister for Health and Social Services	

### Summary Report

The business case in R.91/2019 requests funding approval for 2020 of £2,000,000 **and** 2021 of £1,500,000.<sup>264</sup> However, the Panel notes a discrepancy on page 149 of the Government Plan which states that only approval for the £2,000,000 for 2020 is being requested at this time. The Panel requested confirmation from the Department for Health and Social Services on 16<sup>th</sup> October 2019 as to whether it is only approval of the funding for 2020 which is required at this time. As at the time of writing, 1<sup>st</sup> November 2019, the Panel has not received confirmation. The Panel therefore wishes to stress that the green rating only applies to the funding request for 2020.

The business case asserts that the current buildings are in poor condition with failing mechanical and electrical systems. The funding, if approved will fund several urgent works which are required to be undertaken to the services at Five Oaks which supports the operation of the hospital and other healthcare buildings. The total funding would cover improvement works to the following:

- The Central Sterile Stores Department – 1m
- Hospital Central Stores Facility – 0.6m
- Central Laundry Service – 1.9m
- Total – 3.5m

The Panel questioned the Minister for Health and Social Services as to whether he foresaw these services remaining at Five Oaks in the long-term, or whether there would be consideration given to moving these new services to the future hospital. The Minister responded that Five Oaks is seen as the main community base for engineers for the foreseeable future and has been the case under previous future hospital proposals.<sup>265</sup>

The Panel also questioned the Minister as to whether he was confident the level of funding was sufficient to meet the project's aims. The Minister responded that he was advised this was the case.<sup>266</sup>



#### FINDING 4.52

There is a discrepancy between page 128 of R.91/2019 and page 149 of the Government Plan as to whether the funding request for Five Oaks is for both 2020 and 2021 or just 2020. The Department for Health and Social Services has confirmed that it is only funding for 2020 which is being requested at this time.

<sup>264</sup> [R.91/2019 p. 128](#)

<sup>265</sup> [Minister for Health and Social Services – Response to Written Questions](#)

<sup>266</sup> [Minister for Health and Social Services – Response to Written Questions](#)





**FINDING 4.53**

There are no plans to incorporate the relocation of the services provided at Five Oaks into plans for a future hospital at this time.



**FINDING 4.54**

The Minister for Health and Social Services is confident that the funds are sufficient to deliver the project's aims, based on the advice he has been given.

Jersey Fleet Management			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No link	<ul style="list-style-type: none"> <li>➤ Promoting and protecting Jersey's interests, profile and reputation internationally</li> <li>➤ Making St. Helier a more desirable place to live, work, do business and visit</li> <li>➤ Enabling Islanders to lead active lives and benefit from the arts, culture and heritage</li> <li>➤ Improving transport and infrastructure links</li> </ul>	Minister for Infrastructure	

**Summary Report**

The business case in R.91/2019 requests funding for 2020 and outlines indicative funding for 2021- 23 as follows:

- **2020: £1,000,000**
- 2021: £1,000,000
- 2022: £1,000,000
- 2023: £1,000,000

The business case further explains that the Government of Jersey's vehicle fleet consists of low emission lease-hire vehicles including a 'small number' of electric vehicles and owned vehicles. The owned vehicles are subject to a fleet replacement policy and the request for funding included in the Government Plan is for the purchase of these replacement vehicles.

The Panel has marked this business case as amber as we would request to see further information provided in future Government Plans as to how future funding requests will take into account the purchase of electric vehicles, and the cost implications associated with electric vehicles generally being more expensive than fossil fuel vehicles.

**FINDING 4.55**

The funding requested for Jersey Fleet Management is for the purchase of vehicles that generate an income from internal leases to various Departments of the Government of Jersey.

**RECOMMENDATION 4.12**

The Panel recommends that further information is provided in the next Government Plan outlining how future requests for funding will take into account the purchase of electric vehicles, which are generally more expensive than other fossil fuel vehicles.

Jersey Car Parking			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ <b>No link</b>	➤ None provided	Minister for Infrastructure	

**Summary Report**

The two business cases relating to this project in R.91/2019 request overall funding for 2020 and outlines indicative funding for 2021- 23 as follows:

- **2020: £553,000**
- 2021: £22,000
- 2022: £6,040,000
- 2023: £3,058,000

The first business case outlines proposed plans for public car park maintenance and refurbishment as follows:

- planned structural, electrical and mechanical maintenance, including where necessary, concrete repairs
- surface treatments to concrete decks for waterproofing and protection
- relighting and surface treatments to walls and staircases to improve the physical environment<sup>267</sup>

The second business case outlines plans for the modernisation of the six multi-storey car parks, where all but one are in excess of fifty years old. A feasibility study was carried out in 2017, the outcome of which recommended that in excess of £5m is required to bring the car parks up to modern day standards and regulations. The requests for funding in respect of this particular element of the business case are not required until 2022-23 as funding for 2020-21 has already been approved.<sup>268</sup>

On reviewing all the supporting information provided, including evidence gathered in the public hearing with the Minister for Infrastructure, the Panel is satisfied with the funding request for 2020 and has designated this business case green.

<sup>267</sup> [R.91/2019 p. 218](#)

<sup>268</sup> [R.91/2019 p. 219](#)






**FINDING 4.56**



A decision on funding of £553,000 for 2020 is requested for car park maintenance and refurbishment. Further indicative funding proposals are given, including those for car park modernisation plans in 2022-3, although a decision on these proposals is not required until a future Government Plan.

## 4.7 Final Panel Comments

Over the last 15 weeks the Panel has undertaken a thorough analysis of all the actions, programs and capital projects which it was allocated by the Government Plan Review Panel to review. It has been a challenging process given the short timeframe, especially with additional key information having to be requested, which the Panel considers should have been provided in the business cases in R.91/2019 from the outset.

In closing, we wish to note the common themes which appeared in our evidence gathering, as well as summarising the actions, programs and capital projects where the Panel's most significant concerns lie:

Program / Capital Project	Reason	Scrutiny RAG Status
<b>Enhance the St. Helier Urban Environment (action)</b>	The Panel has designated this action amber due to concerns that there currently appears to be a lack of strategic direction. The Panel is also not convinced that adequate funding is in place to achieve the aims of this action. Whilst the Panel was advised that there is a Regeneration Steering Group established to co-ordinate the project, the Panel considers that a more co-ordinated approach to leadership is required, along with improved collaboration with internal and external stakeholders.	
<b>Long-term housing policy</b>	The Panel has designated this business case amber due to concerns over ambiguous and indeterminate estimations of the funding and delivery of homeownership schemes, as well as key worker accommodation.	
<b>Rights for tenants</b>	The Panel has designated this business case amber due to ambiguity which remains around what will be self-funding and what will be Government funded.	
<b>Climate Emergency Fund</b>	The Panel has designated this business case amber due to concerns in respect of the potential impact of proposed fuel duty increases on businesses. The Panel considers that this requires further investigation / impact assessment. There is also uncertainty over how much will be spent before actual climate emergency initiatives are put into place. The Panel is also in disagreement in respect of the 5m transfer from the Consolidated Fund and is of the belief that this should instead be transferred from the Strategic Reserve Fund.	
<b>Jersey National Park</b>	The Panel has designated this business case amber due to a degree of ambiguity in the business case and an absence of justification for the increases in funding during 2021-23. The	

	Panel will be requesting quarterly cost-benefit updates from the Minister for Economic Development, Tourism, Sport and Culture, detailing how the requested funds have been spent and what has been achieved.	
<b>Vehicle Testing Centre</b>	The Panel has taken on board the rationale for why all four years' funding is being requested as a major project at this time. However, due to there being much still unknown until the options appraisal has concluded, the Panel has designated this business case amber until further information can be provided.	
<b>Jersey Fleet Management</b>	The Panel has designated this business case as amber as it would request to see further information provided in future Government Plans as to how future funding requests will take into account the purchase of electric vehicles and the cost implications associated with electric vehicles generally being more expensive than fossil fuel vehicles.	

The Panel will be recommending two amendments to the Government Plan as follows:

1. To change the source of the transfer of £5m in funds to the Climate Emergency Fund from the Consolidated Fund (as currently proposed) to the Strategic Reserve Fund, which has been built up through contributions made by multi-generational tax-payers. This is in contrast to the Consolidated Fund, which has received contributions from last year's taxpayers only.
2. To reduce the proposed increase in fuel duty from 6p to 4p until such time as the Sustainable Transport Plan is agreed by the States Assembly; and a full impact assessment has been undertaken to assess any impact on the commercial sector, as well as any unintended consequences for inflation this might have with the potential for this increase to be passed onto consumers.

There was a common theme amongst the stakeholder submissions that Government engagement was lacking and could be improved to make better, more informed policy proposals. Comments from submissions also highlighted, more generally, that a number of the policy proposals contained in the Government Plan should be underpinned and informed by a robust population and migration policy, something Jersey currently does not have.

## 4.8 Witnesses and Evidence Gathered

The Panel has compiled this report drawing on a range of evidence. At the launch of the review, the Panel requested all supporting information relating to actions, programs and capital projects from Ministers/Departments. This included, but was not limited to: full business cases, Council of Minister papers and 2019 base budgets. In addition:

Public hearings were held with the following Ministers:

- Minister for the Environment
- Minister for Children and Housing
- Minister for Infrastructure

Responses to written questions were received from the following Ministers:

- Chief Minister
- Minister for the Environment
- Minister for Children and Housing
- Minister for Infrastructure
- Minister for Economic Development, Tourism, Sport and Culture
- Minister for Health and Social Services
- Minister for Education
- Minister for Justice and Home Affairs

Requests for written submissions were sent to 13 stakeholders and responses were received from the following:

- Citizens' Advice Jersey
- Earth Project Jersey
- Jersey National Park (two submissions)
- Jersey Water
- Andium Homes
- Jersey Electricity
- Ronez
- Save our Shoreline Jersey

To view all the submissions, responses to written questions and public hearing transcripts, please visit the [Government Plan Review: Environment, Housing and Infrastructure Review Page](#) on the States Assembly website.

## Section 5 – Health and Social Security Panel’s Government Plan Review

### 5.1 Health and Social Security Panel membership

The Panel comprised of the following States Members:



Deputy Mary Le Hegarat (Chair)



Deputy Kevin Pamplin  
(Vice-Chair)



Deputy Carina Alves



Deputy Trevor Pointon

## 5.2 Chair's Foreword



The 2020-23 Programme makes explicit Government commitment to support islanders to live healthier lives and improve access to mental health services.

The inequalities of life experiences regarding economic opportunity, education and housing are known to provide a backdrop to our general health, and the objective of integrating health improvements to these wider issues through the Health and Wellbeing Policy Framework is welcomed.

The mental health agenda has lacked equal status with other health service elements and, following publication of the Panel's review "Assessment of Mental Health Services" in the spring of 2019, it is encouraging that all core recommendations have been adopted and are being taken forward in the 2020-23 Government Plan. The Panel will continue to support and monitor the Government action in this respect.

M. Le Hegarat  
**Chair**  
**Health and Social Security Scrutiny Panel**



## 5.3 Findings and Recommendations

### *Key Findings*

**Key Finding 5.1:** The total Heads of Expenditure for the Health and Community Services Department is £211 million. In respect of Ministerial allocations, the Minister for the Health and Social Services receives the highest allocation of funding (£211 million) for his remit out of all the Council of Ministers.

**Key Finding 5.2:** The total Heads of Expenditure for the Customer and Local Services Department is £90.6 million. In respect of Ministerial allocations, the Minister for the Social Security receives the second highest allocation of funding (£184 million) for her remit out of all the Council of Ministers.

**Key Finding 5.3:** Unlike the Medium-Term Financial Plans, where the information was provided in an annex, the Government Plan lacked any details regarding the breakdown of departmental budgets.

**Key Finding 5.4:** The Efficiency Plan 2020 states that £1.77m worth of efficiencies will be made through 'commercial operations' and £3.67m through 'operational excellence'. It also indicates that £750,000 worth of cross-cutting operations are attributed to the Health and Community Services Department.

**Key Finding 5.5:** The Health and Community Services Department is due to make £9m worth of efficiencies in 2020. However, only £6.1m worth of efficiencies in respect of HCS are described within the Efficiencies Plan 2020-23. It is unclear to the Panel how the remaining £2.8m worth of efficiencies will be achieved.

**Key Finding 5.6:** The Panel has been advised by the Minister for Health and Social Services that there will be no headcount reductions as result of Health and Community Services' efficiency programme. However, the Panel still has concerns that efficiencies may result from not replacing current vacant posts within the hospital.

**Key Finding 5.7:** The Customer and Local Services Department is committed to making, in total, £2.2 million worth of efficiencies in 2020, £1m of which is planned to come from a spend reduction in the Target Operating Model and a review of non-staff costs. It has been proposed that the remaining £1.2 million worth of efficiencies will be found through contract management, more efficient organisational structures and adopting Modern Workforce principles.

**Key Finding 5.8:** The Government Plan proposes to reinstate the States Grant to its full value by 2023, rather than reinstating it in full in 2020.

**Key Finding 5.9:** The States Assembly will be asked to agree amendments to the Social Security (Jersey) Law 1974 alongside the Government Plan. If approved, the Law will introduce a legal requirement to reinstate the States Grant to its full value of £93.1 million by 2023.

**Key Finding 5.10:** Consideration is being given to changing the investment strategy of the Social Security (Reserve) Fund to allow it to invest in local infrastructure. The Panel was told that investment in infrastructure could complement the existing asset classes held in the fund's portfolio, increase diversification and offer an appropriate risk adjusted return. The Panel is still unclear, however, as to the type of local infrastructure that might receive this investment.

**Key Finding 5.11:** The Government Plan proposes a 1% increase to the headline rate of Long-Term Care contributions and an increase in the income cap from £176,232 to £250,000.

**Key Finding 5.12:** Due to availability of allowances and reliefs, most people would pay less than the proposed 2% in contributions towards the Long-Term Care Fund as a percentage of their total income.

**Key Finding 5.13:** The action “Develop a Health and Wellbeing Framework” will be delivered within existing departmental budgets.

**Key Finding 5.14:** The action “provide appropriate accommodation for people within Learning Disability Services” is not linked to a project seeking additional revenue expenditure because it is instead linked to a capital project.

**Key Finding 5.15:** A Health and Wellbeing Policy Framework is currently being drafted which will link and coordinate actions across Government to support islanders to live healthier and fuller lives, including those developed under the “preventable diseases” project. The Panel was advised that the intention was for the Framework to be completed by the end of 2019.

**Key Finding 5.16:** The £300,000 funding requested for 2020 under the “preventable diseases” project would be spent on health promotion and introducing a two-year pilot scheme to provide healthy meals in primary schools.

**Key Finding 5.17:** The £102,000 funding requested for the Adult Safeguarding Improvement Plan in 2020 would provide funding for two additional FTEs who are needed to co-produce and implement the Plan.

**Key Finding 5.18:** The project “Mental Health” includes a number of ambitious programmes and workstreams over the next 4 years. To ensure their delivery, the Government Plan has requested £3.2 million additional investment in 2020.

**Key Finding 5.19:** At the start of 2019, £22.5 million was already invested in services which are delivering mental health activity.

**Key Finding 5.20:** The Medical Director of Mental Health is due to undertake a review of Jersey Talking Therapies to determine the reasons for the current long waiting lists and to understand how resources could be moved around to deliver the service differently. It was confirmed that funds are within the Government Plan to undertake this work.

**Key Finding 5.21:** The listening lounge will initially be a 2-year pilot project and the requested funds within the Government Plan (£0.3m in 2020) are required to support its implementation, to appoint a project team and to staff the facility.

**Key Finding 5.22:** The Adult Mental Health Service is currently under significant strain because of staff shortages.

**Key Finding 5.23:** The level of resources requested for mental health should be sufficient to enable the project to meet its stated aims. However, the sustainability and successful implementation of the programme is dependent on successful recruitment and retention of a high-quality workforce and improved collaboration with third and private sector partners.

**Key Finding 5.24:** There is a lack of clarity within the Government Plan as to how the Digital Health and Care Strategy will be delivered.

**Key Finding 5.25:** Within the Government Plan there is no clear line of funding for the development of a digital patient records system, which it has been estimated will cost in the region of £30 million.

**Key Finding 5.26:** It is the intention of the Health and Community Services Department to be digital in two years and to have the electronic patient records system in place in three years.

**Key Finding 5.27:** The Government Plan is seeking £3.6 million to be restored to the Health and Community Services baseline budget to fund the delivery of a new Health Care Model, in line with the principles of P.82/2012 – ‘A new way forward for Health and Social Care’.

**Key Finding 5.28:** Additional funds of £4.1 million have been requested for 2020 under the “Maintaining Health and Community Standards” project to ensure that health and social care standards are maintained at a level comparable with the UK and other European jurisdictions.

**Key Finding 5.29:** To assist the Government budget setting for 2020, the “maintaining community health and care standards” project will receive £1 million less in 2020 and manage any consequential pressures in year with the funds being remunerated in 2021.

**Key Finding 5.30:** A full business case was not produced for the “Regulation of Care” project as the additional investment requested in 2020-2023 is intended to fund a shortfall from the non-receipt of income that was budgeted to be received through the regulation of care legislation in 2018.

**Key Finding 5.31:** Diffuse mesothelioma is a disease associated with historic exposure to asbestos fibre. As a result, it is not foreseen that there will be an increase in diagnosis of the condition following the establishment of the compensation scheme. Rather, it is expected that there will be a dwindling of cases over the next few years.

**Key Finding 5.32:** The Panel is satisfied that the amount of money requested for the “diffuse mesothelioma scheme” in 2020 is sufficient and the reasons behind the request agreeable.

**Key Finding 5.33:** The £150,000 funding requested for 2020 would pay for expert advice to help identify options, an approach and actions to improving financial independence in old age. The funding allocation for 2021 would be dependent on the outcome of the work undertaken the previous year.

**Key Finding 5.34:** The Panel supports the request for additional funds in 2020 to undertake research on financial independence in old age. However, until the outcome of the investigation is known, and proposals of a way forward are brought to the States Assembly, we are unable to confirm whether we are content with the funding allocation for 2021-2023.

**Key Finding 5.35:** The triennial regulations that are currently in place for the Food Costs Bonus expire at the end of 2019. The business case for this project simply proposes a further extension of the Bonus at its current value.

**Key Finding 5.36:** The Government Plan is seeking £2.5 million of additional funds to in order to maintain the single-parent component of income support on a permanent basis.

**Key Finding 5.37:** It has been estimated that 1,204 people would be accessing the single-parent component of income support by the end of 2020. This figure was used to determine the amount of additional investment required.

**Key Finding 5.38:** Additional funds of £150,000 have been requested in 2020 under the “Support for Home Care and Carers’ project to deliver a pilot scheme, which will provide additional financial support to a small number of lower income families. The scheme will be aimed at domiciliary care - care provided in a household by family members - and it is intended that the money will assist with extra domestic costs.

**Key Finding 5.39:** The funds will cover a range of domestic costs associated with caring for a family member in the home, it will not represent a payment to the carer or a specific amount for every claimant.

**Key Finding 5.40:** Experience gained in 2020 from the pilot scheme will be used to inform a wider scheme available from 2021, hence the substantial increase in requested funding for the subsequent 3 years.

**Key Finding 5.41:** Whilst the Panel is content with the proposals and satisfied with rationale behind the request for additional funds, at this stage we are unable to conclude whether the resource allocation for the years 2021-2023 is appropriate until we understand the outcome of the pilot scheme.

**Key Finding 5.42:** The additional funding requested in the Government Plan for the “Disability and Community Strategy” project will support the roll out of a wide range of projects from 2020 onwards. However, at the time of producing the Government Plan, the identification of these projects was still under discussion. The Disability Strategy Delivery Group was due to consider a draft list at its meeting in October.

**Key Finding 5.43:** The “Mental Health Improvements” capital project requests £3,930,000 in additional funding for; investment in works to “make safe” Orchard House and to prepare Clinique Pinel and Rosewood House to allow the delivery of high quality and safe mental health care.

**Key Finding 5.44:** Whilst the Panel is satisfied that the amount of additional funds requested is adequate to undertake the necessary work on mental health facilities, it has concerns regarding the timeframe for the completion of Clinique Pinel and, specifically, the provision of a place of safety.

**Key Finding 5.45:** The Minister for Health and Social Services has expressed his own frustration about the progress that had been made in delivering a place of safety.

**Key Finding 5.46:** The project “Health Service Improvements” seeks to deliver, not only essential maintenance work to the current hospital, but also initial work for the development of digital patient records. The Panel is concerned that the funding identified for 2020-2023 (£5million per annum) is insufficient to deliver these priorities.

**Key Finding 5.47:** Immediate works to Aviemore, to ensure the building is legally compliant, will be funded under Capital Project “Discrimination Law, Safeguarding and Regulation of Care, in which £2 million has been allocated to HCS for the years 2020-23.

**Key Finding 5.48:** The Health and Community Services Department is currently working with a number of provider organisations to seek alternative accommodation for the Aviemore residents.

**Key Finding 5.49:** The Government Plan requests £250,000 to fund a feasibility assessment in order to determine a long-term solution for housing Aviemore residents in alternative accommodation.

**Key Finding 5.50:** The money allocated to the hospital project in the Government Plan (£5m in 2020 and £1.6m in 2021) is the continuation of funding requested by the project team to develop the Outline Business Case. The funding will be held by Treasury and Exchequer and drawn down as required.

### *Key Recommendations*

**Recommendation 5.1:** The Minister for Health and Social Services should provide a detailed breakdown of how his department intends to make £9 million of efficiencies in 2020, before the debate on the Government Plan.

**Recommendation 5.2:** The Minister for Health and Social Services should provide the Panel with an updated table every quarter noting the number of funded posts, actual staff in post and vacant posts within the hospital.

**Recommendation 5.3:** In advance of any changes being made to the investment strategy of the Social Scrutiny (Reserve) Fund, the Minister for Treasury and Resources should provide the States Assembly with documentation in respect of the proposed changes, including details of the local infrastructure to be invested in, any potential risks associated with that investment, and any risks to the future projections of the fund and its objectives

**Recommendation 5.4:** The Minister for Health and Social Services should provide the Health and Social Security Panel with quarterly updates, starting from January 2020, detailing successful recruitment of staff into the mental health service. The update should also provide evidence of improved collaboration with third and private sector partners.

**Recommendation 5.5:** The Minister for Health and Social Services should provide clarity ahead of the Government Plan debate as to how the digital and health care strategy, and specifically the digital patient records system, is to be funded.

**Recommendation 5.6:** The Minister for Health Social Services should provide the States Assembly with a list of projects that will receive funding under the overarching “Disability Community Strategy” project ahead of the debate of the Government Plan.

**Recommendation 5.7:** The Minister for Health and Social Services must continue to put pressure on those delivering and undertaking the work to Clinique Pinel to ensure that it is completed, and the place of safety is in place, by the end of 2020.

**Recommendation 5.8:** The Minister for Health and Social Services should provide the Health and Social Security Panel with quarterly updates, starting from January 2020, detailing the timetable for the completion of work and highlighting any delays and the contributing reasons.

**Recommendation 5.9:** The Minister for Health and Social Services should provide clarity to the States Assembly before the debate of the Government Plan to as to how the £5 million requested for 2020 will be apportioned between maintenance work to the current hospital and primary work on the digital patient records system.

## 5.4 Departmental Budgets and Efficiencies

### Departmental Budgets

The Health and Social Security Panel scrutinises the work of two Ministers; the Minister for Health and Social Services and the Minister for Social Security. Therefore, the project policy work contained in the various actions, programs and capital projects assigned to the Panel predominantly sit under these two Ministers.

In the Government Plan, the States Assembly has been asked to approve the proposed amount to be appropriated from the Consolidated Fund for 2020, for each head of expenditure, the summary of which was included in the summary tables 3(i) and 3(i)(i)<sup>269</sup> within P.71/2019. With regard to the departments that fall under the Panel's remit, the following information was provided:

Summary Table 3(i) Proposed 2020 Revenue Heads of Expenditure <sup>270</sup>			
	Income (£000)	Expenditure (£000)	Head of Expenditure (£000)
Health and Community Services	22,401	233,788	211,387
Customer and Local Services	9,761	100,381	90,620

The Panel was disappointed to find that, unlike the Medium-Term Financial Plan (MTFP) where the information was provided in an annex, the Government Plan lacked any detail regarding the breakdown of departmental budgets e.g. staff costs, premises costs etc. Accordingly, the Panel requested a further breakdown of how the above figures are allocated across the wide remit of the two departments, as well as the expenditure for 2019. The following information was provided<sup>271</sup>:

### Health and Community Services

2019 Net Revenue Expenditure (£000)	Service Area	2020		
		Income (£000)	Expenditure (£000)	Net Revenue Expenditure (£000)
15,674	Social Care	(3,353)	19,026	15,673
18,412	Mental Health	(52)	21,734	21,682

<sup>269</sup> P.71/2019, Government Plan 2020-2023

<sup>270</sup> P.71/2019, Government Plan 2020-2023, Appendix 2

<sup>271</sup> Draft Service Analysis by Department

12,738	Women Children & family Care	(391)	13,129	12,738
46,448	Secondary Scheduled Care	(8,023)	54,472	46,449
10,894	Unscheduled Care	(178)	11,073	10,895
27,839	Clinical Support Services	(4,231)	32,069	27,838
6,275	Primary Care and Prevention	(3,413)	9,988	6,575
1,662	Integration Business Cont.	-	1,662	1,662
12,935	Change Delivery	(54)	12,989	12,935
1,710	Digital Delivery	-	1,710	1,710
3,190	Associate Managing Director	(296)	3,486	3,190
23,948	Non-Clinical Support Services	(1,816)	25,764	23,948
10,008	Group Managing Director	-	19,937	19,937
2,675	Chief of Nurse	(95)	2,770	2,675
3,480	Medical Director	(499)	3,979	3,480
<b>197,888</b>	<b>Net Revenue Expenditure</b>	<b>(22,401)</b>	<b>233,788</b>	<b>211,387</b>

### Customer and Local Services

2019 Net Revenue Expenditure (£000)	Service Area	2020		
		Income (£000)	Expenditure (£000)	Net Revenue Expenditure (£000)
3,556	Customer Operations	(342)	91,490	91,148
85,044	Customer Services	(9,177)	7,113	(2,064)
1,553	Local Services	(242)	1,778	1,536
<b>90,153</b>	<b>Net Revenue Expenditure</b>	<b>(9,761)</b>	<b>100,381</b>	<b>90,620</b>

These figures were provided to each Panel and correspond with the figures in the Government Plan. However, the draft business plans for each department were [published](#) on 23rd October. The draft business plans detail the net revenue expenditure figures above but also include the

2020 efficiency programme, resulting in the overall next revenue expenditure being less than the figures States Members are being asked to approve within the Government Plan. Furthermore, the service areas noted above for the Health and Community Services have now been condensed into three main areas; Hospital and Community Services, Chief Nurse and Medical Director.

The Government Plan states that as expenditure is approved based on departments, it therefore does not directly align with areas of Ministerial responsibility. However, an indicative mapping of departmental allocations to Ministers' portfolios is included on page 138 of the Plan. The 2020 resources allocated to the Ministers within this Panel's remit are as follows:

Resources mapped to Ministerial portfolios <sup>272</sup>	
Minister	2020 Allocation (£000)
Minister for Health and Social Services	211,793
Minister for Social Security	184,531

During a Public Hearing with the Minister for Social Security in September, the Panel queried how the allocated £184 million was made up. The Director General advised us that that figure included the £65.3 million States Grant to the Social Security Fund and the Government contributions to the Long-Term Care Fund, which equated to roughly £30 million.<sup>273</sup>



#### FINDING 5.1

The total Heads of Expenditure for the Health and Community Services Department is £211 million. In respect of Ministerial allocations, the Minister for the Health and Social Services receives the highest allocation of funding (£211 million) for his remit out of all the Council of Ministers.



#### FINDING 5.2

The total Heads of Expenditure for the Customer and Local Services Department is £90.6 million. In respect of Ministerial allocations, the Minister for the Social Security receives the second highest allocation of funding (£184 million) for her remit out of all the Council of Ministers.



#### FINDING 5.3

Unlike the Medium-Term Financial Plans, where the information was provided in an annex, the Government Plan lacked any details regarding the breakdown of departmental budgets.

<sup>272</sup> P.71/2019, Government Plan 2020-2023, p.138

<sup>273</sup> Transcript, Public Hearing with the Minister for Social Security, 26th September 2019



## Efficiencies

The Government Plan proposes £40m of efficiency savings in 2020. Of this total, £7m is increased tax revenues arising from more efficient tax collection. The remaining £33m is included at the bottom of Summary Table 3(i) Proposed 2020 Revenue Heads of Expenditure in [Appendix 2 of P.71/2019](#).

### Health and Community Services

Further information provided in the [Efficiencies Plan 2020-23](#) informs us that the Health and Community Department (HCS) is due to make £9 million worth of efficiencies in 2020. As a result, HCS' 2020 budget has reduced from £211,387,000 to £202,387,000. It is anticipated that the savings will be made through commercial operations and operational excellence.

The Plan states that £1.77 million worth of efficiencies will be made through 'Commercial Operations'. Commercial Operations are described as schemes within HCS that are focused on ensuring that the Department gets the best value for money on its procured purchases and consumables whilst also maximising any contracts it holds with service providers. Three schemes have been identified in the Efficiencies Plan 2020:

- Pharmacy and drugs: ensuring best value for money on medicines purchases and redesigning our pharmacy operating model
- Consumable purchases: reducing variation and rationalising suppliers to maximise HCS buying power and reducing cost
- Income generation: capitalising on HCS opportunities to drive income generation through application of policy, inflation increase and provide patient income recovery.

According to the summary provided in the plan, the £1.77 million of savings identified does not include £750,000 worth of cross-cutting commercial operations that are attributed to HCS.

Key milestones and actions are noted to be detailed with the project plan, however, this had not been disclosed at the time of drafting our report.

'Operational Excellence' is expected to achieve £3.67 million of efficiencies within the Health and Community Services Department. Operational Excellence describes nine schemes within HCS's efficiency programme. As stated in the Efficiency Plan, "*Operational Excellence is focused on ensuring that services are meeting the current demand from patients and transformation in line with the HCS strategy and 'Jersey Care Model'. Schemes cover the entirety of the patient pathway, from the development of the acute floor to on and off-island placements and mental health facilities.*"<sup>274</sup> This programme combines both established schemes from the 2019 efficiency programme and new schemes to be introduced in 2020. The nine schemes stated in the Plan are:

- **Social Care** – on and off-island placements
- **Mental Health** – off-island review/repatriation of acute services currently developed off-island
- **Support Services** – soft facilities maintenance contracts
- **Intermediate care** – bed model contract
- **Community and voluntary sector** – review and alignment with new care models
- **Off-island repatriation** – repatriation of acute services currently delivered off-island
- **Theatres** – a full programme of work to improve theatre efficiency

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<sup>274</sup> Efficiencies Plan 2020-23, p39

- **Acute floor** – delivery of the clinical model to support planned/unplanned care pathways
- **Outpatients** – transforming outpatient pathways to be delivered in the right place.

Key milestones and actions are noted to be detailed with the project plans within the ‘Project Initiation Document’. This information had not been disclosed at the time of drafting our report.

These two efficiency programmes only add up to £5.44 million, even though it is stated within the summary 2020 efficiencies table that HCS is due to make £9 million savings in 2020. We understand, as highlighted above, that another £750,000 has been identified within the cross-cutting commercial operations programme that is attributed to Health. However, it is unclear within the Plan how the remaining £2.8 million worth of efficiencies is going to be achieved.

On 23rd October the draft operational business plans for each States Department were [published](#). The document states that the remaining £2.8 million of efficiencies, which is not clearly identified within the Efficiencies Plan 2020-23, will be made through a “modern and efficient workforce”. The business plan contains no further description of how exactly this would be achieved.

During our Public Hearing with the Minister for Health and Social Services and his Officers in September, we were advised by the Director General that “*there is no headcount reduction*”<sup>275</sup> in HCS’s efficiency programme. Whilst the Panel is pleased to hear that the HCS’s 2020 efficiencies programme will not impact on the current staffing level, we are concerned that efficiencies may be made by not replacing current vacant positions within the hospital. Due to a recent written question that was asked of the Health and Social Services Minister during a States Sitting, we are aware that as of August 2019 there were 194 vacant posts (that were still being funded) within the hospital (see table below)<sup>276</sup>.

Staff Group	Funded posts	Actual staff in post	Currently vacant
Allied Health Professionals	240	218	22
Civil Servants	239	190	50
Manual Workers	347	307	40
Medical Staffing	167	160	8
Nursing & Midwifery	680	606	74
<b>Total</b>	<b>1,673</b>	<b>1,481</b>	<b>194</b>

The Panel followed up its concern with the Minister and was advised:

*“HCS is continuing to appoint to key vacancies as highlighted. Our intention is to appoint to our vacancies with substantive staff rather than continue reliance on agency and locum staff.”*<sup>277</sup>

<sup>275</sup> Transcript, Public Hearing with Minister for Health and Social Services, p44

<sup>276</sup> [Written Question to the Minister for Health and Social Services, 10<sup>th</sup> September 2019](#)

<sup>277</sup> Email correspondence, 31st October 2019

**FINDING 5.4**

The Efficiency Plan 2020 states that £1.77m worth of efficiencies will be made through 'commercial operations' and £3.67m through 'operational excellence'. It also indicates that £750,000 worth of cross-cutting operations are attributed to the Health and Community Services Department.

**FINDING 5.5**

The Health and Community Services Department is due to make £9m worth of efficiencies in 2020. However, only £6.1m worth of efficiencies in respect of HCS are described within the Efficiencies Plan 2020-23. It is unclear to the Panel how the remaining £2.8m worth of efficiencies will be achieved.

**FINDING 5.6**

The Panel has been advised by the Minister for Health and Social Services that there will be no headcount reductions as result of Health and Community Services' efficiency programme. However, the Panel still has concerns that efficiencies may result from not replacing current vacant posts within the hospital.

**RECOMMENDATION 5.1**

The Minister for Health and Social Services should provide a detailed breakdown of how his department intends to make £9 million of efficiencies in 2020, before the debate on the Government Plan.

**RECOMMENDATION 5.2**

The Minister for Health and Social Services should provide the Panel will an updated table every quarter noting the number of funded posts, actual staff in post and vacant posts within the hospital.

**Customer and Local Services**

Further information provided in the [Efficiencies Plan 2020-23](#) informs us that the Customer and Local Services Department (CLS) is due to make £2.2 million worth of efficiencies in 2020. The Efficiencies Plan 2020-23 states that £1 million will be made through the development of the Target Operating Model (£0.7m) and "reductions in non-staff budgets" (£0.3m). A further £0.94 million will be saved by reducing tax funded benefit payments and £0.04 million by bringing some of their services into one location.<sup>278</sup>

The Target Operating Model is aimed at achieving the re-organisation of staffing and it is anticipated phase 1 and phase 2 of the re-organisation will achieve savings of approximately £0.7 million. However, it is stressed in the Efficiencies Plan that the realisation of the savings from phase 2 will only be confirmed once budgets are transferred to CLS from the Chief Operating Office and the Treasury and Exchequer. In regard to reductions in non-staff spend, the Plan states that reductions have been made possible through the continuous improvement programme in the Department and changes to the delivery of training for unemployed candidates and staff.

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<sup>278</sup> Efficiencies Plan 2020-23, p29

When the Panel queried what impact the proposed efficiencies would have on the current workforce within CLS it was advised:

*“Through the 2 target operating model changes, I think both of which we have discussed in previous scrutiny panel meetings, there is an overall staff reduction of the 2 combined...phase 1 about 9.4 FTEs (Full time Equivalents) and the second phase is under consultation at the moment but that will result in a net reduction of about 3 FTEs.”<sup>279</sup>*

It was not clear within the Efficiencies Plan how the remaining £0.2 million would be made, since the central efficiency programmes did not contain a breakdown as to the exact amount each department was expected to save. It was not until the Draft Departmental Operational Business Plans was published on 23rd October that the Panel had sight of this information. Within this document it was confirmed that the remaining £0.2 million of efficiencies (from the total £2.2m) would come from various central programmes; £0.1m from Modern & Efficient Workforce, £0.02 from efficient organisational structures and £0.1m from contract efficiencies.

As a result of only first having sight of the Efficiencies Plan 2020-23 on 17th October and the Draft Departmental Operational Business Plans on 31st October, the Panel was unable to undertake appropriate and sufficient scrutiny of the proposed efficiencies programme. For this reason, the Panel fully supports the amendment brought forward by the Government Plan Review Panel to delay the approval of the efficiencies programme to allow for further scrutiny to be undertaken.



#### **FINDING 5.7**

The Customer and Local Services Department is committed to making, in total, £2.2 million worth of efficiencies in 2020, £1m of which is planned to come from a spend reduction in the Target Operating Model and a review of non-staff costs. It has been proposed that the remaining £1.2 million worth of efficiencies will be found through contract management, more efficient organisational structures and adopting Modern Workforce principles.

## **Social Security Fund and Social Security (Reserve) Fund**

### **Social Security Fund**

The main purpose of the Social Security Fund (SSF) is to provide old age pensions. It also pays maternity, incapacity and other benefits.

At the time of publication of the Medium-Term Financial Plan (MTFP) in 2015 the ratio of working age people to pensioners was 4-1 and was predicted to fall to 3-1 by 2032. The actual number of pensioners was predicted to double from 14,000 to 28,000 by 2035.

The SSF receives contributions from employers, employees and general tax revenues and historically surpluses have been transferred to the Social Security Reserve Fund. As a result of reducing levels of surpluses, in 2012 the UK Government Actuary identified the Fund would “break even” in 2016 with expenditure outstripping income and the reserves would be exhausted by 2046. However, two subsequent actuarial reviews have been undertaken since then, one in 2015 and one in 2017. The 2017 review indicated a significantly higher projected Fund balance than at the 2015 review. It also concluded that, whilst the Fund was in surplus,

<sup>279</sup> Transcript, Public Hearing with the Minister for Social Security, 26th September 2019

it was estimated to reduce to just three months' worth of Fund expenditure by 2023 and become negative by 2027.<sup>280</sup>

The Government Plan asks the States Assembly to approve the estimated income and expenditure of the Social Security Fund for 2020 as set out in [Appendix 2 – Summary Table 8\(i\) \(below\)](#)

**Table 8(i)**

<b>Social Security Fund</b>	<b>2020 (£000)</b>
Estimated Opening balance 1/1/2020	95,700
Existing Contributions income	209,800
Proposed Changes to Contributions rates	3,350
Grant to Social Security Fund	65,300
Existing Benefits and other expenditure	(269,800)
New Benefits proposed	(3,000)
<b>Estimated Closing balance</b>	<b>101,350</b>

The Government Plan seeks to reinstate the States Grant to the Social Security Fund to its full value of £93,100 by 2023 (an increase of £28 million). It also proposes further ring-fenced revenue-raising proposals, where the revenue raised is paid directly into the Long-Term Care Fund and Social Security Fund, rather than into general tax revenues. In respect of the Social Security Fund, the Plan proposes an increase of 0.5% in the employer and Class 2 Social Security contributions paid in respect of those earnings in excess of £53,304 up to the new income cap of £250,000. It is suggested that the changes to the employer and class 2 contributions would bring in additional contributions of £3.35 million per annum and would help fund a range of family-friendly benefits from the SSF.<sup>281</sup>

With regard to the proposal to reinstate the States Grant over the years 2020 to 2022, the Panel is aware that in March this year, the Chief Minister expressed his preference to reinstate the grant in full in 2020. At a Quarterly Hearing with the Corporate Services Panel on 25th March, he stated:

*“In the current M.T.F.P. (Medium Term Financial Plan), the grant that is paid into the Social Security Fund was frozen for the period of this plan. That will be unfrozen at the end of this year and therefore the liability on that will go up by £15 million a year to approximately £80 million. There is always one solution, which is to kick the can further down the road and freeze it again. That is not my preferred option because I do not think it is a long-term solution and that would therefore mean you would just have a look and see what can be done to resolve that.”<sup>282</sup>*

<sup>280</sup> [R.31/2019](#)

<sup>281</sup> P.71/2019, Government Plan 2020-2023

<sup>282</sup> Transcript, Public Hearing with the Chief Minister, 25th March 2019

When we queried this matter with the Minister for Social Security she told us that, whilst the Council of Ministers had different opinions, in the end it was agreed that restoring it to its full value over the next three years had the best outcome. It was explained that the staged reinstatement of the States Grant would release a total of £50million to invest in the agreed priorities set out in the Government Plan to fund some of the services that are significantly underfunded, whilst still ensuring the sustainability of the fund in the long-term.<sup>283</sup>

Furthermore, an Officer from SPPP assured the Panel that the Minister would be proposing changes to the Social Security (Jersey) Law 1974 for the States Assembly to approve alongside the Government Plan which would introduce a legal requirement to reinstate the States Grant in full by 2023:

*“What will be passed in the Government Plan this year is a number of law changes. You talked about long-term care, so there will be a law change that will put the rate up in law and at the same time there will also be law changes around the grant. The grant will be written into law that is a fixed amount of money for next year and the year after, then it will go up by a few million, which is halfway to where it should be and then in the last year of this term it will hit its full formula rate, so that is in the law. The can has kicked down the road only for one or 2 years and there is a very specific legal requirement that it will be the full amount of money in 2023. It is not saying we have just got the money, we are also going to agree the law changes to put it back to where it should have been. There has been a small number of years where it has been a bit lower than it was normally, but it will go back in this year, legally back to where it should be. That maintains its sustainability going forward.”<sup>284</sup>*

The Draft Social Security (Amendment of Law No.11) (Jersey) Regulations 201- was lodged by the Minister for Social Security on 14th October 2019. The Draft Regulations will facilitate the proposed changes to the Social Security Fund and the Long-Term Care Fund contained within the Government Plan. The Panel received a briefing from the Strategic Policy, Performance and Population Department on the draft Regulations on Monday 21st October.



#### **FINDING 5.8**

The Government Plan proposes to reinstate the States Grant to its full value by 2023, rather than reinstating it in full in 2020.



#### **FINDING 5.9**

The States Assembly will be asked to agree amendments to the Social Security (Jersey) Law 1974 alongside the Government Plan. If approved, the Law will introduce a legal requirement to reinstate the States Grant to its full value of £93.1 million by 2023.

### **Social Security (Reserve) Fund**

The Social Security (Reserve) Fund holds the balances built up in the Social Security Fund and is a key to the Government managing the impact of an ageing population on future pension costs. The Government Plan states that consideration is being given to changing the

<sup>283</sup> Transcript, Public Hearing with the Minister for Social Security, 26th September 2019

<sup>284</sup> Transcript, Public Hearing with the Minister for Social Security, 26th September 2019, p6

investment strategy of the Reserve Fund “to allow it to invest in local infrastructure, providing greater benefit to the Island while still providing a good return to the fund.”<sup>285</sup>

The Panel raised a number of questions with the Social Security Minister about the consideration of changing the investment strategy of the fund. The Minister advised that, whilst she does not have control of the investment strategy of the reserve fund, she sought advice from Treasury colleagues (as the investment strategy of the Reserve Fund is the responsibility of the Treasury and Resources Minister) in order to facilitate answers to the Panel’s questions. The Panel received the following responses:

- What is the rationale for the proposed change to the investment strategy of the Reserve Fund?

*Investment in local infrastructure could complement the existing asset classes held in the Fund’s portfolio, increasing diversification and offering an appropriate risk adjusted return. Any investment would need to be considered on its own merits and in line with the long-term strategic objectives of the Fund. As well as providing opportunities for the Fund, local infrastructure investment may offer additional benefits through supporting the delivery of improved facilities for the public of the island.*

- Can you inform us how much is proposed to be invested and in precisely what form the investment would take?

*This has yet to be determined, but as stated above any investment amount would need to be considered on merit and with reference to the long-term strategic objective of the fund.*

- What assurances can you give that this is a sound investment and will not cause a problem in the future?

*All investments are assessed by the independent Treasury Advisory Panel, both in terms of the absolute level of risk and return but also its contribution to the overall portfolio. Any investment would be expected to contribute to the long-term strategic objectives of the Fund.*<sup>286</sup>



#### FINDING 5.10

Consideration is being given to changing the investment strategy of the Social Security (Reserve) Fund to allow it to invest in local infrastructure. The Panel was told that investment in infrastructure could complement the existing asset classes held in the fund’s portfolio, increase diversification and offer an appropriate risk adjusted return. The Panel is still unclear, however, as to the type of local infrastructure that might receive this investment.



#### RECOMMENDATION 5.3

In advance of any changes being made to the investment strategy of the Social Scrutiny (Reserve) Fund, the Minister for Treasury and Resources should provide the States Assembly with documentation in respect of the proposed changes,

<sup>285</sup> P.71/2019, Government Plan 2020-2023, p179

<sup>286</sup> Letter, Minister for Social Security, 25th September 2019

including details of the local infrastructure to be invested in, any potential risks associated with that investment, and any risks to the future projections of the fund and its objectives.

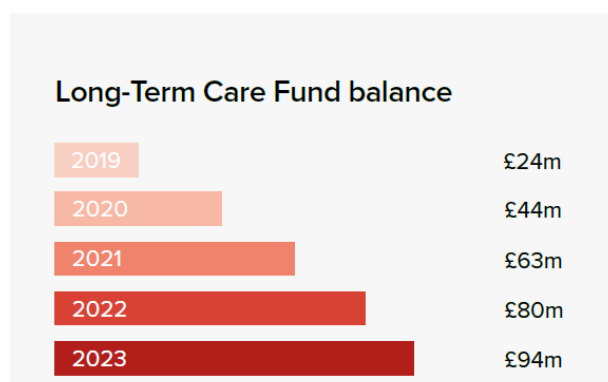
## Long-Term Care Fund

The Long-Term Care Fund (LTCF) was established in 2013 to fund a long-term care scheme from tax payers. The Scheme provides that claimants having assets of £419,000 (including cash of over £25,000) or more will pay the first £56,130 (for an individual) or £84,195 (for a couple) of the care costs. Any person over 18 years of age can claim.

As with the Social Security Fund, it was identified in the 2017-2019 MTFP that the ageing population would increase demand upon the Scheme. The contribution rate of 0.5% in 2015 increased to 1% in 2016 and was predicted to rise to 3% by the 2040s.

An Actuarial review completed at the end of 2017 found that the LTCF would reduce to provide just 3 months' worth of expenditure by 2023 and become negative by 2027. It also predicted that the contributions would require "break even" contributions of 1.5% by 2028 and up to 2.5% by end of 2043. The projections are noted to be uncertain.

The Government Plan seeks to increase the balance of the LTCF from the current 2019 balance of £24m to £94m by 2023 (See below)<sup>287</sup>.



To achieve this, the Government Plan has proposed a 1% increase (to 2%) in the headline rate of Long-Term Care contributions from 2020, together with an increase in the income cap from £176,232 to £250,000. It is claimed that these changes will increase the income into the fund by approximately £22 million a year and will place the LTCF on a sustainable basis for the next 25 years.<sup>288</sup> The Panel has previously received a briefing on the proposed changes to the long-term care fund so was not surprised to see them appear in the Government Plan. The Government Plan asks the States Assembly to approve the estimated income and expenditure of the Long-Term Care Funds for 2020 as set out in [Appendix 2 – Summary Table 8\(iii\) \(below\)](#)

<sup>287</sup> P.71/2019, Government Plan 2020-2023, p120

<sup>288</sup> P.71/2019, Government Plan 2020-2023



**Table 8(iii)**

<b>Long-Term Care Fund</b>	<b>2020 (£000)</b>
Estimated Opening balance 1/1/2020	23,700
Return on investments	400
Existing Long-Term Care charge	22,200
Proposed changes to Long-Term Care Charge	23,700
Grant to Long-Term Care Fund	29,900
Benefits and other expenditure	(55,500)
<b>Estimated Closing balance</b>	<b>44,400</b>

The Panel acknowledges that in March 2019, the Fiscal Policy Panel (FPP) released their report on the Government Plan 2020-2023, in which they recommended:

*“...that the early part of the forthcoming Government Plan period is an appropriate time to plan an increase in the long-term care contribution, while the economy is running above trend. Consideration should also be given to whether a larger increase could be appropriate to provide additional flexibility regarding future increases in the rate.”<sup>289</sup>*

In a Public Hearing in September, the Panel queried what evidence the Social Security Minister had, apart from the FPP’s recommendation to “consider” a larger increase, which supported increasing the contribution rate by 1% rather than the original 0.5 per cent. The Minister advised the Panel that the Council of Ministers had a good discussion “around the table” and agreed that by increasing the contribution by 1% would mean that the fund would remain secure for many years into the future. The Assistant Minister also added:

*“...one of the things that long-term care was about, we were determined to make sure that we were not going to push this off trying to make sure that it was a sustainable fund to the next Council of Ministers. We wanted to deal with that now and make the decision now. The reason to bring it early was also that the people that are paying into it now, the people that are going to take it early now, so the people that are going to need it the soonest, will have contributed into the fund as well.”<sup>290</sup>*

The Minister also explained to the Panel that, despite concerns that an 1% increase will have a considerable impact on individuals, most people will pay less than this as a percentage of their total income. According to the Government Plan, most people currently pay far less than 1% of their income into the Long-Term Care Fund each year, due to the availability of allowances and reliefs. The impacts of the proposals on a range of tax payers is shown in the below table<sup>291</sup>

<sup>289</sup> FPP Report on 2020-2023 Government Plan

<sup>290</sup> Transcript, Public Hearing with the Minister for Social Security, 26th September 2019

<sup>291</sup> P.71/2019, p176

Household type	Income level	Income £/year	Long-Term Care contribution increase	
			£/year	%
Single	Median earnings	23,000	91	0.40%
Single	1.5 x median earnings	35,000	237	0.70%
Single	minimum income for 20% tax rate	69,000	668	1.00%
Single, one child, £200,000 mortgage	median	31,000	0	0.00%
Single, one child, £200,000 mortgage	1.5 x median earnings	47,000	124	0.30%
Single, one child, £200,000 mortgage	minimum income for 20% tax rate	160,000	1,556	1.00%
Married couple	median	52,000	260	0.5%
Married couple	1.5 x median earnings	78,000	590	0.8%
Married couple	(minimum income for 20% tax rate)	137,000	1,337	1.0%
Married, £300,000 mortgage	median	52,000	123	0.20%
Married, £300,000 mortgage	1.5 x median earnings	78,000	453	0.60%
Married, £300,000 mortgage	(minimum income for 20% tax rate)	184,000	1,946	1.10%

Table 37 – Impact of Long-Term Care charge by household type

The Panel also asked the Minister in the Public Hearing whether any consideration had been given to staggering the increase of the contribution rate over the 4 years of the Government Plan. We were told that consideration had been given to this, but that the Council of Ministers had decided that it was best to introduce the total increase in 2020. We were further advised that if the headline rate and income cap were increased in 2020, then the fund would not have to be looked at again for another 20-odd years.<sup>292</sup>

Regulation 5 of the Draft Social Security (Amendment of Law No.11) (Jersey) Regulations 201- raises the contribution percentage rate for the Long-Term Care contributions to 2% from 1st January 2020.

**FINDING 5.11**

The Government Plan proposes a 1% increase to the headline rate of Long-Term Care contributions and an increase in the income cap from £176,232 to £250,000.





**FINDING 5.12**

Due to availability of allowances and reliefs, most people would pay less than the proposed 2% in contributions towards the Long-Term Care Fund as a percentage of their total income.

<sup>292</sup> Transcript, Public Hearing with the Minister for Social Security, 26th September 2019

## 5.5 Actions, Programs and Capital Projects Reviewed


Actions			
Action	CSP reference	Page number	Scrutiny RAG Status
<b>Develop a Health and Wellbeing Policy Framework</b>	N/A	<a href="#">293</a>	
<b>Provide Appropriate Accommodation</b>	N/A	<a href="#">293</a>	
Additional Revenue Programs			
Program	CSP reference	Page number	Scrutiny RAG Status
<b>Preventable Diseases</b>	CSP2-1-02	<a href="#">294</a>	
<b>Adult Safeguarding</b>	CSP2-2-01	<a href="#">296</a>	
<b>Mental Health</b>	CSP 2-2-02	<a href="#">297</a>	
<b>Mental Health Legislation</b>	CSP 2-2-02	<a href="#">297</a>	
<b>Digital Health and Care Strategy</b>	CSP 2-3-01	<a href="#">304</a>	
<b>Health P.82 Reinstate 2019</b>	CSP 2-3-02	<a href="#">307</a>	
<b>Maintaining Health and Community Care Standards</b>	CSP 2-3-03	<a href="#">309</a>	
<b>Regulation of Care – Income Deferred</b>	CSP 2-3-04	<a href="#">311</a>	
<b>Diffuse Mesothelioma Scheme</b>	CSP 4-1-01	<a href="#">312</a>	
<b>Financial Independence in Old Age</b>	CSP 4-1-01	<a href="#">313</a>	
<b>Food Costs Bonus</b>	CSP 4-1-04	<a href="#">315</a>	
<b>Single Parent Component P.113/2017</b>	CSP 4-1-05	<a href="#">317</a>	
<b>Support for Home Care and Carers</b>	CSP 4-3-01	<a href="#">318</a>	
<b>Disability Strategy and Community Support</b>	CSP 4-3-02	<a href="#">320</a>	

Capital Expenditure Projects			
Capital Project	CSP reference	Page number	Scrutiny RAG Status
<b>Mental Health Improvements</b>		<a href="#">323</a>	
<b>Health Services Improvements</b>		<a href="#">327</a>	
<b>Learning Difficulties</b>		<a href="#">329</a>	
<b>Our Hospital</b>		<a href="#">332</a>	

## 5.6 Reports on Specific Actions and Business Cases

### *Actions not linked to a business Case*

#### **Develop a Health and Wellbeing Framework**

Develop a Health and Wellbeing Framework	
Minister(s)	Scrutiny RAG Status
Minister for Health and Social Services	

#### **Summary Report**


- The Government Plan explains that the aim of the Framework is to connect and coordinate actions across the Government and its partners that will support all islanders to live healthier, fulfilling, longer lives - from the Active Jersey schemes and active travel, to accessing arts, culture, heritage and education, to developing early help and preventative health services, and embedding sustainable wellbeing in what we do as the Government of Jersey.
- The Panel was advised that the reason this action is not linked to a project seeking additional revenue expenditure is because it can be delivered by the existing departmental budget.
- During a Public Hearing with the Minister for Health and Services in September, when discussing the “preventable diseases” project, the Panel was advised that the health and wellbeing policy framework was currently under development. We were also told that the Framework would link together policies such as; smoking cessation, alcohol policy and the food and nutrition strategy.



#### **FINDING 5.13**

The action “Develop a Health and Wellbeing Framework” will be delivered within existing departmental budgets.

#### **Provide Appropriate Accommodation**

Provide Appropriate Accommodation	
Minister(s)	Scrutiny RAG Status
Minister for Health and Social Services	

#### **Summary Report**

- The action contained within the Government Plan is to provide appropriate accommodation for people within Learning Disability Services, in order that individuals avoid significant risk of harm.

- The Panel was advised that the reason this action is not linked to a project seeking additional revenue expenditure (i.e. a business case) is because it is instead linked to a capital project.



#### FINDING 5.14

The action “provide appropriate accommodation for people within Learning Disability Services” is not linked to a project seeking additional revenue expenditure because it is instead linked to a capital project.

### *Business Cases for Additional Revenue Expenditure*

#### **Preventable Diseases**

Preventable Diseases			
CSP2-1-02 – Supporting Islanders to live healthier, active, longer lives			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Deliver a range of preventative and proactive schemes focused on inspiring an ‘Active Jersey’</li> <li>Support the reduction in preventable disease</li> </ul>	<ul style="list-style-type: none"> <li>Preparing for more Islanders living longer</li> </ul>	Minister for Health and Social Services	

#### **Summary Report**

The Minister for Health and Social Services has requested the following funds in respect of preventable diseases:

#### Additional Investment Required (£000)

2020	2021	2022	2023
300	1,200	2,500	2,800

According to the summary business case contained in R.91, the aim of Reducing Preventable Disease (RPD) portfolio is to reduce the burden of preventable disease and, avoidable early death in Jersey’s population. In doing so, HCS will be aiming to achieve the Government of Jersey’s Common Strategic Priority to ‘Improve Islanders wellbeing and mental and physical health.’ The RPD portfolio sets out an array of funded programmes which will complement a wider piece of work that is being undertaken by the Public Health Team. The business case also explains that there is a need to shift away from reliance on public messaging campaigns and health promotion, because of little impact on behaviour, to an approach addressing wider detriments of health. The Panel was told that this shift would be reflected in the work undertaken under this project.

During a Public Hearing with the Minister for Health and Social Services, the Panel asked whether it was the intention of the Department to amend any existing policies to ensure the aspirations of RPD could be achieved, we were advised:

*“We are currently progressing a health and wellbeing policy framework that will link all those policies: smoking cessation, alcohol policy, food and nutrition strategy. All of those need to be linked in an overall strategy that links them altogether.”<sup>293</sup>*

The Assistant Minister for HSS advised the Panel that he was due to consider a first draft of this framework later in the day and the hope was to have it finalised and published by Christmas.

In a written question to the Minister, the Panel queried the substantial increase of requested investment for this project from £300,000 in 2020 to £1,200,000 in 2021 and again to £2,500,000 in 2022. We were advised that in 2020, £0.1m would be spent on health promotion and £0.2m on meals for primary schools. A two-year pilot scheme in two schools is planned to be rolled out more widely with £200,000 beginning the roll-out. In 2021, primary school meals will be rolled out further and new programmes in Strategic, Policy, Performance and Population (SPPP) will be introduced. For example, Healthy Start and Food Dudes, which will provide access to fruit and vegetables for low income groups, and a whole school Cooking and Growing programme. In 2022, the SPPP programmes will be rolled out further, breakfast clubs and family weight management will begin, and the smoking cessation work will increase. In 2023, the family weight management would get a broader roll out.

The Assistant Minister for HSS also explained that it would take time to build some of these programmes and rather than throwing money at it on day one, the Department had to be clever with what they spent and wise with how they spend it. HCS felt that the wise thing to do in this instance was to get the programmes into place and then funding would follow – hence why the budget in years 2,3 and 4 increase quite considerably.

During the Public Hearing, the Panel asked for further information regarding smoking cessation and how the Department intends to spend the requested £579,000 in 2021, 2022 and 2023. The Director General of Health and Community Services told the Panel:

*“Part of the work that we are doing is we are working collaboratively alongside other government departments, particularly CYPES (Children, Young People, Education and Skills), around how we can get smoking cessation and smoking prevention message into schools. We are also looking as part of the work we are doing with the Jersey Care Model at harnessing community efforts that we have across the parishes so that we start to get a more educative process happening out within groups that are touching people every day and are able to speak to them quite informally.”<sup>294</sup>*

The Group Medical Director also added:

*“It is not just schools. It is smoking avoidance. Smoking cessation is also directed at adult smoking, those adults who are unfortunately addicted to cigarettes and nicotine. We have a new care prevention for families and primary care, which we need to give our primary care colleagues, both paramedics and G.P.s, funding for the outcome of the measures so they can convince and assist their patients to stop smoking. A lot of funding will go into the community where it is best served rather than being used to pay for colleagues in the hospital, secondary care, to deal with the complications.”<sup>295</sup>*

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<sup>293</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p5

<sup>294</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p5

<sup>295</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p6

**FINDING 5.15**

A Health and Wellbeing Policy Framework is currently being drafted which will link and coordinate actions across Government to support islanders to live healthier and fuller lives, including those developed under the “preventable diseases” project. The Panel was advised that the intention was for the Framework to be completed by the end of 2019.

**FINDING 5.16**

The £300,000 funding requested for 2020 under the “preventable diseases” project would be spent on health promotion and introducing a two-year pilot scheme to provide healthy meals in primary schools.

**Adult Safeguarding Improvement Plan**

Adult Safeguarding Improvement Plan			
CSP2-2-01 – Supporting Islanders to live healthier, active, longer lives			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Improving Islanders’ wellbeing and mental and physical health</li> </ul>	<ul style="list-style-type: none"> <li>Nurturing a diverse and inclusive society</li> </ul>	Chief Minister	

**Summary Report**

The Chief Minister has requested the following funds in respect of the Adult Safeguarding Improvement Plan:

## Additional Investment Required (£000)

2020	2021	2022	2023
102	102	102	102

The Safeguarding Adults Partnership Board is responsible for co-ordinating work locally, safeguarding and promoting the welfare of adults in Jersey and monitoring and challenging the effectiveness of Jersey’s safeguarding arrangements. The Board meets 6 days per month and is led by an independent Chair. The work is undertaken by 2 trainers and 1 policy staff, with a part time manager and administrators.

According to the business case, two reviews were undertaken in 2018 by independent advisers and in consultation with service providers and the Safeguarding Adults Partnership Board. The reviews identified some good practice but identified 40 recommendations relating to delivery personalisation through an outcomes-based approach and improving inter-agency working, processes and culture.



The Board has stated that the extra work required to co-produce and implement the adult safeguarding improvement plan ('Making Safeguarding Personal'<sup>296</sup>) requires additional resources, which was agreed by the Council of Ministers.

The business case therefore requests additional investment for 1 FTE Manager and 1 FTE Administrator for one year.



#### FINDING 5.17

The £102,000 funding requested for the Adult Safeguarding Improvement Plan in 2020 would provide funding for two additional FTEs who are needed to co-produce and implement the Plan.

### Mental Health and Mental Health Legislation

Mental Health			
CSP2-2-02 – Improve the quality of and access to mental health services			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Improve access to mental health services</li> </ul>	<ul style="list-style-type: none"> <li>Nurturing a diverse and inclusive society</li> </ul>	Minister for Health and Social Services	

#### Summary Report

The Minister for Health and Social Services has requested the following funds in respect of mental health:

#### Additional Investment Required (£000)

2020	2021	2022	2023
3,200	4,800	4,100	4,200

The Department is also requesting the following funds for mental health legislation:

2020	2021	2022	2023
629	634	653	672

The business case in R.91 states that the above requested funds are required to deliver HCS's plan to:

- Improve access to 24/7 mental health services, aid recovery, and provide safer and more effective care closer to home
- Improve the quality and therapeutic value of the care environment through work on the mental health estate

<sup>296</sup> 'Making Safeguarding Personal' is a personalised approach that enables safeguarding to be done with, not to, people.

- Keep Islanders mentally healthy and physically well by co-producing and developing services, initiatives and educational and promotional activities that are recovery oriented and improve well-being
- Improve access to advocacy and upholding human rights
- Develop our workforce for the future in response to innovation and new models of care
- Optimise technology as an alternative option supporting the therapeutic process
- Work in partnership with a range of stakeholders to deliver value-based care and support.

In order to better understand how the Health and Community Services intended to spend the additional investment of £3.2m in 2020, the Panel requested a breakdown of the funds along with a timeline for each of the 6 initiatives identified within the business case. Below the Panel will summarise the information provided, however if you wish to view the full response from the Minister please click [here](#):

### 1. CAMHS - £0.4m

HCS seeks to secure resources to facilitate the transfer of CAMHS services from health and community services to CYPES (Children, Young People, Education and Skills); clarify and improve operational accountability and reasonability for delivery of the CAMHS pathway and commence a programme of redesign work to shape a future service model for CAMHS and relevant pathways of care and support.

Phase 1 to commence **Q4 2019**:

- a) Securing recruitment to vacant team manager post;
- b) Undertaking a review of complex cases;
- c) Completing a full analysis of the service;
- d) An additional CAMHS Consultant post is needed to address the needs of 19-25-year olds.

Phase 2 to commence **Jan 2020**:

- a) Completion of a business case to secure support to assist with service design. It is anticipated that this will be in the region of £50k.

### 2. Crisis Support - £1.1m in 2020

We were advised that, following confirmation of funding, immediate recruitment would begin of a consultant psychiatrist with expertise in crisis intervention and two full-time equivalent staff (FTEs) grade psychiatrists. Following those appointments, a multi-disciplinary team including alcohol and drugs and physical health care services will be appointed. It is anticipated that the crisis support services will be in place by **Q3 2020**.

### 3. Listening Lounge - £95k in 2019 & £0.3m in 2020

On 31st July 2019 the Mental Health Improvement Board decided to allocate existing funds to initiate a two-year pilot. This is due to begin in terms of venue refurbishment in November 2019.

### 4. Complex Trauma - £0.8m in 2020

The costs are for a forensic consultant, clinical psychologists, sexual health/domestic violence counsellors, assistant psychologists and non-pay (training). It is estimated the pathway as a whole will be operational by the **end of Q3 in 2020**.

## 5. Mental Health Legislation - £0.6m in 2020

The funds would be put towards an immediate team recruitment of 8 FTEs to ensure that the Department can meet the statutory obligations under the Mental Health (Jersey) Law and the Capacity and Self-Determination (Jersey) Law. The Department has envisaged that the recruitment process will take approximately 6 months so will be finalised in **Q2 2020**.

## 6. Mental Health Strategy - £0.6m in 2020

Further development of the Mental Health Strategy aligned to the New Jersey Care Model is required in 2020. This will include expanding upon the Community and Voluntary sector role and opportunity going forward so that Mental Health partners are clear as to future long-term strategic plans and can have certainty regarding their roles and functions within the future care model. This will **commence in Q1 2020**.

### Investment in existing staff and recruitment of high-quality workforce

In March 2019, the Panel undertook a review of mental health services ([S.R.4/2019 'Assessment of Mental Health Services'](#)). One of the Panel's recommendations was for the Government to focus on investing in existing staff by giving them access to appropriate training. During a Public Hearing with the Minister, the Panel queried whether the request for additional funds in the Government Plan included any consideration of investment in existing staff. The Group Managing Director highlighted the crisis prevention service as one area where the extra investment was needed to train existing and new staff. Speaking about crisis prevention he told the Panel:

*"It is a completely different specification to the current psychiatric liaison service. Those psychiatrists and psychiatric liaison nurses have to work in a different way and will need a lot of training, support, education and professional development to help them to do that, and they will need a revised on-call arrangement as well."*<sup>297</sup>

It was also noted that investment in a new mental health leadership team under Dr Garcia (Medical Director of Mental Health) had already been made in 2019 and that this would not be funded within the Government Plan. The team included a dedicated improvement lead, a dedicated lead nurse, a dedicated lead social worker and a dedicated lead allied health professional.

The Panel raised concerns during the Public Hearing with the Minister for Health and Social Services about the importance of recruiting the right staff to be able to undertake all the initiatives that HCS intend to implement with the Government Plan funding. In a written submission we received from Adult Mental Health Services, we heard that the service was currently under significant strain because of staff shortages. Although, recent recruitment drives had been successful, and the service was working on developing collaboration with partners in the third and private sector. The Panel is very much in agreement with Adult Mental Health Services when they say that *"sustainability and successful implementation is dependent on successful recruitment and retention of a high-quality workforce."*<sup>298</sup>

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<sup>297</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p7

<sup>298</sup> [Written Submission, Adult Mental Health Services, 15th October 2019](#)

### Housing mental health professionals

The Panel also questioned the Minister as to whether any of the requested funds within the Government Plan would be used to assist in housing mental health professionals. The Panel was advised that this work was being led by Andium Homes, the Housing Department and Jersey Property Holdings and that a scheme, which included 45 properties (predominately one-bedroom apartments) was due to be completed by the end of this year.<sup>299</sup>

The Panel has previously raised concerns about ensuring that Jersey attracts the best people to work in mental health by, among other things, improving access to housing. In the Hearing, Deputy Pamplin raised this concern with the Minister:

***Deputy K.G. Pamplin***

*“In that instance if you are fundamentally wanting somebody exceptional in mental health, they would be saying “we need this person, we want this person, they come with their family; one bedroom is not going to do it Minister.” Therefore, as Minister would you then go to the Minister for Housing and Andium Homes and say “I have got a bit of money and we really want this person”?”*

***The Minister and Health and Social Services***

*“We would do everything we can to find a way, because if this person is key to enhancing our services and fill a much a much-needed gap then we want to get them in and we will find a way”.*

***Director General, Health and Community Services***

*We have a relocation package that we are able to flex if needs be, which is an upfront payment that we can give to people but also helping them to find accommodation that suits their needs. I am confident that we would be able to make that happen.”*

The Minister further advised that if this situation was to arise the Department would be able to fund it out of its existing budget.

### Crisis Response Team

From further information we requested from the Department on mental health, we understand that £5.4m, of the total £16.3m requested for mental health (2020-2023), would be used to fund the crisis response team of 14 FTEs. In the Public Hearing, the Group Managing Director confirmed that all the FTEs are identified as new posts and will most likely be a blend of off-island and on-island professionals.

In the mental health business case it states that *“it is anticipated that the implementation of the crisis response service will generate additional efficiency opportunities<sup>300</sup>.”* When the Panel queried what these efficiencies were, we were told:

*“There are two expected real benefits in terms of efficiency. The first is around prevention of admissions into our in-patient unit, into Orchard House and what will be Clinique Pinel. The second is that if we start to manage crisis prevention and we are*

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<sup>299</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p8

<sup>300</sup> R.91/2019, p26

*stopping getting to an escalated position then we would expect that to impact on our prevalence of off-island activity, which is really expensive.*<sup>301</sup>

The Panel is extremely supportive of the use of funds to establish a crisis team and acknowledge the need to be able to swiftly respond to people who are at risk of admission to hospital for matters relating to their mental health. However, the Panel is concerned about recruiting the right people to the various posts to ensure the crisis intervention service is as effective as it can be. The Panel enquired about this issue at the Public Hearing and was advised by the Director General of Health and Community Services:

*"I think what we are trying to offer here is a real wraparound mental health provision within Jersey. With the listening lounge, with the crisis support, particularly with the complex trauma, we are investing in staff that do provide that and not just for our patients that present with mental health illness but across the board for patients that come into our care that we are touching. We hope that that the mental health campus approach that we are taking will encourage staff to apply and come here to Jersey.*<sup>302</sup>

The Assistant Minister (Senator Pallet) advised the Panel that he had absolute confidence that HCS will find the right people to staff the crisis team and that they will put the right packages of care together to support people in crisis in Jersey.

#### Talking Therapies and Listening Lounge

During the Panel's review of mental health services, we found that the majority of respondents who use mental health services had to wait to access those services, for what the majority of them considered an unacceptable time. Accordingly, the Panel was keen to find out whether any of the requested funds in the Government Plan would be used to address the important issue of waiting times. During the Public Hearing, it was acknowledged by the Minister and his Officers that the current waiting lists for Jersey Talking Therapies (JTT) were too long. The Panel was told that Dr Garcia, Medical Director of Mental Health, was due to undertake a review of JTT to find out the reasons for the long waiting lists and to understand how resources could be moved around to deliver the service differently. The Assistant Minister, Senator Pallet, confirmed that there was funding within the Government Plan to undertake that work<sup>303</sup>.

The Minister also spoke of the listening lounge as a service that will be available to people to receive help when they need it as opposed to just sitting on a waiting list. The listening lounge will form part of an overall model of service to improve 24/7 access to mental health support. It will be a designated place where people can make a call to or 'drop in' or be referred to talk to someone about issues impacting on their mental health and wellbeing. HCS has requested £1.6m over the 4-year period in respect of the listening lounge. In further information we requested from the Department on this subject, we were told that the listening lounge would initially be a 2-year pilot project and the requested funds in the Government Plan were required to support its implementation, to appoint a project team and to staff the facility.

However, the Group Managing Director did advise the Panel that the plan was to review the listening lounge after 3 months of it being up and running:

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<sup>301</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p11

<sup>302</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p12

<sup>303</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p13

*“Our view of what the listening lounge is offering is an element of some of the pathway that you would expect to go into Jersey Talking Therapies. So we need to see what that impact is and that is why we are at the moment going to do a 3 month review on the activity for the listening lounge because it could be quite big and if it is then we would have to repurpose how we would support that initiative.”<sup>304</sup>*

At the time of Public Hearing, a location for the listening lounge had been identified but the Department was not willing to share the information, as the contract had yet to be signed. However, we were told that the lounge would be situated in a town centre location and that the announcement as to the exact premises would be made very shortly.

Following the Hearing, the Panel learnt that the listening lounge would be based at Charles House in Charles Street in St Helier town centre. Furthermore, L.I.N.C, a specialist mental health and wellbeing provider in Jersey has signed a contract with Health and Community Services to launch the facility which will provide Islanders with free help. The facility will be staffed by clinicians who will oversee the day-to-day running of the service, while peer support staff will bring additional insights through their lived experience of mental health difficulties.<sup>305</sup>

The Panel notes that the venue refurbishment is due to begin in November 2019.

### Third sector – involvement and funding

In discussing mental health more generally, the Assistant Minister also spoke about his hope for better collaboration between the Government and third sector organisations and the support that such organisations may be providing in terms of staffing mental health-based facilities going forward. The Assistant Minister did acknowledge however that, whilst closer relationships were being built with third sector partners, such as Mind, Samaritans, Recovery College, the Department needed to find a better way to fund them and support them if they were going to provide the assistance that was needed.

During the discussions relating to the listening lounge, the Assistant Minister spoke again about the involvement of the third sector. The Panel was told that multi-agency meetings were taking place within HCS to agree the collaborative provision of services by third sector partners. Furthermore, the third sector would be funded from committed funding to that sector and service level agreements with all third sector partners were currently being developed.<sup>306</sup>

In a [written submission](#) to the Panel, Mind Jersey recognised the importance of a joined-up approach in delivering the Mental Health Strategy. It commented:

*“Whilst the Government of Jersey, and Health and Community Services in particular, has prime responsibility for delivering this strategy neither can do it alone nor in isolation. A new spirit of partnership and co-operation is required, and Mind Jersey is committed to work constructively with the statutory services, and other partners, to implement many of these priorities.”<sup>307</sup>*

Within the submission, Mind Jersey also expressed its hope that investment in some of the community sector’s existing services (peer support, those for families and carers as well as

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<sup>304</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p14

<sup>305</sup> Bailiwick Express, October 2019

<sup>306</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p18

<sup>307</sup> Written Submission, Mind Jersey, 26th September 2019

those in support of children and young people), as well as new ones, would finally be forthcoming. When we asked the Minister for Health and Social Services in written correspondence how he intended to fund and support the third sector in a better way (as stated by the Assistant Minister), he responded:

*“Money will follow activity. There will be a commissioning framework that will ensure that activity is moved and funded appropriately and safely. We will need to use the HIF [Health Insurance Fund] differently in order to fund double running in the first instance, but long term the monies will be from within the current envelope as we will not necessarily be delivering more activity just delivering it in a different location or via a different provider.”<sup>308</sup>*

### Sufficient funds?

The Minister advised the Panel that he was confident that, if the additional investment is approved, there will be sufficient funds to ensure that all the work in respect of mental health can be delivered. The Group Finance Director assured the Panel that at the start of 2019, £22.5m was already invested in services which were delivering mental health activities.<sup>309</sup>



#### **FINDING 5.18**

The project “Mental Health” includes a number of ambitious programmes and workstreams over the next 4 years. To ensure their delivery, the Government Plan has requested £3.2 million additional investment in 2020.



#### **FINDING 5.19**

At the start of 2019, £22.5 million was already invested in services which are delivering mental health activity.



#### **FINDING 5.20**

The Medical Director of Mental Health is due to undertake a review of Jersey Talking Therapies to determine the reasons for the current long waiting lists and to understand how resources could be moved around to deliver the service differently. It was confirmed that funds are within the Government Plan to undertake this work.



#### **FINDING 5.21**

The listening lounge will initially be a 2-year pilot project and the requested funds within the Government Plan (£0.3m in 2020) are required to support its implementation, to appoint a project team and to staff the facility.



#### **FINDING 5.22**

The Adult Mental Health Service is currently under significant strain because of staff shortages.



#### **FINDING 5.23**

The level of resources requested for mental health should be sufficient to enable the project to meet its stated aims. However, the sustainability and successful

<sup>308</sup> Letter, Minister for Health and Social Services, 14th October 2019

<sup>309</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019

implementation of the programme is dependent on successful recruitment and retention of a high-quality workforce and improved collaboration with third and private sector partners.



#### RECOMMENDATION 5.4

The Minister for Health and Social Services should provide the Health and Social Security Panel with quarterly updates, starting from January 2020, detailing successful recruitment of staff into the mental health service. The update should also provide evidence of improved collaboration with third and private sector partners.

### Digital Health and Care Strategy

Digital Health and Care Strategy			
CSP2-3-01 – Put patients, family and carers at the heart of Jersey’s health and care system			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Implement the digital care programme</li> </ul>	<ul style="list-style-type: none"> <li>No Links</li> </ul>	Minister for Health and Social Services	

### Summary Report

The Minister for Health and Social Services has requested the following funds in respect of Digital Health and Care Strategy:

#### Additional Investment Required (£000)

2020	2021	2022	2023
0	700	800	800

According to the business case, the money requested for HCS under the digital health and care strategy is to fund projects that have already been agreed and are currently ‘in flight’. In a written question to the Minister in September, the Panel sought further clarity as to what these projects were and the timeline in which they were due to be completed. The Minister’s response provided the following information:

- EPrescribe or EMPA is scheduled to go live February 2020. Clinical trials begin November 2019 and, subject to successful trials, on track to go live in February.
- Primary Care Integration as an integration platform is complete and is due to be signed off in September.
- GP Order Communications – Radiology: is currently in clinical trials and should formally go live 1st November 2019.
- GP Order Communications – Pathology: Q1 2020 is the target go live date but again is subject to clinical trials.

The [business case](#) for this particular project provides a summary of HCS’s digital programme and HCS’s Digital Health and Care Strategy. The Programme and Strategy aim to; replace legacy systems which are incapable of capturing and sharing information and reduce paper-based processes; and improve information flow between health care organisations and



service users. The objective is to meet the aspirations of 'One HCS' initiative through a Digital Health and Care Strategy that will establish an integrated care record upon which a care coordination function will be supported.

In light of the above, the Panel had a number of concerns. Firstly, why the Department had not requested any additional funding in 2020 and, secondly, why the amount of funds requested in 2021, 2022 and 2023 seem insignificant in comparison to the work that is required to meet the objectives of the Digital Health and Care Strategy.

The Panel wrote to the Minister asking for clarity regarding the first point and was advised:

*“As part of the preparation of the Government Plan, the importance of digital health care was recognised. The related funding for this will come from one of three sources to align depending upon timing of implementation of the plans which are being worked up – from slippage in the HCS capital programme should this materialise and be available, from slippage likewise in the overall programme, and from the overall investment in information technology set out in the government plan as it is worked up in greater detail.”<sup>310</sup>*

The Panel addressed the latter point with the Minister at a public hearing in September. We were told that there was a “*huge budget*” for digital and innovation within the Chief Operating Office (COO), which was working across all government departments to deliver the digital strategy. Although funds would be used to deliver the Digital Health and Care Strategy, the money would not flow through HCS’s budget, hence the lack of requested funds in 2020. According to the Director General, one of the reasons why the budget is being held centrally is so that Departments do not purchase systems in isolation:

*“We are going to do a big purchase over the next few years of an electronic patient record, but if we buy that just for health...because we are looking to move Health Island-wide and because we are looking to link more closely with CRS [Customer Records Systems] around how we can interact across those departmental boundaries, the COO is holding on to that so they can ensure we buy a system that enables us to talk to each other. What we have been guilty of in health in particular is adding multiple systems that do not talk to each other...Having health centrally will hopefully enable us to spend the money wisely.”<sup>311</sup>*

With regards to the Digital Health and Care Strategy, the Panel is most concerned about the development of digital patient records. When we questioned the Minister about this specific matter he told us that he had been assured that there were funds within the Government Plan to deliver this project. We were further advised that a 3-year contract had been signed with the Department’s current provider to understand the process needed to get to the point in which digital records would be available. In order to digitalise the records, HCS needs to have a system that works alongside that digitalisation and also needs to be able to ensure that providers outside of the Government can access that record. The Director General confirmed the timeline for this work:

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<sup>310</sup> [Letter, Minister for Health and Social Services, 16th September 2019](#)

<sup>311</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p27

*“We are pushing ahead as quickly as we can to get that achieved over the next 3 years. Having that contract termination in 3 years forces us to do this. I would expect electronic patient records in 3 years and digitalisation within the next 2 years.”<sup>312</sup>*

It is our understanding that a total of £87,537,000 will be spent on IT-related revenue projects under the ‘Modernising Government’ priority and of this, £66,668,000 will be spent by the Chief Operating Office. Given the size of the proposed investment for IT projects and the work that these will entail, the Panel is concerned that HCS’s priorities and requirements may get lost in the overall programme. At the Hearing with the Minister for Health and Social Services, the Group Finance Director tried to reassure the Panel that this would not happen:

*“We are working with them [Chief Operating Office], we are discussing with them to make sure HCS’s requirements are at the forefront of that money. There is a considerable investment in that area. We will make sure HCS is fully protected and fully part of that process. What it needs, we will make sure it gets through that field.”<sup>313</sup>*

Following the hearing with the Minister for Health and Social Services, we received information that contradicted the advice we had previously been provided – that the budget for investment in digital health and, specifically for the development of digital patient records, was being held centrally by the Chief Operating Office (COO) and was included in the Government Plan. For instance, at a [Public Hearing](#) between the Corporate Services Panel and the Assistant Chief Minister on 17th September, it was advised that the funding for electronic patient records was not included in the Government Plan and would in fact be funded through the hospital project.

As a result of the conflicting evidence Scrutiny had received on the digital patient records system and due to the projects ambiguous funding position, we felt the need to seek further clarity from the Department. In an additional response from the Minister for Health and Social Services we were advised that, whilst the funding was originally proposed by the COO, it was removed as the Government Plan developed. The reason being that the creation of electronic patient records was recognised as a key project for the Health and Community Services Department. Furthermore, we were told that *“the solution will of course be a technological solution and developed and delivered by the COO, however, the early stages of discovering what that solution needs to provide will be clinically led.”<sup>314</sup>* We were also advised that the primary and other work will draw on the Health Services Improvements (including vital IT investment) head of expenditure and the revenue Technology Transformation Programme Expression of Interest. It was also anticipated that the technical solution would form part of the ‘Our Hospital’ project funding requirement once a decision was made about what the preferred solution was.

In the Public Hearing between the Corporate Services Panel and the Assistant Chief Minister, it was estimated that the capital funding for this work would be in the region of £30 million. In addition, it was advised that the revenue implications of running the technology, once delivered, would cost an estimated £7.2 million. This figure has been included in the Government Plan within the Technology Transformation Programme Expression of Interest for 2022 and 2023.

There has been much ambiguity in respect of the funding for the Digital Health and Care Strategy. The Panel is discontented with the lack of clarity provided within the Government

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<sup>312</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p38

<sup>313</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p26

<sup>314</sup> Letter, Minister for Health and Social Services, 14th October 2019

Plan as to how this significant piece of work will be delivered and by who. We are also concerned that currently there is no clear line of funding for the development of the digital patient records system. Given the already ambitious work programme and associated funding for the ‘Our Hospital’ project, we are uncertain that £30 million will be readily available to deliver a new digital patient record system.

The Panel is further concerned with the fact that the primary work for the digital patient records will draw on the funds that have been requested under the “Health Service Improvements” project. However, we will discuss this in more detail later in our report when we consider the Health Service Improvements project.



**FINDING 5.24**

There is a lack of clarity within the Government Plan as to how the Digital Health and Care Strategy will be delivered.



**FINDING 5.25**

Within the Government Plan there is no clear line of funding for the development of a digital patient records system, which it has been estimated will cost in the region of £30 million.



**FINDING 5.26**

It is the intention of the Health and Community Services Department to be digital in two years and to have the electronic patient records system in place in three years.



**RECOMMENDATION 5.5**

The Minister for Health and Social Services should provide clarity ahead of the Government Plan debate as to how the digital and health care strategy, and specifically the digital patient records system, is to be funded.

**Health P.82 Reinstate 2019**

Health P.82 Reinstate 2019 New and Recurring			
CSP2-3-02 – Put patients, family and carers at the heart of Jersey’s health and care system			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>• Deliver the initial stages of the Jersey Care Model</li> <li>• Deliver Care Closer to Home</li> </ul>	<ul style="list-style-type: none"> <li>• Nurturing a diverse and inclusive society</li> </ul>	Minister for Health and Social Services	

**Summary Report**

The Minister for Health and Social Services has requested the following funds in respect of the Health P.82 reinstate 2019 project:

Additional Investment Required (£000)

2020	2021	2022	2023
3,597	3,597	3,597	3,597

In 2012, the States of Jersey decided to fund a ten-year health and social care transformation programme. The programme identified a 'New Way Forward for Health and Social Care' and was to be funded over the course of three successive Medium-Term Financial Plans (MTFPs), from 2013 to 2023. These assumptions have been built into the Long-Term Revenue Plan (LTRP) and would require the States to withdraw from the commitments made to the transformation programme.

The new HCS Management Executive has endorsed the principles of P.82 and the transformation plan and it is "assumed" that the sums indicated within the MTFP and LTRPs are available to continue this work.

In 2019, the transformation allocation of £2.7million was deferred in order to fund the liquid waste fund (which was not approved by the Sates Assembly). The business case states that it is "assumed" that the £2.7 million will be available to HCS in 2020 along with the recurring impact of the 2019 schemes (£0.9m) making a total of £3.6 million to be restored to the baseline budget in total.<sup>315</sup>

The Panel was concerned that it is only "assumed" that funds would be made available to HCS at this stage and that the business case did not seem to provide any assurance that conversations regarding the movement of the money had taken place. However, when questioned about this matter at a Hearing, the Group Finance Director assured the Panel:

*"Discussions have taken place. We have...basically the monies were...previously management had an arrangement that for 2019 the monies would be used to fund something else. Discussions have taken place. We are expecting those to come back and will be approved through the Government Plan, obviously subject to the Assembly's actual approval."<sup>316</sup>*




#### FINDING 5.27

The Government Plan is seeking £3.6 million to be restored to the Health and Community Services baseline budget to fund the delivery of a new Health Care Model, in line with the principles of P.82/2012 – 'A new way forward for Health and Social Care'.

<sup>315</sup> R.91/2019, p39

<sup>316</sup> Transcript, Public Hearing with the Minister for Health and Social Services, 17th September 2019, p30

**Maintaining Health and Community Care Standards**

Maintaining Health and Community Care Standards			
CSP2-3-03 – Put patients, family and carers at the heart of Jersey’s health and care system			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>• Deliver new models of primary care</li> <li>• Deliver an acute floor in the General Hospital for unscheduled or emergency care</li> <li>• Implement the digital care programme</li> </ul>	<ul style="list-style-type: none"> <li>• Exploring and using the opportunities offered by digital</li> </ul>	Minister for Health and Social Services	

**Summary Report**

The Minister for Health and Social Services has requested the following funds for maintaining health and community care standards:

## Additional Investment Required (£000)

2020	2021	2022	2023
4,179	11,464	15,907	21,513

The business case contained in R.91 for this project did not provide much information as to how the additional requested investment would be spent. What it does tell us is that in the period 2020-2023, HCS plans to continue to transform and modernise and also to ensure that the existing services are funded sustainably in respect of changing demographic and the requirement to maintain standards in line with other jurisdictions. The plan proposes transformation priorities that HCS are able to deliver within existing budgets but also developments that require additional funding. It also states that the plan *“identifies some potential funding sources which relieve pressure on central contingencies, including a well-developed efficiency programme to contribute to funding the transformation initiatives.”*<sup>317</sup>

The Panel requested the full business case from HCS on this project, so we were able to have a better understanding of the rationale behind the request for additional funding. Within the business case it was stated that the 4 main drivers of cost which supported the need for funding were:

- Healthcare inflation
- Changing health and social care standards
- Increasing (non-demographic) demand
- New treatments and ways of working

The project assumes and relies on the continuation of a 2% annual growth funding to recognise the above standards pressures. The Green Paper for ‘Caring for each other, caring

<sup>317</sup> R.91/2019, p40

for ourselves' described the potential impact of ceasing current policy of 2% funding. According to work undertaken by KPMG, this option would:

- Restrict care in Jersey;
- Reduce the number of people who are eligible to receive care; and
- Raise the criteria for treatment, care and support.

In a written question to the Minister for Health and Social Services, the Panel requested a breakdown of how the funding would be spent. It was advised that in 2020, the potential material calls on the £4,179m were:

- The impact of demographic changes – particularly the increasing need for domiciliary care (**£0.5m**)
- Medical advances and drug development – new patent drugs emerging which will come with cost pressures particularly cancer drugs (**£1.2m**)
- Cost of meeting professional standards – each professional regulatory body sets minimum standards for case such as staffing levels for safety, regulatory requirements for infection control etc. (**£0.4m**)
- Expansion of community services to provide 24/7 care (**£0.4m**)
- Use of off-island services where there is increasing cost of tariff, need as population grows older (**£0.77m**)
- Cost of insurance and medical litigation (**£0.2m**)
- Non-pay inflation costs – which are likely to include energy, consumables and Brexit (**£0.5m Revenue cost of equipment and £0.2m IT investment**)<sup>318</sup>

During a public hearing, the Group Finance Director did inform the Panel, however, that the figures provided above were indicative in relation to what the Department might spend on each development. They are not precise figures.

The Panel understands that the funding increases each year to allow for annual pressures faced by HCS, which is an estimated £5m per annum. We therefore asked the Minister to clarify why there is a greater influx of funding between 2020 and 2021 (from £4.2m to £11.5m). In further correspondence from the Minister, we were advised:

*“On this occasion, in order to assist the Government budget setting for 2020, it was agreed that HCS would receive £1m less and manage any consequential pressures in that year with the funds being put back into HCS in 2021 – hence the larger increase between 2020 and 2021 than between the other years.”<sup>319</sup>*



#### FINDING 5.28

Additional funds of £4.1 million have been requested for 2020 under the “Maintaining Health and Community Standards” project to ensure that health and social care standards are maintained at a level comparable with the UK and other European jurisdictions.




#### FINDING 5.29

<sup>318</sup> [Letter, Minister for Health and Social Services, 16th September 2019](#)

<sup>319</sup> [Letter, Minister for Health and Social Services, 16th September 2019](#)

To assist the Government budget setting for 2020, the “maintaining community health and care standards” project will receive £1 million less in 2020 and manage any consequential pressures in year with the funds being remunerated in 2021.

### Regulation of Care (Income Deferred)

Regulation of Care – Income Deferred			
CSP2-3-04 – Put patients, family and carers at the heart of Jersey’s health and care system			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No Links	➤ No Links	Chief Minister	

### Summary Report

The Chief Minister has requested the following funds for the Regulation of Care:

#### Additional Investment Required (£000)

2020	2021	2022	2023
200	200	200	200

Within R.91/2019 there is limited explanation as to the request for a further £200,000 every year for the next 4 years. From the information provided we know that this funding relates to an MTFP addition (2017-2019) and that £200,000 user pays income was included from 2018 for regulation of carers under the Regulation of Care Law. We are also aware that the funding within the MTFP did not allow for the increased costs of regulation and, subsequently, the funds requested in the Government Plan are to cover the shortfall.

The Panel did request the full business case for this project but was advised that, due to the fact that the request was a remedy for a lack of income, a business case was not produced.

In January 2019, in a written question to the Minister for Treasury and Resources, Deputy Higgins asked the Minister to explain why anticipated fee income from the regulation of care did not materialise in 2018, which has consequently resulted in her approval to provide £200,000 in funding to support implementation of Regulation of Care Legislation. The Minister provided the following response:

*“Additional income of £200,000 from the new regulation of care legislation was projected and budgeted for in 2018, assuming an accelerated introduction of the legislation and a widening of the fee regime. The legislation has, however, remained on schedule for introduction in 2019. Accordingly, the funding now approved is not to fund the new Law, but instead to fund the shortfall from the non-receipt of income budgeted to be received in 2018.”<sup>320</sup>*

<sup>320</sup> Written Question to the Minister for Treasury and Resources, 15th January 2019

**FINDING 5.30**

A full business case was not produced for the “Regulation of Care” project as the additional investment requested in 2020-2023 is intended to fund a shortfall from the non-receipt of income that was budgeted to be received through the regulation of care legislation in 2018.

**Diffuse Mesothelioma Scheme**

Diffuse Mesothelioma Scheme			
CSP4-1-01 – Reduce Income Inequality and Improve the Standard of Living			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Permanently fund the Diffuse Mesothelioma Payment Scheme</li> </ul>	<ul style="list-style-type: none"> <li>No Links</li> </ul>	Minister for Social Security	

**Summary Report**

The Minister for Social Security has requested the following funds for the diffuse mesothelioma scheme:

## Additional Investment Required (£000)

2020	2021	2022	2023
150	155	159	164

In 2018, the States Assembly agreed ([P.124/2018](#)) to provide one-off payments to individuals (or their dependents) with diffuse mesothelioma, a disease associated with historic exposure to asbestos fibres. The scheme is due to be introduced in October 2019 but will require permanent funding from 2020 onwards.

The Panel received a briefing on the proposed scheme and draft Regulations relating to the scheme on 3rd June 2019 and at that time was content with the information it received from the Minister for Social Security. At the briefing it was noted that the Departmental Officers expected there to be 4 to 5 claims a year to this scheme and each claim would be dealt with on a case to case basis. It was further noted that there would be a small team dedicated to dealing with the compensation scheme and its claimants to ensure an efficient process.

The Officers advised the Panel that anyone living with the condition would be able to apply for compensation from 1st October and any relative of a patient who had died from the illness since October 2018 would also be able to make a claim. Furthermore, a patient suffering from the condition would have to make a claim in the 12-month period following their diagnosis. The Panel asked the Officers whether they anticipated a large increase in people being diagnosed with the condition following the establishment of the compensation scheme. The Officers advised the Panel that due to this being a historic problem they did not foresee any significant increase, and, in fact, they would expect claims to remain at 5 a year for the next few years and a potential decline in numbers after 10 years.

The scheme will provide a one-off lump-sum compensation payment to eligible sufferers of diffuse mesothelioma; and will also provide a mechanism for a ‘dependent’ of a deceased sufferer to claim for a lower amount of compensation within set time-limits. The amount of the



lump-sum payment for people living with the condition will be based on their age at the time of their diagnosis. The amounts range between £92,259 for an individual aged 37 and under to £14,334 for an individual aged 77 and over. The business case for this project, states that it has been estimated that the scheme will cost £150,000 per annum. Furthermore, the administration of this scheme will be managed within Customer and Local Service’s existing resources.



#### FINDING 5.31

Diffuse mesothelioma is a disease associated with historic exposure to asbestos fibre. As a result, it is not foreseen that there will be an increase in diagnosis of the condition following the establishment of the compensation scheme. Rather, it is expected that there will be a dwindling of cases over the next few years.



#### FINDING 5.32

The Panel is satisfied that the amount of money requested for the “diffuse mesothelioma scheme” in 2020 is sufficient and the reasons behind the request agreeable.

### Financial Independence in Old Age

Financial Independence in Old Age			
CSP4-1-02 – Income Inequality and Improve the Standard of Living - by improving social inclusion			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Develop proposals to improve financial independence in old age</li> </ul>	<ul style="list-style-type: none"> <li>Preparing for more Islanders living longer</li> </ul>	Minister for Social Security	

#### Summary Report

The Minister for Social Security has requested the following funds in respect of financial independence in Old Age:

#### Additional Investment Required (£000)

2020	2021	2022	2023
150	200	200	200

According to the business case, in 2020 the Social Security Minister and her Officers will be investigating ways which the Government could help people maintain their financial independence as they get older, as one of the elements of the wider Social Security Review. The work will include investigating a workplace pension scheme which would give every worker access to a second pension on top of their Social Security pension. They will also be looking at other ways “to encourage savings and make the best use of the increasing numbers of older workers in our economy.”<sup>321</sup>

<sup>321</sup> R.91/2019, P75

The business case makes specific mention of investigating the possibility of an “opt out” workplace pension scheme. If this was to be introduced in the future, new legislation would need to be development which would require all employers to offer a workplace pension, with employees being entered into the scheme by default, but with the option to opt out.

The Panel asked for a breakdown of the proposed allocation of £150,000 for 2020 and £200,000 for 2021, 2022 and 2023. We were advised that the proposed funding in 2020 was for expert advice to identify options, an approach and actions to increase retirement savings and income in retirement. The help would also include expert advice on pension schemes, research, analysis, engagement with stakeholders and project management. The Minister further advised that the proposed allocation of funding for 2021 depended on the decisions that were taken in 2020.

At a Public Hearing on 26th September, the Panel queried whether the Department had already identified an expert advisor to assist with the work described in the project. An Officer of SPPP told the Panel:

*“We are at tender at the minute for somebody to help with the initial parts of it, which will probably be a short piece of work, a piece of skeleton work on basically international options that would make sense in Jersey. That will be coming through hopefully at the end of this year to set up the much bigger piece of work for next year, which is what we are planning in the Government Plan.”*

The Assistant Minister for Social Security added:

*“We have to make sure we get the money in the Government Plan before we try and spend it, so it has to be agreed first through the Assembly to make sure we have got the money before we go and try and identify somebody.”<sup>322</sup>*

The Panel also wanted to know more about the timeline in which the work would be completed. At the hearing we were told that the initial scoping work, that would use existing funds, would be completed by the end of the year. That work would scope a number of options for the Minister to consider and the Minister would decide early next year which option she wished to take forward. It was advised that, once that decision had been made, the Department would be in a better position to produce a clear timetable. The Minister, however, indicated that the legislation, which would need to accompany the final decision, may not be in place until the beginning of the next Assembly.<sup>323</sup>

Another area the Panel was interested in was how the Minister had envisaged temporary and zero-hour employees participating in a workplace or private pension scheme. We were told that further consideration of this matter needed to take place during the consultation process, which would be carried out once an option had been decided on.

The Panel supports the request for additional funds in 2020, which will allow for research to be carried out in order to determine the best options for improving financial independence in old age. However, until we know the outcome of the investigation and the subsequent proposals the Minister decides upon, we are unable to confirm at this stage whether we would agree with the continued funding over the following 3 years for this project. The Panel will keep abreast of any developments in this area and we will ask the Minister to update us as this work progresses.

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<sup>322</sup> Transcript, Minister for Social Security, 26th September 2019, p7

<sup>323</sup> Transcript, Minister for Social Security, 26th September 2019, p8

**FINDING 5.33**

The £150,000 funding requested for 2020 would pay for expert advice to help identify options, an approach and actions to improving financial independence in old age. The funding allocation for 2021 would be dependent on the outcome of the work undertaken the previous year.

**FINDING 5.34**

The Panel supports the request for additional funds in 2020 to undertake research on financial independence in old age. However, until the outcome of the investigation is known, and proposals of a way forward are brought to the States Assembly, we are unable to confirm whether we are content with the funding allocation for 2021-2023.

**Food Costs Bonus**

Food Costs Bonus			
CSP4-1-04 – Income Inequality and Improve the Standard of Living			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Maintain the Food Costs Bonus</li> </ul>	<ul style="list-style-type: none"> <li>No Links</li> </ul>	Minister for Social Security	

**Summary Report**

The Minister for Social Security has requested the following funds in respect of the food costs bonus:

## Additional Investment Required (£000)

2020	2021	2022	2023
299	308	317	327

According to the business case provided in R.91/2019, the Food Costs Bonus (FCB) is an annual benefit provided to households with 5 years Jersey residence, where the household does not receive income support and does not pay income tax. Only one Food Cost Bonus may be claimed per household and applications are accepted from October each year. The benefit was formally named as the GST (Food Costs) Bonus and its original intention was to compensate households with the cost of GST in food items where those families did not benefit from the increase in tax allowances that accompanied the introduction of GST and they did not qualify for the additional support provided through the income support scheme. However, since its introduction, the bonus value has increased substantially to reflect both the cost of GST on food items and some contribution towards overall food costs.<sup>324</sup>

The triennial regulations that are currently in place for the Bonus expire at the end of 2019. The business case for this project therefore proposes a further extension of the Bonus at its

<sup>324</sup> R.91/2019, P.76

current value. The Department for Customer and Local Services has estimated the overall cost of the bonus at £300,000 per annum.

The Panel are generally satisfied with the proposal for additional funding of the food costs bonus. However, there were several questions the Panel wished to ask in respect of this particular project. In written correspondence the Panel received the following responses from the Minister for Social Security:

- ***Why does the allocated money increase over 4 years?***

The increase is driven by the estimate of the increase in the number of expected claimants.

- ***How many people are receiving the Food Costs Bonus?***

Food costs bonus is a one-off payment rather than a continuous benefit. It is available on an annual basis for those that continuously qualify. We paid 1059 claims in 2018. Applications for 2019 will open in October.

- ***How can people find out about this scheme and whether they would qualify?***

Information about the Food Costs Bonus and qualifying criteria is available on the gov.je website, or customers can contact the Customer and Local Services department directly.

- ***Does the scheme target an identifiable need?***

The current Food Cost Bonus Scheme was originally set up as the GST Bonus Scheme. Its aim was to provide an annual lump sum to households who did not receive income support and had incomes below that at which they had an income tax liability. This group was identified at the time that GST was first introduced as bearing the full cost of the new tax without any mitigation through income support or income tax allowances. Income support was increased when GST was introduced, and income tax allowances were raised. The original value of the bonus was set based on the GST that would be payable on food items for an average household in the second quintile (i.e. households sitting a little below the average).

- ***What would happen if GST was to increase?***

When GST increased from 3% to 5% in 2011, the GST bonus was increased in line with this rise. A political decision would need to be taken if any future increase would also be reflected in this scheme. Please note that the scheme currently compensates for not just the average cost of GST on food items but also provides an element to compensate for the cost of food itself.

- ***Do you foresee this benefit continuing in the long term or is there a risk it could fall away when considered against wider issues?***

At present, the bonus is paid for through triennial regulations which expire every three years. The Council of Minister intends to renew the current regulations next year to cover 2020, 2021 and 2022. Further political decisions will be needed after 2022 to determine the long-term future of the scheme.

**FINDING 5.35**

The triennial regulations that are currently in place for the Food Costs Bonus expire at the end of 2019. The business case for this project simply proposes a further extension of the Bonus at its current value.

**Single Parent Component P.113/2017**

Single Parent Component			
CSP4-1-05 – Income Inequality and Improve the Standard of Living			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Reintroduce permanent funding for the single-parent component of Income Support</li> </ul>	<ul style="list-style-type: none"> <li>No Links</li> </ul>	Minister for Social Security	

**Summary Report**

The Minister for Social Security has requested the following funds in respect of the single parent component:

## Additional Investment Required (£000)

2020	2021	2022	2023
2,531	2,539	2,530	2,524

The Minister for Social Security has requested additional investment in order to maintain the single-parent component of income support on a permanent basis. In 2017, the previous States Assembly agreed to reinstate the single parent component as a result of a Proposition ([P.113/2017](#)) that was presented by the previous Health and Social Security Scrutiny Panel. Following that decision, the Minister for Social Security brought draft Regulations ([P.28/2018](#)) to the States Assembly, which provided for a single parent component valued at £40.39 per week from 1st June 2018. According to [R.91/2019](#), there are approximately 1,000 single parents currently receiving this benefit.

With regards to this business case, the Panel only had one query about the amount that was being requested. By our calculations, £2.1 million, of the allocated £2.5 million in 2020, would fund the single parent component of income support (based on 1000 single parents receiving £40.39 per week). We therefore sought clarity from the Minister for Social Security and her Officers in a recent Public Hearing as to how the remaining funds would be spent. The Director General informed the Panel:

*“Yes, if I can interject and clarify, we often talk about 1,000 single parents, for example, it does go up and down as the Minister quite rightly suggests. We would have worked out based on the current number of single parents claiming income support earlier this year and, as we do with our benefits, we forecast ahead and we would have calculated basically on that number how much it would cost. Just flicking back to P.113/2017 we were talking about 1,300 single parent households. So that gives you an indication. Whatever the number was, and I can clarify the number for the panel if you would like,*

*what number that was based upon, but we would use the real number, forecast ahead, to calculate what the 2020 amount would be.*<sup>325</sup>

Following the Hearing, we received confirmation that the below figures were used to determine the additional investment required:

Year	Claims at December	Weekly Rate	Total Annual Spend
2020	1204	£40.39	£2,531,045

Notwithstanding the Panel's uncertainty as to the reasons why these figures were not included in the business case for this project, we are content with the explanation provided by the Department.



#### FINDING 5.36

The Government Plan is seeking £2.5 million of additional funds to in order to maintain the single-parent component of income support on a permanent basis.



#### FINDING 5.37

It has been estimated that 1,204 people would be accessing the single-parent component of income support by the end of 2020. This figure was used to determine the amount of additional investment required.

### Support for Home Care and Carers

Support for Home Care and Carers			
CSP4-3-01 – Improve Islanders' wellbeing and mental and physical health – by putting patients' families and cares at the heart of Jersey's health and care system			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Support disabled adults living at home and their informal carers</li> </ul>	<ul style="list-style-type: none"> <li>Preparing for more Islanders living longer</li> </ul>	Minister for Social Security	

### Summary Report

The Minister for Social Security has requested the following funds in respect of support for home care and carers:

#### Additional Investment Required (£000)

2020	2021	2022	2023
150	620	620	620

<sup>325</sup> Transcript, Minister for Social Security, 26th September 2019, p11

The requested additional investment will be used to develop proposals to support disabled adults living at home and their informal carers. In an ageing population, the number of islanders living with a long-term condition and who require help on a daily basis continues to increase. In written correspondence to the Minister, the Panel asked for a breakdown of the proposed allocation of £150,000 funding for 2020 and £620,000 for 2021, 2022 and 2023 and an explanation of how those figures had been arrived at. We were advised that the funds in 2020 had been identified as sufficient to support a pilot project to provide additional financial support to a small number of lower income families. It is intended that the money will help with extra domestic costs associated with having a family member with care needs living at home. There is also an allocation for administration resource to support the provision of personal budgets for a selected group of claimants. Experience gained in 2020 will be used to inform a wider scheme available from 2021, hence the substantial increase in requested funding for the following 3 years. It was also advised that from 2021 there is a budget allocated to providing additional support for carers.

With regards to the above, in a Public Hearing on 26th September 2019, an Officer of SPPP informed us:

*“Yes, the 2020 budget is just a reasonable amount of money to support a pilot scheme. Because it is a pilot scheme we cannot give you chapter and verse as to how the money is going to be spent because that is what we will do during 2020. We will see where the need lies and work out to assess people in a fair way. We put a large amount of money in from 2021 onwards on the assumption that during 2020 we will get enough evidence to fully support what the big scheme will be. So the 2021 figure is an estimate at this point. That will not be the right amount of money when we come to it but it is a reasonable place to start from.”<sup>326</sup>*

The Panel sought further clarity as to how the money would assist disabled adults and their informal carers. We were told:

*“This pilot project is aimed at domiciliary care, so care provided in a household by family members, and we are looking principally at the extra domestic cost. So the costs that are not due directly to care, so your care package should be fully funded through the long-term care scheme and your basic living costs should be funded through income support if you need that help. We are looking at the extra costs that might accrue because of your disability, which are not about caring. So that could be energy costs, that could be dietary needs, that could be using things up more quickly, clothing being worn out more quickly because of your disability. It is those kind of extra things which are not catered for anywhere else. That is what this pilot is about mainly.”*

From further information the Panel asked for, we found that of the £620,000 requested for the years 2021-2023, £500,000 is allocated to the actual care package based on a maximum £50 per week for 200 people, with the additional £120,000 for staff costs. When we asked the Minister on what basis these figures had been arrived at, she told us that the amount of £50pw was based on an average amount set against an estimated figure of 200 lower income households who will receive Long Term Care whilst a family member is living in the family home. Furthermore, we were advised that some households would not need any additional money to help towards care in the home, whereas some will need more than the £50 average. The amount will cover a range of extra domestic costs associated with caring for a family

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<sup>326</sup> Transcript, Minister for Social Security, 26th September 2019, p12

member in the home, it does not represent a payment to the carer or a specific amount for every claimant. The Minister added that *“much of the work done in 2020 will be in establishing a fair and sustainable method to identify these additional costs for each individual care package.”*<sup>327</sup>

Again, whilst the Panel are content with the proposals and happy with the rationale behind the request for additional funds, at this stage we are unable to confirm whether the resource allocation for the years 2021-2023 is appropriate until we see the outcome of the pilot scheme and the details of the wider scheme that is to be rolled out.



#### FINDING 5.38

Additional funds of £150,000 have been requested in 2020 under the “Support for Home Care and Carers’ project to deliver a pilot scheme, which will provide additional financial support to a small number of lower income families. The scheme will be aimed at domiciliary care - care provided in a household by family members - and it is intended that the money will assist with extra domestic costs.



#### FINDING 5.39

The funds will cover a range of domestic costs associated with caring for a family member in the home, it will not represent a payment to the carer or a specific amount for every claimant.



#### FINDING 5.40

Experience gained in 2020 from the pilot scheme will be used to inform a wider scheme available from 2021, hence the substantial increase in requested funding for the subsequent 3 years.



#### FINDING 5.41

Whilst the Panel is content with the proposals and satisfied with rational behind the request for additional funds, at this stage we are unable to conclude whether the resource allocation for the years 2021-2023 is appropriate until we understand the outcome of the pilot scheme.

### Disability Strategy and Community Support

Disability Strategy and Community Support			
CSP4-3-02 – Income Inequality and Improve the Standard of Living – by improving social inclusion			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Deliver the disability strategy, improve community-based services and support diversity</li> </ul>	<ul style="list-style-type: none"> <li>Preparing for more Islanders living longer</li> <li>Nurturing a diverse and inclusive society</li> </ul>	Minister for Social Security	

<sup>327</sup> Letter, Minister for Social Security, 25th September 2019



### Summary Report

The Minister for Social Security has requested the following funds in respect of the disability strategy and community support:

Additional Investment Required (£000)

2020	2021	2022	2023
351	571	576	431

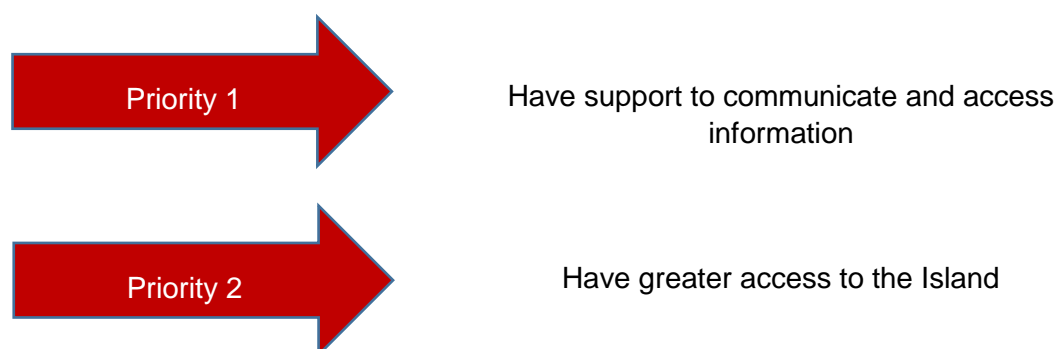
As stated by the [business case](#), the extra funding identified in the Government Plan will support the roll out of a wide range of projects from 2020 onwards. In 2020 there is also a plan to build on the existing Closer to Home project which was launched in 2019. Currently, the project delivers a range of community services at Communicare in St Brelade but the intention going forward will be to extend the model to other parishes as well as extending the services provided.<sup>328</sup>

The Panel found that the business case provided limited information about the projects that would be rolled out in 2020, using the additional requested funds. For instance, the documentation states:

*“Part of the budget allocation in this area will support the provision of additional staff to support and co-ordinate services and develop further policies across the areas. The remaining budget is allocated to a range of specific projects. For example, a major project in 2020 will recruit a group of disabled volunteers who will be trained so that they can provide advice on the accessibility of buildings.”<sup>329</sup>*

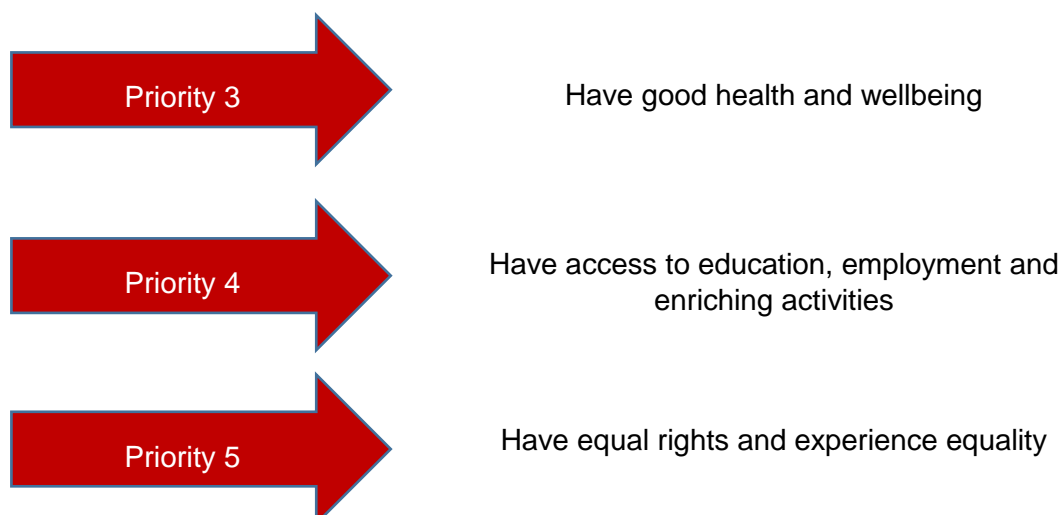
The Panel raised this point with the Social Security Minister following the Public Hearing in September and requested further details of the “specific projects”. In the Minister’s [response](#), we were informed that the allocation of project funding for the Disability Strategy would be based on the actions set out in the Strategy document published in 2017 ([‘Disability Strategy for Jersey: Working to ensure that people living with disability enjoy a good quality of life’](#)).

The Strategy, referred to in the Minister’s response, is grouped into five priorities:



<sup>328</sup> R.91/2019, p83

<sup>329</sup> R.91/2019, p84



Each of the priorities has a number of associated actions. The action plans detailing what needs to be done for each priority can be found in section 2 of the Strategy.

In the Minister's response she also advised the Panel that the identification of the additional projects was currently under discussion and that a draft list would be discussed with the Disability Strategy Delivery Group at its next meeting in October. It was further advised that the Group included voluntary and service user representatives and the final list of 2020 projects would be confirmed after that meeting. Given the lack of certainty about the projects that would be funded through the additional investment requested, the Panel is unclear as to how the Department arrived at the figures that are included in the Government Plan.

As stated above, the business case indicates that part of the budget allocation for 2020 will support the provision of additional staff. At the Public Hearing in September, the Panel queried the number of additional staff the Minister intended to recruit. An Officer from SPPP advised:

*"In 2020 the proposal is there should be 2 staff members who would be based at C.L.S. who would provide overall co-ordination support to the disability sector. They will sit under the Local Services Director and obviously he is doing a lot of work with community groups at the minute so, again, that will be to be determined exactly how those people will work. The first year it is 2 people at C.L.S."*<sup>330</sup>

In a [written submission](#) the Panel received from Mind Jersey, regarding the content of the Government Plan, it stated that they were "regrettable" that within the Plan there was no expressed intent to introduce a Carers' Law. In the Public Hearing, the Panel questioned the Minister about how the proposals to support home care and carers linked with the Carer's Law and whether there was any intention to develop the piece of legislation with the additional requested funds. We were told that the disability strategy was very closely linked to the Carers' Law and that its development "could" be considered in 2020 or 2021 but that it would be "judged alongside other things". An Officer from SPPP continued:

*"I cannot tell you exactly where that work will lie now other than on the...it is within our ambition to look at it and see, again, what would be appropriate for Jersey. Carers' laws do a variety of things. We have already support for carers through our benefit legislation*

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<sup>330</sup> Transcript, Minister for Social Security, 26th September 2019, p14

*and through our employment legislation, and it might be that what we need is more publicity and more education, information about it. It might be that more statutory recognition would be useful. Those are questions we need to ask ourselves and find out what would be the best for Jersey.*<sup>331</sup>



**FINDING 5.42**

The additional funding requested in the Government Plan for the “Disability and Community Strategy” project will support the roll out of a wide range of projects from 2020 onwards. However, at the time of producing the Government Plan, the identification of these projects was still under discussion. The Disability Strategy Delivery Group was due to consider a draft list at its meeting in October.



**RECOMMENDATION 5.6**

The Minister for Social Security should provide the States Assembly with a list of projects that will receive funding under the overarching “Disability Community Strategy” project ahead of the debate of the Government Plan.

*Business Cases for Capital Expenditure*

**Mental Health Improvements (Capital)**

Mental Health Improvements			
CSP2-2-02 – Improve the quality of and access to mental health services			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Invest in our mental health environment and building infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Nurturing a diverse and inclusive society</li> </ul>	Minister for Health and Social Services	

**Summary Report**

The Health and Community Services Department (HCS) has requested the following funds in respect of improvements to mental health facilities:

Additional Investment Required (£000)

2020	2021	2022	2023
3,930	-	-	-

An existing funding allocation of £2 million will supplement this submission.

The business case requests resources:

- For investment in works to “make safe” as far as reasonably practicable Orchard House for the delivery of care to Adults with a Mental Health need who require admission. The need for the relocation of the service provided within Orchard House is primarily driven

<sup>331</sup> Transcript, Minister for Social Security, 26th September 2019, p13

due to the clinical, operational and environmental risks and the newly implemented mental health Law.

- To prepare Clinique Pinel by undertaking building work to join Cedar Ward and the current Orchard House to be able to deliver high quality safe mental health care. The proposed upgraded environment will accommodate all mental health assessment and treatment beds.
- To prepare Rosewood House to house Beech ward from Clinique Pinel and reduce beds in Maple and Oak wards.

One of the Panel's recommendations that resulted from its review of mental health services ([S.R.4/2019](#)) was that:

*“The Government should prioritise finding a replacement for Orchard House in the short to medium term. The Government should also improve governance within Orchard House including setting appropriate standards and performance processes to ensure that staff, but especially service users, remain safe. These should be developed and implemented by the end of 2019.”*

The Panel was therefore very pleased to see that additional funding has been requested for the much-needed works to Orchard House to make it safe and the preparation of Clinique Pinel. However, we did query the Minister as to whether the additional funding was sufficient to ensure the project meets all its aims and within the specified timeframe. The Minister told us:

*“Yes, I am often questioned about this and I am assured that as much as possible has been precisely calculated, although of course the contract still has to go out for tender, and the timelines are tight, but they are manageable. I am really looking forward to getting the planning application in for the work we need to do at Clinique Pinel.”<sup>332</sup>*

In June, in response to a written question, the States Assembly was told that the ongoing remedial works at Orchard House would be completed by the end of 2019 and the transfer to Clinique Pinel by the end of 2020. During the Government Plan Hearing, we heard that HCS was still on target to meet these deadlines, providing the contractor meets the timeline requirements. However, it was recognised that there are lots of variables when it comes to delivering a capital programme in Jersey and there is always potential for unforeseen circumstances that could have an impact on deadlines. With regards to the work that would support the transfer of services into Clinique Pinel, the Group Managing Director told the Panel:

*“There is just one caveat in relation to the end of 2020 period. We know that providing the building is in the position we need that we can start to shift the activity and we would see that throughout 2020. The full occupation and the full closure for Orchard House is dependent on the activity. If we found ourselves in a position where we needed the capacity, then that might spill into the first quarter of 2021 or slightly beyond. That is not what we predict, looking at our current occupancy, but that is a risk and we need to outline that that could be something that we experience.”<sup>333</sup>*

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<sup>332</sup> Transcript, Minister for Health and Social Services, 17th September 2019, p21

<sup>333</sup> Transcript, Minister for Health and Social Services, 17th September 2019, p22

When we pressed the Minister about the deadline to carry out the immediate health and safety improvement requirements on Orchard House by the end of 2019, he told the Panel that we could be “rest assured”<sup>334</sup> that the work would be completed by the end of the year. In response to written questions that the Panel sent the Minister on 9th September, it was advised that £2 million had been directed towards the Orchard House project (£0.7 of which is being used for the required upgrade of the existing unit) ahead of Government Plan approval to ensure the timeline is met.<sup>335</sup>

### Place of Safety

In the Panel’s review of mental health services, it found that Jersey did not have an appropriate place of safety for children or adults in a mental health crisis. During the Hearing with the Minister on the Government Plan, the Panel queried how much of the £4 million additional required investment was intended to go towards developing a place of safety. The Group Managing Director advised:

*“It is part of the overall cost of the relocation. It has been factored as part of what will be the intensive care suite in the new area of Clinique Pinel and the place of safety is part of that. I do not have the full breakdown for what that specific bit is. We could ask. It is the full suite expectation that is set within the UK standard, so we can get a costs indication for you. In addition, we will have psychiatric liaison suites at the general hospital as well and these will be hugely helpful.”<sup>336</sup>*

Regarding timelines, we were told that the place of safety suite could be one of the earlier parts that HCS adopts within Clinique Pinel, which means that it could come to fruition in Q3 to Q4 next year. The Group Managing Director revealed that the development of the place of safety was “a 2020 aspiration”.

In [January 2019](#), the Panel was advised that a place of safety was being created within the hospital and the intention was to have it operational by June. When we queried why the Department had not delivered on this objective we were told that the Associate Medical Director did not agree with the proposals to locate the place of safety in the hospital. The proposals were therefore reviewed which led to the change of direction in locating the place of safety at Clinique Pinel. The Panel was assured, however, that the work that had already been undertaken in the area next to the Emergency Department would not be wasted as it would be used to assess patients with slighter lower acuity.

During the Panel’s review of mental health services and since its completion, the Panel has continually recognised the need to establish a place of safety that is suitable for individuals suffering with mental health issues. Whilst we are happy that a new location for the place of safety has been identified and that funds are available within the Government Plan to develop this provision at Clinique Pinel, we have concerns regarding the new timeframe for its completion. The intention previously was to have a suitable place of safety operational by June and now we have been told that the HCS’s aspiration is to have it completed by the end of 2020.

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<sup>334</sup> Transcript, Minister for Health and Social Services, 17th September 2019, p22

<sup>335</sup> [Letter, Minister for Health and Social Services, 16th September 2019](#)

<sup>336</sup> Transcript, Minister for Health and Social Services, 17th September 2019, p23

Furthermore, in response to an oral question from Deputy Pamplin during a States sitting on 8th October 2019, the Minister for Health and Social Services expressed his own frustration about the progress that was being made in delivering a place of safety:

*“It is frustrating that it seems to take so long for these building plans to come into operation. I signed a Ministerial Decision 2 Fridays ago, that is about 20 days ago, to submit the plans for the Clinique Pinel to the Planning Department, but I am told that those plans are still being tweaked, or the application is still being tweaked, so the application is still not in. I continue to press on this. I am concerned about the timetable I have been given for the building works and I do want to accelerate it and make sure that we start absolutely as soon as we can, because I recognise the urgency, the Government recognise the urgency, this whole House recognises the urgency, to make proper provision for our acute mental health services. I do not want this to just be the normal flow of letting a tender and then you create a tender document and then you have a meeting to decide who should be awarded the tender and then we have to wait for the contractor to start. I want to be in a position where we can have the tender document ready now and I am asking that question, why that is not possible. I will continue to press and ensure that we can get this facility delivered, as soon as we can.”<sup>337</sup>*



#### **FINDING 5.43**

The “Mental Health Improvements” capital project requests £3,930,000 in additional funding for; investment in works to “make safe” Orchard House and to prepare Clinique Pinel and Rosewood House to allow the delivery of high quality and safe mental health care.



#### **FINDING 5.44**

Whilst the Panel is satisfied that the amount of additional funds requested is adequate to undertake the necessary work on mental health facilities, it has concerns regarding the timeframe for the completion of Clinique Pinel and, specifically, the provision of a place of safety.



#### **FINDING 5.45**

The Minister for Health and Social Services has expressed his own frustration about the progress that had been made in delivering a place of safety.



#### **RECOMMENDATION 5.7**

The Minister for Health and Social Services must continue to put pressure on those delivering and undertaking the work to Clinique Pinel to ensure that it is completed, and the place of safety is in place, by the end of 2020.




#### **RECOMMENDATION 5.8**

The Minister for Health and Social Services should provide the Health and Social Security Panel with quarterly updates, starting from January 2020, detailing the timetable for the completion of work and highlighting any delays and the contributing reasons.

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<sup>337</sup> Hansard, 8th October 2019

**Health Service Improvements (including vital IT investment) (Capital)**

Health Services Improvements			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>Support a programme of upgrade work to the existing General Hospital</li> </ul>	<ul style="list-style-type: none"> <li>No Links</li> </ul>	Minister for Health and Social Services	

**Summary Report**

The Health and Community Services Department (HCS) has requested the following funds in respect of improvements to health services:

## Additional Investment Required (£000)

2020	2021	2022	2023
5,000	5,000	5,000	5,000

As a result of the decision not to progress the Future Hospital project, the existing facilities within the current hospital will have to remain operational for a longer period than what was originally anticipated. The Business Case states that the funding allocation of £5m per annum for 4 years will enable a programme of priorities upgrade works that are necessary to keep the current hospital operating in a compliant manner that ensures patient safety and protects service delivery until a new hospital is delivered.<sup>338</sup>

As mentioned in the Government Plan, a Six Facet Survey, undertaken in early 2019, identified the need for £40m worth of work to the current hospital over the next four years. Another survey undertaken on the non-general and acute estates identified work costing a further £9m in the period of the Government Plan. However, despite this, the Panel notes that only £5m per annum for the next 4 years has been requested in the Government Plan.

In a written question to the Minister for Health and Social Services, we asked whether he was confident that the level of all forms of funding and resourcing allocated to improving health services is sufficient to meet the objectives of the project's stated aims. The Minister responded:

*"I am as confident as I can be but I am not complacent. Ultimately, we have to ensure a safe environment for patients, staff and other stakeholders. This investment in the General Hospital will help us continue to maintain an acceptable quality of service. At the same time, it is important that we progress with the Jersey Care Model and see that current initiatives – particularly mental health – are delivered."<sup>339</sup>*

Despite the Minister's confidence, the Panel still questions whether the requested funds are enough in light of the previous reports that have identified required work costing £49m to the current hospital and non-general and Acute Estates in the next four years. When pressed about this further in a public hearing, the Minister told us that it was necessary to prioritise the work that is essential to keep patients safe and the staff in adequate conditions. He further

<sup>338</sup> R.91/2019, P156

<sup>339</sup> [Letter, Minister for Health and Social Services, 16th September 2019](#)

advised that it would be the case of assessing what is essential work to maintain the hospital in a safe condition and what would be “nice to have”.

According to the Director General, HCS has a clear plan around the work that needs to be done and the timeframe that it needs to be done by to ensure that it is delivered safely. The work has been prioritised according to the Department’s current risk register around building work. We were told that there are 25 areas on the priority list that are deemed as “catastrophic risks”.<sup>340</sup> On 16th September the Quality and Performance Committee, which is chaired by Senator Pallett, concluded that an updated priority list of the areas, that are of the utmost importance and needed immediate attention, was required.

The Director General also pointed out to the Panel that the rationale for the amount requested within the Government Plan for these improvements was not just due to financial restraints. For instance, the Panel was told that HCS would not be able to deliver £40m worth of improvements to health services because it would not be able to access the suppliers and contractors to undertake that work.

The Panel acknowledges the reasons for prioritising work and thus the basis for requesting only £20m over the 4-year period of the Government Plan. However, it is still concerned that there are too many variables to have confidence that the additional investment of £5 million a year is adequate to enable the necessary work to be undertaken in the current hospital. Firstly, the plans are still subject to sourcing contractors and ensuring that they are able to deliver the work within a decent timeframe. Secondly, the Government of Jersey are yet to agree the plan for a new hospital. Whilst ‘Our Hospital’ project is underway, we are yet to see any proposals and, specifically, the timeline in which a new hospital will be delivered. If it takes longer than anticipated, the current hospital will have to be kept running for a longer period and the list of priorities will continue to grow.

To add to the Panel’s concern, as mentioned earlier in the report, the Health and Social Services Minister has now confirmed that the “discovery work” in respect of developing a digital patient record system will be funded from this project’s head of expenditure<sup>341</sup>. Therefore, in addition to undertaking crucial upgrade works to the current hospital, the additional requested funding of £5 million a year will also be spent on the primary work for delivering digital patient records. It is currently unclear as to how much of the funding will go towards delivering this additional work as no information was included within the summary business case in R.91/2019 or in the full business case that was requested by the Panel.



#### **FINDING 5.46**

The project “Health Service Improvements” seeks to deliver, not only essential maintenance work to the current hospital, but also initial work for the development of digital patient records. The Panel is concerned that the funding identified for 2020-2023 (£5million per annum) is insufficient to deliver these priorities.



#### **RECOMMENDATION 5.9**

The Minister for Health and Social Services should provide clarity to the States Assembly before the debate of the Government Plan to as to how the £5 million

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<sup>340</sup> Transcript, Minister for Health and Social Services, 17th September 2019, p37

<sup>341</sup> [Letter, Minister for Health and Social Services, 14th October 2019](#)



requested for 2020 will be apportioned between maintenance work to the current hospital and primary work on the digital patient records system.

### *Pre-feasibility vote*


The Government Plan asks the States Assembly to approve the proposed 2020 capital heads of expenditure ([Summary Table 3\(ii\) of the Proposition](#)). Included under the heads of expenditure, the Government has asked for £11,200,000 for “pre-feasibility votes”.

The Government Plan provides the following explanation for a pre-feasibility vote<sup>342</sup>:

DESCRIPTION OF HEAD OF EXPENDITURE: PRE-FEASIBILITY VOTE
<p>This Head of Expenditure allocates funding for projects that require significant feasibility and planning activities to provide the necessary level of assurance that the proposals represent the best option and are able to be delivered.</p> <p>For most of these projects, capital funding for delivering the individual projects are contained in their respective areas, where further details of the projects can be found.</p> <p>There are some funding allocations for projects that do not have further funding included in this Government Plan, such as the “our Hospital” scheme. The sums included in this Head of Expenditure will allow sufficient work to be progressed to make the case for funding the preferred option for such projects. They are likely to be deemed Major Projects and funding is unlikely to be from the Consolidated Fund as part of the normal Capital Programme</p>

Two of the capital projects that have been assigned to our Panel are identified as pre-feasibility votes; “Learning difficulties” and “Our Hospital”. We will consider these in turn.

### **Learning Difficulties (Capital)**

Learning Difficulties			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Provide Accommodation for people within Learning Disability Services, in order that individuals avoid significant risk of harm	➤ Nurturing a diverse and inclusive society	Minister for Health and Social Services	

<sup>342</sup> R.91/2019, p189

### Summary Report

The Health and Community Services Department (HCS) has requested £250,000 to fund a feasibility study for a long-term solution. Depending on the outcome of the feasibility vote, HCS has asked for additional funds in the years 2021-2023:

Additional Investment Required (£000)

2020	2021	2022	2023
-	2,300	2,195	2,350

The capital business case submission addresses accommodation needs for persons with severe learning difficulties who cannot be accommodated in adapted mainstream housing and who require specialist placement. According to the business case, there is a pressing priority to relocate four individuals from Aviemore as the establishment is unsafe and non-compliant with fire regulations, causing significant risk to both service users and staff.

The business case also identifies a lack of accommodation for people with complex needs, limited choice of providers of specialist care, limited choice of “step up” and “step down” accommodation and a need for the provision of “modern” styles of accommodation.

Currently there are five service users that receive care off-island for a total annual cost of £848,000. We are told that if these users were to be brought back to Jersey there is a potential for saving around £250,000 every year.

The Panel notes, that in total, HCS has requested £6.8 million over a 3-year period (2021-2023). However, the business case estimates that the Aviemore solution will cost between £2 million and £2.5 million. In a Public Hearing with the Minister for Health and Social Services on 17th September, the Panel queried these figures. We were advised:

*“I think, initially, we will be engaging on a feasibility study as to exactly how we might provide for these individuals with learning difficulties. There are options. Personally, I do not want to keep those premises; I do not think that would be a good use of funds. I think we would try to secure new premises, but all this should be looked at carefully. Then, depending on what option is eventually chosen, there will be different levels of costs involved, I believe.”<sup>343</sup>*

The Panel sought to find out more information regarding the re-location of the four individuals identified within the business case and alternative provision for Aviemore. The Director General advised us that, whilst the Department had approached multiple providers to seek alternative provision for the four individuals, they had not been successful to date. It was further advised that HCS’s objective was to try and vacate the top floor of Aviemore in the first instance, as it requires more attention and needs more work than the ground floor. Therefore, if alternative provision could be found soon for two of the clients, it would allow this initial work to be carried out. Nonetheless, the difficulty in finding suitable accommodation and carrying

<sup>343</sup> Transcript, Minister for Health and Social Services, 17th September 2019, p40

out work on Aviemore without disrupting the service users was acknowledged by the Minister and his Officers.

When the Panel enquired about the timeline for the re-provision of Aviemore, we were told that HCS was working through all the options now and would continue to try and find immediate accommodation for 2 individuals in 2019.

The Panel was concerned that despite being told that this work was “at the top of the priority list” and that the Department was looking to re-locate the service users immediately, no money had been requested under this project within the Government Plan for 2020. We sought clarity from HCS who informed us that:

*“The capital allocation which is set out in the draft Government Plan recognises that the premises requirements of community services will change over the coming years in order to meet the needs of the new Jersey Care Model; to align with the “Our Hospital” proposals and as such during the prioritisation stage priority was given to ensuring that compliance with legal duties was addressed. Community Properties are under the umbrella of Jersey Property services and as such the allocation for capital allocated in draft is associated with all community related properties (excluding Five Oaks) in HCS under the remit of - Discrimination Law, Safeguarding and regulation of care which is under the umbrella of GHE; the sub allocation for HCS is £2m for the years 2020-2023 and £1.2m for 2023.”<sup>344</sup>*

The Panel was also told that, with regard to Aviemore, the work had now been commissioned and would be a first call against the allocated money (£2m for 2020-23) stated above. It was further advised that an associated care plan has been developed to ensure that the disruption is managed carefully.

As mentioned above, HCS has requested £250,000 in a pre-feasibility vote to fund the feasibility study for a long-term solution. During the Public Hearing in September, the Panel asked what the feasibility study would involve, if approved by the States Assembly:

**Director General, Health and Community Services:**

*“It is about understanding the needs. We do not meet the needs on the Island and for us we need to understand exactly what they are, and we need to understand what that therapeutic environment would look like. Ideally, when we talk about it as a team and when we talk about it with physicians, it is a purpose-built unit for L.D. (learning difficulties) and is fully supported and embraced within the community. It is within a community setting but is purpose-built accommodation. That is the intention and that is around the feasibility work that we need to do around that. The mistake we have made at Aviemore is that we just did it.”<sup>345</sup>*

**The Minister for Health and Social Services:**

*“We bought at one stage a residential house and put people into it with very specific needs, which the premises could not accommodate.”*

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<sup>344</sup> Email Correspondence, Health and Social Services Community Department, 31st October 2019

<sup>345</sup> Transcript, Minister for Health and Social Services, 17th September 2019, p42

**FINDING 5.47**

Immediate works to Aviemore, to ensure the building is legally compliant, will be funded under Capital Project “Discrimination Law, Safeguarding and Regulation of Care, in which £2 million has been allocated to HCS for the years 2020-23.

**FINDING 5.48**

The Health and Community Services Department is currently working with a number of provider organisations to seek alternative accommodation for the Aviemore residents.

**FINDING 5.49**

The Government Plan requests £250,000 to fund a feasibility assessment in order to determine a long-term solution for housing Aviemore residents in alternative accommodation.

**Our Hospital**

Our Hospital			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ No Links	➤ No Links	Minister for Health and Social Services	

**Summary Report**

The Health and Community Services Department (HCS) has requested £5 million in 2020 and £1.6 million in 2021 to fund a feasibility study. Apart from these figures included in the table in [Appendix 3 of R.91/2019](#), the Government Plan contains no further information on the pre-feasibility study and no mention of the ‘Our Hospital’ project.

In the full business case, which the Panel requested from the Department, it stated that the money allocated to the hospital project in the Government Plan was the continuation of funding requested by the project team to develop an Outline Business Case (OBC). The funding will be held by Treasury & Exchequer and drawn down as required to enable tighter controls. It also advised that the OBC would provide further detail on what the hospital project outputs and outcomes would be, therefore no further detail could be provided in the Government Plan.

**FINDING 5.50**

The money allocated to the hospital project in the Government Plan (£5m in 2020 and £1.6m in 2021) is the continuation of funding requested by the project team to develop the Outline Business Case. The funding will be held by Treasury and Exchequer and drawn down as required.

## 5.7 Final Panel Comments

Since the Government Plan (R.91/2019 and P.71/2019) was lodged on 23rd July 2019 the Panel has reviewed the various actions, projects and capital projects that were allocated to it by the Government Plan Review Panel. The Panel has had to undertake its review within a short timeframe and, whilst this has been challenging, we have endeavoured to undertake a thorough and in-depth analysis of the projects. This work has allowed us to determine whether the investment sought for each project was both appropriate and sufficient.

The Panel had a number of overarching concerns in respect of the lack of information that was included in the Government Plan. Firstly, the Panel was dissatisfied that, unlike the Medium-Term Financial Plan where the information was included in an annex, the Government Plan lacked any detail regarding the breakdown of departmental budgets. Secondly, there was limited information in the business cases contained within R.91/2019 that requested further additional investment. As a result, the Panel had to request full business cases in order to undertake an adequate analysis.

Overall the Panel is satisfied with the majority of projects and capital projects it reviewed with regard to the rationale for the request for additional funds and the breakdown of how the funds would be allocated. However, the Panel also holds a number of concerns following its evidence gathering, which will be summarised below.

### Mental Health



The Panel has designated this action amber due to concerns over delivery of the ambitious programme that the Government Plan proposes. Whilst we are confident that the level of resources is sufficient to enable the project to meet its stated aims, the success of its implementation is dependent on the successful recruitment and retention of high-quality staff. Improved collaboration with third and private sector partners is also essential to ensuring the objectives set out in the Government can be achieved. The Panel will be asking the Health and Social Services Minister to provide quarterly updates detailing successful recruitment into the mental health service and evidence of improved collaboration with third and private sector partners.

### Digital Health and Care Strategy



The Panel has designated this business case amber due to ambiguity as to how the Digital Health and Care Strategy, and specifically, the digital patients' records system will be funded and by which Department. The Panel will be requesting clarity from the Minister for Health and Social Services ahead of the Government Plan debate on this matter.

### Financial Independence in Old Age



The Panel has considered the rationale for all 4 years of funding requested within the Government Plan for this project. However, until the outcome of the investigation is known, and proposals of a way forward are brought to the States Assembly, we are unable to confirm whether we are content with the funding allocation for 2021-2023. We have therefore designated this business case amber until further information can be provided.

### Support for Home Care and Carers



In 2020, £150,000 has been requested to deliver a pilot scheme under this project. We are content with the proposals and satisfied with the rationale behind this request. However, until we understand the outcome of the pilot scheme we are unable to conclude whether the resources allocated for 2012-2023 are appropriate, hence why we have assigned this business case amber.

### Disability Strategy and Community Support



The Panel has designated this business case amber due to ambiguity which remains around what projects will receive funding in 2020. The Panel will be asking the Minister for a list of projects ahead of the Government Plan debate.

### Mental Health Improvements (Capital)



The Panel has designated this business case amber due to concerns regarding the timetable for the delivery of work and, specifically, the provision of a place of safety. The Minister for Health and Social Services has also expressed his frustration about the progress that has been made in delivering a place of safety. The Panel will be requesting quarterly updates from the Minister for Health and Social Services detailing the timetable for the completion of work and highlighting any delays and the contributing reasons.

### Health Service Improvements (Capital)



The Panel has designated this business case amber due to concerns that the requested funding for 2020-2023 is not adequate to deliver that its aims. Furthermore, there is ambiguity as to how the identified funds will be apportioned between maintenance work on the current hospital and primary work on digital patients records. The Panel will request further clarity on this matter before the Government Plan debate.

## 5.8 Witnesses and Evidence Gathered

The Panel has compiled this report drawing on a range of evidence. At the launch of the review, the Panel requested all supporting information relating to actions, programs and capital projects from Ministers/Departments. This included, but was not limited to: full business cases, Council of Minister papers, draft Legislation. In addition:

Public hearings were held with the following Ministers:

- Minister for Health and Social Services (x1)
- Minister for Social Security (x1)

Responses to written questions were received from the following Ministers:

- Minister for Health and Social Services (x2)
- Minister for Social Security (x2)
- Chief Minister

Responses to queries on specific projects were received from the following Departments:

- Health and Community Services Department
- Customer and Local Services Department
- Treasury and Exchequer Department
- Office of the Chief Executive

Requests for written submissions were sent to 4 stakeholders and responses were received from the following:

- Mind Jersey
- Adult Mental Health Services

To view the submissions, responses to written questions and public hearing transcripts, please visit the [Government Plan Review: Health and Social Services Review Page](#) on the States Assembly website.

## Section 6 – Education and Home Affairs Panel’s Government Plan Review

### 6.1 Education and Home Affairs Panel membership

The Panel is comprised of the following States Members:



Deputy Rob Ward (Chair)



Deputy Rowland Huelin (Vice-Chair)



Deputy Trevor Pointon



Connétable Simon Crowcroft  
*(the Connétable resigned from the Panel on 8<sup>th</sup> October 2019, but was involved with the initial stages of the review)*



## 6.2 Chair's Foreword



Our scrutiny of the Government Plan has required a time limited focus of both Panel Members and Scrutiny Officers.

Our main concerns surround the reliance upon both efficiencies to maintain funding for much needed investment in these two areas and in the parallel changes from target operating models and reviews into education. Both produce a changing context for the services we are scrutinising. As such, plans will need to be monitored for their effectiveness, funding streams and adherence to time scales over the life of the Government Plan. Yearly revisiting of the process should enable this to happen.

The outcomes from the upcoming review of education funding, and the "Big Education Conversation" will need to be factored into future iterations of the Government Plan. Therefore, clear funding streams will need to be identified rather than simply alluded to.

A handwritten signature in black ink, appearing to read 'R. Ward', with a long, sweeping underline.

Deputy R. Ward  
Chair, Education and Home Affairs Scrutiny Panel

## 6.3 Findings and Recommendations

### Key Findings



#### **FINDING 6.1**

The Minister for Education has requested further details as to how the £1.78 million worth of efficiencies within her remit will be undertaken.



#### **FINDING 6.2**

The Minister for Home Affairs has identified £700,000 of efficiencies in 2020 which will be achieved by a combination of additional income, vacancy management and reshaping of long-serving posts where the post holder has retired or resigned.



#### **FINDING 6.3**

The Minister for Education has commissioned a review of the funding of the education system in the Island which will be conducted by an external agency. This is currently within its infancy. The Panel cannot comment on the implications of the review until such time as further information is available.



#### **FINDING 6.4**

The post-16 education strategy will contain some actions which can be implemented immediately and other actions that will require further policy development. Upon confirmation of the strategy, resources will be allocated to meet the needs of the various areas of the strategy. Further information is required as to whether current budgets are sufficient to address all aspects of the strategy.



#### **FINDING 6.5**

It is intended to bring forward a new student finance scheme to be in operation by September 2021. Until such time, the current scheme will be maintained. This is in order to provide certainty to students.



#### **FINDING 6.6**

There is an acknowledgment that the current tuition fees level in the United Kingdom may be reduced from £9,250 per academic year. In the event of a budget surplus, the Minister for Education has expressed a view to utilise this in order to bring vocational courses on par with higher education courses.



#### **FINDING 6.7**

The Jersey Music Service is due to identify a new delivery model which is intended to allow all children to embark on a musical learning pathway that is clearly signed. This will be developed throughout 2020. Given the ongoing development required, the Panel has rated this project as 'amber'



#### **FINDING 6.8**

There is significant work being undertaken to review the education system as a whole in the Island (including the review of school funding and Big Education Conversation), of which the Jersey School Review Framework is one small part. Depending on the outcome of this work there could be further implications for the Jersey School Review Framework.

**FINDING 6.9**

The Languages Strategy has been piloted successfully in 8 Primary School and will be rolled out across all primary schools. It is, however, too early to state whether the requested funding for the project will achieve the expected outcomes at this stage.

**FINDING 6.10**

There is a multi-stage review of the Education system underway, the first stage of which is the 'Big Education Conversation'. Due to the expected stages of the review it will take significant time to finalise any outcomes and further details will be required by the Panel prior to giving any assurances over funding levels.

**FINDING 6.11**

The business case for Early Years within R.91/2019 states 30 hours of nursery provision, however, this is only an indicative figure based on discussions of the Early Years Policy Development Board which has yet to make a firm policy decision at this stage. It is therefore not possible to state whether the funding identified is sufficient to meet any proposed scheme.

**FINDING 6.12**

The funding for this project covers the costs of the hardware devices in the new Les Quennevais School, however, there is no confirmation as to how much budget will be available centrally to manage upkeep of the equipment.

**FINDING 6.13**

If the Primary Schools Meals pilot scheme is a success, funding for the continuation of this project will come from the business case for 'reducing preventable diseases' (p.33 R.91/2019). Until such time as the pilot is evaluated there is no certainty over how much funding will be required.

**FINDING 6.14**

Students accessing the Digital Leadership Programme will (once the qualification has been registered with Ofqual) be eligible to receive support through the student finance scheme. The Panel is concerned that this funding is in addition to the funding provided by the proposal and could create a double funding scenario.

**FINDING 6.15**

The new roles created under the Skills Jersey additional funding request are designed to increase engagement across the range of services offered. It is, however, too early to state whether they will achieve the outcomes stated.

**FINDING 6.16**

The Legal Aid guidelines which govern the scheme have yet to be agreed by the Legal Aid Guidelines Committee. Until such time as a proposed scheme is agreed the Panel cannot give assurances as to whether the level of funding is appropriate.

**FINDING 6.17**

The final funding requirements of Le Rocquier School facilities and community sports facility capital project will not be known until such time as the feasibility study is completed.

**FINDING 6.18**

The final funding requirements for new school fields at Grainville and St. John's Primary school will not be known until such time as the necessary agreements and planning permissions are granted for the proposals.

**FINDING 6.19**

The final funding requirements for the Les Landes nursery capital project will not be known until such time as the feasibility study is completed.

**FINDING 6.20**

The final funding requirements for the La Moye Primary School extension capital project will not be known until such time as the feasibility study is completed.

**FINDING 6.21**

The Panel has noted the need for additional music facilities at Jersey College for Girls and Jersey College Prep, however, further details are required over the proposed use by outside agencies. It is a concern of the Panel that similar investment in music within non-fee-paying schools is not being made.

**FINDING 6.22**

The completion of capital project for new playing fields and JCG and JCP is dependent upon the acquisition of the fields and change of use under the Island Plan and the costs are estimated at this stage. Further information is therefore required prior to assurances over the level of funding in the proposal.

**FINDING 6.23**

A schedule of replacement equipment for CYPES is being completed between now and the end of the year. It is expected that the funding within the business case will not cover all items and some will be delayed to later years.

**FINDING 6.24**

Capital improvements to schools will be prioritised to meet set objectives in order to comply with the Discrimination Law, Safeguarding and Regulation of Care requirements. At present there is no clarity over how funding will be apportioned between these improvements.

**FINDING 6.25**

Capital improvements to Youth Service/Community Hubs will be prioritised to meet set objectives in order to comply with the Discrimination Law, Safeguarding and Regulation of Care requirements. At present there is no clarity over how funding will be apportioned between these improvements.

**FINDING 6.26**

Due to the need for an options assessment to be completed, there is no certainty as to the proposed costs of the new passport project at this time.

**FINDING 6.27**

The Panel recognises the possible benefits of the combined control room, however, further clarity over the long-term implications of co-locating the services is required.

**FINDING 6.28**

Whilst it understands the need for the new system, the Panel has not been able to establish how the proposed Electronic Patient Records system for the Ambulance Service would integrate with other whole island health systems that are due to be developed. It is concerned that without assurances over the integration of this proposal with future health systems the proposed funding could be wasted.

## Recommendations



### RECOMMENDATION 6.1

The Minister for Education should publish further details of the efficiencies relating to her remit as a matter of urgency prior to the Government Plan debate.



### RECOMMENDATION 6.2

The Minister for Education should ensure that in the event tuition fees are reduced in the United Kingdom, any budget surplus within the Higher Education fund should be maintained within the Education budget and not returned to central contingencies.



### RECOMMENDATION 6.3

The Minister for Education should review the implementation and effect of the Jersey School Review Framework on a termly basis during its first full year of operation.



### RECOMMENDATION 6.4

The Minister for Education should prioritise the work of the Early Years Policy Development Board and bring forward the Early Years Policy by the end of Q2 2020.



### RECOMMENDATION 6.5

The Minister for Education should provide further clarity as to exactly where the funding from the student finance scheme will be utilised within the Digital Jersey Academy and ensure that there is no duplication with the proposed funding under this business plan.



### RECOMMENDATION 6.6

The Minister for Education should ensure that further information is provided by JCG and JCP as to how the proposed music facilities will be used by outside agencies.



### RECOMMENDATION 6.7

The Minister for Education should ensure that the schedule for replacement equipment for CYPES is provided to the Panel with information detailing how projects will be prioritised. This should be completed by December 2020.



### RECOMMENDATION 6.8

The Minister for Home Affairs should pause the delivery of the electronic patient records capital project for the Ambulance Service until such time as assurances have been provided that it will integrate with any future whole island health systems.

## 6.4 Departmental Budgets and Efficiencies

The Panel notes from the Government Plan, that the following Departmental budgets will be in place for 2020:

Summary Table 3(i) Proposed 2020 Revenue Heads of Expenditure <sup>346</sup>			
	Income (£000)	Expenditure (£000)	Head of Expenditure (£000)
<b>Children, Young People, Education and Skills</b>	17,422	165,059	147,637
<b>Justice and Home Affairs</b>	2,320	56,439	54,119

The 2020 resources allocated to the Ministers which fall under the Panel's remit are as follows:

Resources mapped to Ministerial portfolios <sup>347</sup>	
Minister	2020 Allocation (£000)
<b>Minister for Education</b>	120,798
<b>Minister for Home Affairs</b>	54,949

### Children, Young People, Education and Skills

- The Panel questioned the Minister for Education on how the budget was apportioned between the various services under her respective remit. It received the following information:

2019 Net Revenue Expenditure (£000)	Service Area	2020		
		Income (£000)	Expenditure (£000)	Net Revenue Expenditure (£000)
	<u>Education</u>			
<b>3,699</b>	Early Years	(266)	4,783	4,517
<b>5,939</b>	Fee Paying Provided Schools	(11,905)	17,866	5,961
<b>70,365</b>	Non-Fee-Paying Provided Schools	(1,242)	73,956	72,714
<b>4,522</b>	Non-Provided Schools	-	4,528	4,528

<sup>346</sup> [P.71/2019 - Appendix 2](#)

<sup>347</sup> [P.71/2019 p. 138](#)

	<u>Young People, Further Education and Skills</u>			
<b>22,478</b>	Further Education, Higher Education and Careers	<b>(3,231)</b>	33,271	30,040
<b>2,041</b>	Youth Service	<b>(772)</b>	3,223	2,451
	<u>Customer and Local Services</u>			
<b>1,537</b>	Libraries	<b>(10)</b>	1,547	1,537
	<u>Strategic Policy, Performance and Population</u>			
<b>0</b>	Policy	<b>0</b>	175	175
<b>109,044</b>	<b>Net Revenue Expenditure</b>	<b>(17,426)</b>	<b>138,224</b>	<b>120,798</b>

- The Panel also requested a breakdown of the efficiencies that would be made under the remit of the Minister and understands that the Department for CYPES intends to make efficiencies of £3.5 million in 2020 of which £1.78 million relates to the remit of the Minister for Education.
- It is noted that the Minister has requested further details herself of the efficiencies to be made and this is currently being examined by Officers. To that end, the Panel has not commented on the efficiencies at this time.

**FINDING 6.1**

The Minister for Education has requested further details as to how the £1.78 million worth of efficiencies within her remit will be undertaken.

**RECOMMENDATION 6.1**

The Minister for Education should publish further details of the efficiencies relating to her remit as a matter of urgency prior to the Government Plan debate.

## Justice and Home Affairs

- The Panel questioned the Minister for Home Affairs on the allocation of the departmental budget to the various services within its remit and received the following: breakdown:

2019 Net Revenue Expenditure (£000)	Service Area	2020		
		Income (£000)	Expenditure (£000)	Net Revenue Expenditure (£000)
<b>11,134</b>	States of Jersey Prison Service	<b>(420)</b>	11,555	11,135
<b>5,570</b>	Jersey Customs and Immigration Service	<b>(1,340)</b>	7,060	5,720



5,576	States of Jersey Ambulance Service	(44)	5,620	5,576
5,087	States of Jersey Fire and Rescue Service	(342)	5,429	5,087
548	Health and Safety Inspectorate	-	548	548
1,012	Jersey Field Squadron	-	1,012	1,012
1,036	Justice and Home Affairs Directorate	-	1,036	1,036
22,255	States of Jersey Police Service	(174)	24,179	24,005
52,218	<b>Net Revenue Expenditure</b>	<b>(2,320)</b>	<b>56,439</b>	<b>54,119</b>

- The Minister elaborated on the figures during a public hearing:

***The Minister for Home Affairs:***

*The police have by far the biggest proportion. They have just over £24 million in 2020, the Prison Service £11 million and then Customs and the Ambulance Service very similar; Customs and Immigration £5.7 million, Ambulance Service £5.6 million, Fire and Rescue Service just over £5 million.*<sup>348</sup>

- It is noted that as part of the One Gov changes, the Department for Justice and Home Affairs was created out of the previous Department for Community and Constitutional Affairs. Additional services have been brought in to the new Department including Ambulance Service, Office of the Chief Analyst and the Health and Safety Inspectorate. The Panel questioned why the budget identified in 2020 was broadly the same as that in 2017 in light of these changes. The Director General for Justice and Home Affairs explained the reasons for this during a public hearing:

***Director General, Justice and Home Affairs:***

*The overall headline is that the budget has not taken a reduction when you add in Ambulance, but it is not as straightforward as just saying the Ambulance budget comes across and therefore that adds up on to the 2017/18 budget. Some elements of what the old Community and Constitutional Affairs was have been taken away, so there has been some give in some places and some take away in some others. That transition has not completely settled down yet.*<sup>349</sup>

- In respect of efficiencies, the Panel received the following information from the Minister for Home Affairs in relation to the plans of the department and the services under his remit:

<sup>348</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 p.3](#)

<sup>349</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 p.4](#)

***The Minister for Home Affairs:***

*The work on efficiencies will go on for ever, because I think it is right that every States department has to provide the best service it can for the public, the appropriate service for the public at the appropriate cost, so that will be looked at all of the time. In the immediate term with the found efficiencies, close toward £700,000 for 2020. When I say “efficiencies” that does include things like we have recently announced the increased cost of passport fees, so there will be additional revenue there which is included in that sort of figure.<sup>350</sup>*

- The Panel further questioned how the figure of £700,000 was arrived at and the process that was used in order to identify this figure. It was explained that the Department intended to make efficiencies through a combination of additional income (through the increase to passport fees) and through vacancy management and reshaping of long-serving posts where the post-holder had retired or resigned.<sup>351</sup>

**FINDING 6.2**


















The Minister for Home Affairs has identified £700,000 of efficiencies in 2020 which will be achieved by a combination of additional income, vacancy management and reshaping of long-serving posts where the post holder has retired or resigned.























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<sup>350</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 p.4](#)

<sup>351</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 p.4](#)

## 6.5 Actions, Programs and Capital Projects Reviewed

Actions			
Action	CSP reference	Page number	Scrutiny RAG Status
Review the options to put future funding and structure of school system on a long-term, sustainable footing	N/A	<a href="#">349</a>	
Develop and resource a new post-16 strategy to support the Future Economy Programme	N/A	<a href="#">350</a>	
Implement the new post-16 education strategy	N/A	<a href="#">351</a>	
Additional Revenue Programs			
Program	CSP reference	Page number	Scrutiny RAG Status
Higher Education	CSP 1-2-01	<a href="#">351</a>	
Jersey Premium	CSP 1-2-02	<a href="#">354</a>	
Jersey Music Service	CSP 1-2-02	<a href="#">355</a>	
Jersey School Review Framework	CSP 1-2-02	<a href="#">357</a>	
Languages Strategy	CSP 1-2-02	<a href="#">359</a>	
Reading Recovery	CSP 1-2-02	<a href="#">360</a>	
Children's Legislation Programme Education Law	CSP 1-2-02	<a href="#">362</a>	
School Funding and Demographics	CSP 1-2-02	<a href="#">363</a>	
Early Years	CSP 1-2-02	<a href="#">364</a>	
Les Quennevais School IT Equipment	CSP 1-2-03	<a href="#">366</a>	
Primary School Meals	CSP 1-2-04	<a href="#">372</a>	
Digital Jersey Academy	CSP 3-2-04	<a href="#">369</a>	
Skills Jersey	CSP 3-4-01	<a href="#">372</a>	
Jerriais	CSP 3-5-03	<a href="#">373</a>	
Settlement Scheme	CSP 3-1-05	<a href="#">375</a>	
Financial Crimes Unit	CSP 3-2-07	<a href="#">376</a>	

Policing 2020-23	013-11	<a href="#">377</a>	
Legal Aid	01-Non-06	<a href="#">379</a>	
Probation Service	01-Non-07	<a href="#">381</a>	
Capital Expenditure Projects			
Capital Project	CSP reference	Page number	Scrutiny RAG Status
Le Rocquier school facilities and community sports facility	N/A	<a href="#">382</a>	
School 3G pitch replacements	N/A	<a href="#">383</a>	
School field development – Grainville and St John	N/A	<a href="#">384</a>	
Les Landes Nursery	N/A	<a href="#">386</a>	
Mont-a-l'Abbe extension	N/A	<a href="#">387</a>	
Extend La Moye Hall and two additional classrooms	N/A	<a href="#">388</a>	
Extension to JCG school hall	N/A	<a href="#">389</a>	
JCG and JCP additional music facilities	N/A	<a href="#">390</a>	
JCG and JCP New Playing Fields	N/A	<a href="#">392</a>	
Replacement assets - CYPES	N/A	<a href="#">393</a>	
Minor Capital for disability accessibility improvements to schools	N/A	<a href="#">394</a>	
Youth Service/Community Hub Site Improvements	N/A	<a href="#">395</a>	
Next passport project	N/A	<a href="#">396</a>	
Combined Control Information technology	N/A	<a href="#">398</a>	
Electronic patient records	N/A	<a href="#">401</a>	
Minor capital (JHA)	N/A	<a href="#">404</a>	
Minor capital (Police)	N/A	<a href="#">405</a>	
Equipment replacement (Police)	N/A	<a href="#">406</a>	
Replacement of Aerial Ladder Platform	N/A	<a href="#">407</a>	

## 6.6 Reports on Specific Actions and Business Cases

### *Actions not linked to a business case*

This section of the report will focus on actions within the Government Plan that do not directly link to projects for additional revenue within R.91/2019.

### **Review the options to put future funding and structure of school system on a long-term, sustainable footing.**

#### **Summary Report**

- This particular action has been brought forward within the Government Plan to address concerns over the funding and structure of the school system in the Island, with a view to placing it on a long-term sustainable footing. The Panel questioned the Minister for Education on the intention of this review during a public hearing:

#### ***The Minister for Education:***

*I think one of the things that I need to make absolutely fundamentally clear is that I wanted to make sure that when we went out to tender for the independent review that it was not focused just on the U.K. or Europe; we looked internationally. That was really, really important for me and whether we end up with somebody from the U.K. will depend on the outcome of the process in which the tendering is going through at the moment. But we need to make sure. We have got terms of reference in those bits and pieces, but we have also got a number of pieces of work that have been done and really gone through and taken a lot of time by our own teachers and by our own department, which identifies a lot of evidence already. But what is important is pulling it all together and looking at it holistically. But what is most important is recognising funding in the way that produces the best for our children in a Jersey context.<sup>352</sup>*

- The Director of Policy and Planning in CYPES explained that the tendering process for the review was currently underway, and further information could not be released at this time so as not to prejudice the outcome of the process.<sup>353</sup>
- It was also explained that the outcome of the review would not be the final point and further work would need to be undertaken once this had been completed:

#### ***Director, Policy and Planning:***

*I think there are different stages to the review. There is a piece of work that we are tendering for at the moment, which will be looking at the system, looking at the structure, how it is funded and making recommendations to the Minister about potential changes and also looking at better practice models elsewhere and, as the Minister says, internationally. I think what follows from there will be the recommendation presented to the Minister and the Minister is allowed to choose how she then wants to respond to that. When you are talking about a consultation with the public and further discussions with trade unions, I think that will come at that stage. In terms of the actual delivery of the piece of work that we are tendering for, there would obviously be conversations with*

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<sup>352</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.36](#)

<sup>353</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.36](#)

*professionals at that stage within schools and I could imagine with teaching union representatives as well.*<sup>354</sup>

- The Panel notes that this is an ongoing project which will take place over different stages. As the project is very much in its infancy, and significantly more information and work will be required prior to a preferred position being presented, the Panel has highlighted this project as ‘amber’ at this stage.



### FINDING 6.3

The Minister for Education has commissioned a review of the funding of the education system in the Island which will be conducted by an external agency. This is currently within its infancy. The Panel cannot comment on the implications of the review until such time as further information is available.

## Develop and resource a new post-16 strategy to support the Future Economy Programme.

### Summary Report

- The Panel published its report on post-16 education in April 2019. This report focussed on the current post-16 education offering available to students in Jersey and made recommendations to help assist and improve the system where possible. During this review it was explained that a new post-16 education strategy would be produced which focussed not just on post-16 options, but also higher education and lifelong learning.<sup>355</sup>
- The Panel discussed the timescale and plan for the new strategy during a public hearing with the Minister for Education on 13<sup>th</sup> September 2019. It is noted that a consultation was undertaken earlier in 2019 on the contents of the proposed strategy which discussed areas that could be implemented in short term and areas which required additional long-term strategies to implement.<sup>356</sup>
- The Panel also explored the similarity between this action (which sits under the CSP priority of vibrant economy) and the action to ‘implement the new post-16 education strategy’ which sits under the CSP priority reducing inequality. It was confirmed that there would be a distinction between resourcing the strategy (which would likely entail identifying both short and long-term goals) and implementing it once the resourcing implications had been identified:

#### **Assistant Minister for Education:**

*It goes back to what I was saying before of the vision of the 16-plus education. Some of the recommendations within that document can be actioned immediately, some of it will require further policy development and that is why there is that difference.*<sup>357</sup>

<sup>354</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.36&37](#)

<sup>355</sup> [Public Hearing – Minister for Education re Post-16 Education – 25<sup>th</sup> March 2019 p.14](#)

<sup>356</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.17](#)

<sup>357</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.17](#)

- The Assistant Minister further explained that it was still required for the strategy to go through approval processes, including agreement by the Council of Ministers, however, it was intended for this to be formalised prior to the debate on the Government Plan.<sup>358</sup> It was also confirmed that once the strategy was approved, it would be possible to pinpoint resources to the relevant outcomes.<sup>359</sup>
- Without the specifics of the strategy at this time, it is not possible to make an informed decision as to whether this action can be funded from within existing budgets. The Panel has therefore assigned an 'amber' rating to the action.

#### FINDING 6.4



The post-16 education strategy will contain some actions which can be implemented immediately and other actions that will require further policy development. Upon confirmation of the strategy, resources will be allocated to meet the needs of the various areas of the strategy. Further information is required as to whether current budgets are sufficient to address all aspects of the strategy.

### Implement the new post-16 education strategy.

#### Summary Report

- This action links directly to the previous action discussed in this report. Clarification has been given by the Minister that a new post-16 strategy will be approved through Council of Ministers after which work will be undertaken to identify and resource the implementation of the strategy. In light of the Panel's previous examination of this area, and due to the lack of clarity over how it will be implemented, it has assigned it an 'amber' rating.

#### Business Cases for Additional Revenue Expenditure

This section of the report will focus on the additional revenue projects as set out in R.91/2019 that the Panel has examined as part of the review.

Higher Education CSP 1.2.01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Plan for the implementation of a new student finance system		Minister for Education	

<sup>358</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.18](#)

<sup>359</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.18](#)

## Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of higher education.

### Additional Investment Required (£000)

2020	2021	2022	2023
6,000	6,199	6,395	6,598

## Business case summary

- The States Assembly adopted P.33/2018 'Higher Education Funding Proposal' as amended on 10<sup>th</sup> April 2018. The proposition significantly increased the funding available for students wishing to access first time undergraduate degrees. The funding allows for families with a household income of up to £110,000 per year eligible to receive the full cost of tuition fees for an academic year (£9,250). A sliding scale is then applied for families with household income up to £200,000 per year. Households earning up to £90,000 per year are also eligible to receive support with maintenance costs on a sliding scale. Those earning over £90,000 do not receive any maintenance support.<sup>360</sup>
- An amendment was successfully brought to the proposition, mandating that the scheme would need to be reviewed prior to any future Medium-Term Financial Plan being brought forward (as it was prior to the introduction of the Government Plan).<sup>361</sup>
- The scheme was implemented in time for the academic year 2018/19. The new scheme required the phasing out of the Higher Child Allowance (HCA) tax relief in order to provide funding. This meant that families who already had children at university (and were therefore receiving the allowance) did not receive the full amount as per the terms of the proposal as the HCA allowance was deducted from the grant. This was not applicable to households where students were starting their course in the 2018/19 academic year.<sup>362</sup>
- The additional funding requirement within this proposal is required to deal with the HCA claims currently moving through the system. This increases the total higher education budget to £16 million in 2020.<sup>363</sup> It is also noted that the increased funding requirement within the business case is in order to meet the significant increase in students accessing the scheme.<sup>364</sup>

## Panel Analysis

- The Panel noted that the funding requirement in the business case within R.91/2019 has been identified in order to meet the costs of the current scheme. It is also noted that an action within the Government Plan seeks to plan for the implementation of a new student finance scheme. It is understood that the Assembly has mandated that

<sup>360</sup> [P.33/2018 Higher Education Funding Proposal](#)

<sup>361</sup> [P.33/2018 Higher Education Funding Proposal – amendment](#)

<sup>362</sup> [P.33/2018 Higher Education Funding Proposal](#)

<sup>363</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.9](#)

<sup>364</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.6](#)



the scheme be reviewed<sup>365</sup>, however, the Panel questioned the Minister for Education on the implications of the two contrasting aspects of the plan:

**Minister for Education**

*My concern is having the current scheme, you have got to recognise that the people who go on to that current scheme have 3 years or maybe longer, depending on the course which they are a party to. You do not want to upset that course; you do not want them ending up having to come off that course because of a change in the funding scheme. I would like to commit, and the Assistant Minister would like to commit to give certainty to those people on the current scheme it will continue until the end of their particular course.<sup>366</sup>*

- The Panel questioned the timescale for undertaking the review and bringing forward the new scheme. It was explained that there is a commitment to continue the current scheme until September 2020 with any new scheme being implemented from September 2021.<sup>367</sup> Any student accessing this funding would then maintain that funding for the duration of their course.<sup>368</sup> It was explained, however, that if a new scheme was financially beneficial to those on lower incomes, then there would be an ability to change to the new scheme.<sup>369</sup>
- One particular concern raised by the Panel is that there is some uncertainty over the future level of tuition fees. This has also been recognised by the Minister for Education.<sup>370</sup> As the current scheme is modelled on the current tuition fee level of £9,250 per academic year, should a reduction occur then there will be a significant budget surplus. The Panel questioned the Minister on this matter and received the following answer:

**Minister for Education**

*In terms of if they were to drop a significant tuition fee from £9,000 down to £3,000, of course there would be a surplus within the budget. As I understand it, with the rules and stuff that are in place, there would be a big conversation with Treasury, but the ideal side of things behind that would be utilising that funding to recognise the vocational courses, to bring them on par as well, so utilising that across education in other ways, rather than just pushing it back to the centre. That would be the ideal position I would like to see long term if that was to happen.<sup>371</sup>*

- The Panel has noted elsewhere in the Government Plan that there is a commitment to plan for the impact of future policies (p.139). Whilst it is not directly linked to the future funding of higher education, the Panel would refer back to review of the school system and funding model. It would be premature to anticipate the outcomes of this review; however, the Panel believes that due to various funding concerns (some of which will be addressed within other projects in this report) there is the possibility that the education budget may need increasing. The Panel notes the ongoing discussion about

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<sup>365</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.2](#)

<sup>366</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.2](#)

<sup>367</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.4](#)

<sup>368</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.5](#)

<sup>369</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.4](#)

<sup>370</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.3](#)

<sup>371</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.3](#)

tuition fee levels and, in the event that they do decrease, it has recommended that any surplus within the higher education budget be retained within the education budget and not returned to central contingencies.



#### FINDING 6.5

It is intended to bring forward a new student finance scheme to be in operation by September 2021. Until such time, the current scheme will be maintained. This is in order to provide certainty to students.



#### FINDING 6.6

There is an acknowledgment that the current tuition fees level in the United Kingdom may be reduced from £9,250 per academic year. In the event of a budget surplus, the Minister for Education has expressed a view to utilise this in order to bring vocational courses on par with higher education courses.



#### RECOMMENDATION 6.2

The Minister for Education should ensure that in the event tuition fees are reduced in the United Kingdom, any budget surplus within the Higher Education fund should be maintained within the Education budget and not returned to central contingencies.

## Improving Educational Outcomes (8 projects)

The following eight projects are presented in R.91/2019 under the umbrella project titled Improving Educational Outcomes. The Panel has examined each individual project within the overall project and assigned each a rating based on the evidence received.

Schools and Education – Improving standards – Jersey Premium CSP 1.2.02			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Implement the recommendations of the review of the Jersey Premium		Minister for Education	

### Summary Report

The Department for CYPES has requested the following funds in respect of the Jersey Premium.

#### Additional Investment Required (£000)

2020	2021	2022	2023
401	815	815	815

### Summary of business case

- The Jersey Premium funding is delegated to schools in order to help improve educational and wider outcomes for pupils at risk of lower achievement due to socio-

economic need or other factors (principally looked after children). The Jersey Premium was piloted in 2016 and implemented across all schools in 2017 at a lower rate than a similar scheme in England. According to the business case, the scheme has shown considerable evidence of a boost for those targeted pupils. The funding under the previous MTFP for students was £1,005 per primary child and £645 for secondary. Under the proposals this would increase to £1,150 and £725 respectively, as well as being available for students aged 16 – 19 years (who do not currently receive this support). It is noted this would mean 300 additional students would benefit from additional support.


### Panel Analysis

- The Panel is pleased to note that the scheme will be rolled out to students aged 16-19 as this implements one of the recommendations outlined in its post-16 education review. It is also noted that 22% of the current cohort access this funding.<sup>372</sup> The Panel questioned how the additional funding would be applied:

**Group Director, Education:**

*Once eligibility is known for the individual student, a sum of money, depending on whether they are in the primary sector or 11 to 18 now, or with a higher rate that has been published and the rationale shared if the young person is looked after or has a need, is a care leaver, for example. It goes to the educational institution, the school, the college, the setting that they are in with clear account as to whether that money is spent on improving outcomes for that young person.*<sup>373</sup>

- It was explained that the additional funding is designed to kick in immediately at the start of 2020.<sup>374</sup> Due to the nature of the education system financial year (September to August) and the Government financial year (January to December), students would receive two terms worth of the funding in 2020, with the higher rates being applied from the start of the academic year in 2020.<sup>375</sup>
- The Panel is pleased that its recommendation has been considered within this additional revenue bid and is satisfied that it is in order, however, this should not be seen as a long-term solution to inadequate base funding.

Schools and Education – Improving standards – Jersey Music Service CSP2-2-01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
No Action		Minister for Education	

<sup>372</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.31](#)

<sup>373</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.32](#)

<sup>374</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.32](#)

<sup>375</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.32](#)

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Jersey Music Service.

#### Additional Investment Required (£000)

2020	2021	2022	2023
100	115	137	145

### Summary of business case

- It has been identified that the Jersey Music Service (JMS) requires a different model of delivery to ensure it meets the needs of all children and young people and provides access to music as a subject and enrichment activity. The funding within this business plan is requested in order to bridge the gap to providing free tuition to pupils accessing the Jersey Premium as well as additional support to children with Special Educational Needs (SEN). It is also intended to provide support for whole class programmes in both primary and secondary schools to increase the number of students learning an instrument and provide future pathways.

### Panel Analysis

- The Panel questioned whether the new model of delivery had been identified yet and found that this was currently being worked on by the JMS.<sup>376</sup> It was explained in a written response from the Minister for Education that the new model will be guided by the principle that all children and young people will be able to embark on a musical learning pathway that is supported and clearly signed.<sup>377</sup>
- The Panel also explored whether any further criteria to accessing free tuition was applied other than being in receipt of benefits. It was explained that work is ongoing between the JMS, the Jersey Premium team and Customer and Local Services to develop the criteria that ensures no children are deterred from accessing programmes due to socio-economic reasons.<sup>378</sup> Recognition was given in the response that it is not only families in receipt of benefits that may require assistance, and further work is being conducted by the JMS to identify potential barriers.<sup>379</sup> It was explained that this may include the idea of a 'sliding scale' of support or enhanced bursary scheme.
- Further details as to how SEN provision would be increased were also sought by the Panel. In the response from the Minister it was explained that best practice provision was being explored and young people themselves would be consulted as to what they would like to see included in the provision.<sup>380</sup>

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<sup>376</sup> [Written questions – Minister for Education](#)

<sup>377</sup> [Written questions – Minister for Education](#)

<sup>378</sup> [Written questions – Minister for Education](#)

<sup>379</sup> [Written questions – Minister for Education](#)

<sup>380</sup> [Written questions – Minister for Education](#)

- The Whole Class Ensemble Teaching project was explored further by the Panel. It is noted that this would be run by JMS staff, however, the exact staffing is not yet clear due to the need to train and support staff in delivery.<sup>381</sup> It is further expected that 2020 would be used to finalise the planning, training and resourcing of the project in time for a September 2020 start.<sup>382</sup> The funding in years two to four of the Government Plan would relate to 90% delivery of the programme with the remainder being used for ongoing staff development, training and maintenance of resources.<sup>383</sup>
- Given the ongoing development required for this project, the Panel has agreed that it must be rated as 'amber' at this stage, pending further review of the implementation and resourcing of any delivery model.



#### FINDING 6.7

The Jersey Music Service is due to identify a new delivery model which is intended to allow all children to embark on a musical learning pathway that is clearly signed. This will be developed throughout 2020. Given the ongoing development required, the Panel has rated this project as 'amber'.

Schools and Education – Improving standards – Jersey School Review Framework CSP2-2-01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Roll out an updated Jersey School Review Framework		Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Jersey School Review Framework.

#### Additional Investment Required (£000)

2020	2021	2022	2023
130	130	130	130

### Business case summary

- According to the business case in R.91/2019, the Jersey School Review Framework (JSRF) has been piloted over the past two and a half years and in turn has developed a robust system of peer-review, led by high-calibre external ex-HMI (Her Majesty's Inspectorate). 39 formal reviews of maintained schools in Jersey have been undertaken to date. The framework has since been reviewed with a full roll-out of the programme beginning in September 2019. The additional resources identified in the business case are to secure off-island expertise to work alongside Head and Deputy Head Teachers to ensure resources are available for schools identified as needing significant and rapid improvement.

<sup>381</sup> [Written questions – Minister for Education](#)

<sup>382</sup> [Written questions – Minister for Education](#)

<sup>383</sup> [Written questions – Minister for Education](#)

## Panel Analysis

- The Panel received details on the review of the framework prior to its implementation at a public hearing with the Minister for Education:

**Group Director, Education**

*We conducted a pilot review of all Government-maintained schools, primary, secondary, special and the 8 A.R.C.s (Additional Resource Centres) in 2 years and a term. That whole review methodology is informed... including the questionnaires from over 350 teachers, from discussion with school leaders, the training events, the external leads we have utilised to develop our peer review methodology. We then commissioned an independent evaluation of the whole process. Visiting professor at the University College London Institute of Education, Professor Peter Matthews, with a colleague, undertook a review, had drop-in sessions with teachers and met all the head teachers from primary and secondary, read every single review and critiqued our whole process and that evaluation was presented to the Minister yesterday. He has spoken very ... he and a colleague spoke very highly of our peer-led approach methodology and is explicit in stating it works much better for Jersey's community, both as a school accountability message, but also as a school development approach.<sup>384</sup>*

- The Panel was also informed that the findings of the review would be published imminently after the hearing and has now had sight of the findings in confidence prior to publication. It questioned the use of external expertise, specifically how this took into account the unique nature of the Islands education system:

**Group Director, Education:**

*What we have done in the review methodology is the overwhelming majority of review teams are peopled by people who live and work in Jersey, they are either school leaders, heads and deputies predominately, in similar phase schools or senior advisers and other advisers in the department. Each review has been led by an external reviewer. Our conviction is the best people who improve schools are the teachers and school leaders and the support staff within those schools. The best way they do that is working with other schools, so that collaboration. But periodically, every 3 years say, you need external eyes that can give you feedback on your view on how well you are doing. To make sure we have got that external validation we initially recruited 7. We have gone up to, I think, about 12 external people very, very experienced in this work. Many of them, not all, are ex-Her Majesty's Inspectors, but an international perspective.<sup>385</sup>*

- It was noted that any external reviewers were given a two-day induction on the Island's education system prior to visiting a school.<sup>386</sup>
- The Panel received a submission from NASUWT that gave views on the JSRF. It was explained by the Union that whilst there had been some issues with the pilot of the

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<sup>384</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.32](#)

<sup>385</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.38](#)

<sup>386</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.39](#)

JSRF (in its opinion as a result of misinterpretation at school level), general feedback on the implementation of the JSRF had been broadly positive.<sup>387</sup> This was caveated by the fact that the process was still in its infancy and would require refinement as the experience grows over time. The Union also welcomed the rejection of an Ofsted inspection approach.<sup>388</sup>

- It is worth noting that this particular review model links in with other work including the review of the education system and funding model, as well as the Big Education Conversation that has just been launched. Depending on the outcome of those pieces of work significant changes could be required to the JSRF. Although it would be premature to anticipate the outcomes of this work, it is vital that the JSRF is reviewed again to ensure it fits within any future policy direction or structure. The Panel has therefore rated this project as ‘amber’ at this stage.



#### FINDING 6.8

There is significant work being undertaken to review the education system as a whole in the Island (including the review of school funding and Big Education Conversation), of which the Jersey School Review Framework is one small part. Depending on the outcome of this work there could be further implications for the Jersey School Review Framework.



#### RECOMMENDATION 6.3

The Minister for Education should review the implementation and effect of the Jersey School Review Framework on a termly basis during its first full year of operation.

Schools and Education – Improving standards – Languages Strategy CSP2-2-01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
No Action		Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Languages Strategy.

#### Additional Investment Required (£000)

2020	2021	2022	2023
103	103	103	103

### Summary of business case

- Following the success of a Year 5 French programme across eight primary schools, it is proposed that this project is extended to all primary schools. The scheme includes a six-week immersive programme of daily French tuition for year 5 pupils supported by expert teaching and central resources. It is noted that the programme provides pupils

<sup>387</sup> [Submission – NASUWT](#)

<sup>388</sup> [Submission – NASUWT](#)

with the same amount of teaching as A-Level students. This has been supported by the recruitment of 1.6 FTE Modern Foreign Language (MFL) specialists who will provide support across the schools for the introduction of French language from Early Years through to A-Level. This investment also forms part of a wider Languages Strategy including the teaching of European languages, Mandarin and Jerriais.


### Panel Analysis

- The Panel questioned how the successful implementation and long-term success of this programme will be evidenced. It was explained that this would be measured in a similar vein to the pilot scheme by feedback from teachers, pupils and parents, formal assessment and through evidence of the real-life experiences in French offered to the children.<sup>389</sup>
- It also examined the reasons for the introduction of Mandarin. It was noted that this is provided in several island schools, either as a formal language provision or through after-school clubs.<sup>390</sup> Mandarin at Level 2 (GCSE standard) is currently developing at Hautlieu, however, projected numbers that may take up to language are not available at this point.<sup>391</sup>
- It is too early to state whether the requested funding will achieve the outcomes expected of the project, so the Panel has deemed it appropriate to provide an ‘amber’ rating at this stage.



#### FINDING 6.9

The Languages Strategy has been piloted successfully in 8 Primary School and will be rolled out across all primary schools. It is, however, too early to state whether the requested funding for the project will achieve the expected outcomes at this stage.

Schools and Education – Improving standards – Reading Recovery CSP2-2-01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
No Action		Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Reading Recovery project.

<sup>389</sup> [Written questions – Minister for Education](#)

<sup>390</sup> [Written questions – Minister for Education](#)

<sup>391</sup> [Written questions – Minister for Education](#)



## Additional Investment Required (£000)

2020	2021	2022	2023
196	196	196	196

## Summary of business case

- This business case relates to funding for the working partnership with ‘Every Child Our Future’ (ECOF) which has seen the introduction of Reading Recovery teaching to a range of Jersey’s primary schools with the most challenging needs. This has currently been funded for three years under a Memorandum of Understanding (MoU) with the previous Education Department (now CYPES). This sat alongside funded reading interventions for older pupils and the training and deployment of over 600 reading volunteers in schools. According to the business case, Reading Recovery is the strongest evidence-based reading intervention internationally. It is intended for the additional funding to broaden the impact of the programme and will double investment as ECOF seeks further corporate sponsorship to match the investment.

## Panel Analysis

- The Panel received a submission from ECOF which outlined its strong support of the proposals and provided further evidence of the effectiveness of the Reading Recovery intervention, specifically in the Jersey context.<sup>392</sup> In the submission, ECOF explained that it currently offered support to 16 schools and 530 children.<sup>393</sup> It was also suggested that the funding could support the deployment of three full time professionals or the training and development of a cohort of additional teachers.<sup>394</sup>
- The Minister for Education confirmed that the additional funding will be used to strengthen the provision of early intervention for pupils experiencing severe difficulty with literacy.<sup>395</sup> It was also explained that support would be targeted appropriately based on further review.<sup>396</sup> Within the additional information provided by the Minister, it is noted that timeframes have been specified for the recruitment of an additional Reading Recovery teacher post for 3-years, with extended contracts being offered to the two existing staff fulfilling these roles. Following on from the expectation of training as set out in ECOF’s submission, it was also confirmed that training will be offered to a group of teachers from the academic year 2020/21 to create further capacity (in line with corporate sponsorship being agreed).<sup>397</sup>
- The Panel is satisfied that there is existing evidence to backup the need for the scheme and therefore supports the additional funding to increase its capacity.

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<sup>392</sup> [Written submission – Every Child, Our Future](#)


<sup>393</sup> [Written submission – Every Child, Our Future](#)

<sup>394</sup> [Written submission – Every Child, Our Future](#)

<sup>395</sup> [Written questions – Minister for Education](#)

<sup>396</sup> [Written questions – Minister for Education](#)

<sup>397</sup> [Written questions – Minister for Education](#)

Children's Legislation Programme – Education Law CSP2-2-01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Progress policy and legislative change to underpin long-term reform	➤ We will promote and protect Jersey's interests, profile and reputation internationally	Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Children's Legislation Programme – Education Law.

Additional Investment Required (£000)

2020	2021	2022	2023
175	175	175	175

### Summary of business case

- This business case relates to a review of the Education (Jersey) Law 1999 with a view to updating and clarifying the Law. This is due to be addresses alongside and in conjunction with wide-ranging improvements across all children's environments in Jersey. It is intended for the work to identify and implement reforms over a 20-year period. Work is currently underway to identify the main issues for consideration across the education system in general. The findings of the consultation will go on to inform detailed further reviews and consultation on areas for reform of the education system.

### Panel Analysis

- The Panel requested further details on the form of the review and the fundamental intentions behind the programme. The Minister for Education confirmed that the review would take place over multiple stages. Stage one (launched in October 2019) takes the form of the Big Education Conversation which would then inform stage two where detailed exploration of options based on feedback of stage one would take place (informed by educational specialists both inside and outside of Jersey).<sup>398</sup> Stage three would involve consultation on proposed changes identified in stage two.<sup>399</sup>
- The Panel questioned what the allocated funding would be required for and was informed that it would be used to support the delivery of the Big Education Conversation (including resources to run focus groups etc.) and also to support the research and development work by engaging expertise from other jurisdictions.<sup>400</sup>

<sup>398</sup> [Written questions – Minister for Education](#)

<sup>399</sup> [Written questions – Minister for Education](#)

<sup>400</sup> [Written questions – Minister for Education](#)

- It is accepted that this particular project will take significant time to finalise, and further details will be required as it progresses. For that reason, the Panel has assigned this project an 'amber' rating at this stage.

**FINDING 6.10**

There is a multi-stage review of the Education system underway, the first stage of which is the 'Big Education Conversation'. Due to the expected stages of the review it will take significant time to finalise any outcomes and further details will be required by the Panel prior to giving any assurances over funding levels.

Schools and Education – School funding and demographics - Schools CSP2-2-01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Review the options to put future funding and the structure of the school system on a long-term sustainable footing		Minister for Education	

**Summary Report**

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the school funding and demographics.

## Additional Investment Required (£000)

2020	2021	2022	2023
813	942	1,216	1,675

## Summary of business case


- The investment identified in this business case reflects the high number of pupils in primary school moving through to secondary school. As the demographic 'bulge' moves through the years, funding is required to follow it to ensure adequate teaching and support staff for larger year groups. The additional investment also identified a need within Early Years provision. If the funding is not provided, then it will continue to add to the structural deficit already present within the Nursery Education Fund (NEF).

## Panel Analysis

- The Panel requested a breakdown of the required investment and was provided with the following figures relevant to both areas stated in the business case:
- The total investment in 2020 is £813k. This is for the Nursery Education Fund (NEF).
- In 2021 £735k is allocated to the NEF and £207k for school demographics
- In 2022 £773k is allocated to the NEF and £443k for school demographics
- In 2023 £975k is allocated to the NEF and £700k for school demographics<sup>401</sup>

<sup>401</sup> [Written questions – Minister for Education](#)

- Given the clear identified need for the funding and the breakdown provided by the Department, the Panel is satisfied with the proposed additional revenue request.

Schools and Education – Early Years CSP2-2-01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Continue to develop better integrated support in the 'early years' (0-5)	➤ We will work in partnership with Parishes, churches, faith groups, community groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Early Years.

#### Additional Investment Required (£000)

2020	2021	2022	2023
0	1,103	2,700	2,700

### Summary of business case

- The Early Years Policy Development Board (EYPDB) is currently considering opportunities for delivering early years education and child care for children aged 0-5. It has yet to make recommendations as to what a newly developed NEF could look like (the NEF presently funds Nursery provision for 3-4-year olds prior to joining reception classes). A policy will be produced to cover this area. This additional revenue request has been submitted in advance of any recommendations arising from the EYPDB and is modelled on the provision of 30 hours nursery education for all 3-4-year olds during term time and the delivery of nursery places for vulnerable 2 years olds.

### Panel Analysis

- The Panel received submissions on this particular area from Brighter Futures, Jersey Early Years Association (JEYA) and Jersey Child Care Trust (JCCT). Whilst there were some comments which supported the recent engagement day with the EYPDB<sup>402</sup>, there was also some concern that not enough progress had been made.<sup>403</sup> The submissions also highlighted factors that should be considered when developing a new

<sup>402</sup> [Submission – Jersey Child Care Trust](#)

<sup>403</sup> [Submission – Jersey Early Years Association](#)

Early Years Policy (including ongoing initiatives). One particular issue raised by JEYA was in relation to the proposed 30 hours as proposed in the business case. It was noted in the submission that:

*From past research, the optimum period of time a 3-4-year-old should be in an 'educational' environment is 20 hours per week.<sup>404</sup>*

- The Panel notes that there is no additional funding required for this project in 2020, however, there is a significant increase required from 2021. The Panel questioned the Minister for Education on why this was the case:

***The Minister for Education:***

*We have committed to keep the current scheme until the Policy Development Board have brought together all the evidence and worked with all providers to produce a full early year's policy, looking at conception to 5-year-olds. From 2020 the budget will remain as it currently stands. Everybody is given certainty that when it comes next September they will be applying for exactly the same thing that has been in place this year, last year and the year before.<sup>405</sup>*

- The Minister further explained the intended timeline for bringing forward a new Early Years Policy:

***Deputy R.J. Ward:***

*The timescale for seeing something physical happen? It is just that I think it is very important, while we are on it, that we get the timescale for that review to report back and any change being made is 2020, when the ...*

***The Minister for Education:***

*Next year. I want something brought out ... so scrutinised and looked at next year so that we have got our lead-in time ready for September 2021. Whatever is decided, there will be some issues from someone somewhere and that is just the way life is. You are not going to get the perfect system. We just need to minimise any disruption or concerns.<sup>406</sup>*

- Given the feedback from stakeholders in relation to the proposed 30 hours per week suggested in the business case, and given the ongoing work of the EYPDB to bring forward a policy, the Panel questioned why the figure of 30 hours had been suggested:

***The Minister for Education:***

*Okay, so I am not at the moment fixed on 30 hours, and the reason behind that is looking at what is happening in terms of the U.K. What we had to do, or what our officers had to do, was go forward with a rough estimation of what it may or may not look like. Thirty hours was a suggestion of an idea within the Early Years Policy Development Board about a way in which we may want to move. Bearing out all the evidence, the research and the information so far, and what we are still going through now, may not determine that we go down the 30-hour route. There may be, for example - and I have said this previously - a need to,*

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<sup>404</sup> [Submission – Jersey Early Years Association](#)

<sup>405</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.26](#)

<sup>406</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.26](#)

*instead of having a 30 hour, having a 10 hour or 20 hours for 2 year-olds or investing in particular special educational needs to support those particular children. It may be money better spent, because if we are looking at the outcomes for children, it is not just about paying for childcare. There are a number of initiatives and needs within the early years setting that we need to ensure that they are getting the best bang for their money.<sup>407</sup>*

- The Minister went on to explain that the business case gave an indication of how much it may cost if the new proposals implemented 30 hours.<sup>408</sup> The Panel understands the rationale for requesting additional funding based on 30 hours, however, given the ongoing work of the EYPDB to bring forward proposals it is still too early to evaluate whether the funding is appropriate at this stage. The Panel has therefore rated this project as ‘amber’.



#### FINDING 6.11

The business case for Early Years within R.91/2019 states 30 hours of nursery provision, however, this is only an indicative figure based on discussions of the Early Years Policy Development Board which has yet to make a firm policy decision at this stage. It is therefore not possible to state whether the funding identified is sufficient to meet any proposed scheme.



#### RECOMMENDATION 6.4

The Minister for Education should prioritise the work of the Early Years Policy Development Board and bring forward the Early Years Policy by the end of Q2 2020.

## Les Quennevais School IT Equipment

Les Quennevais School IT Equipment CSP 1-2-03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children’s residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	⚠

<sup>407</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.23](#)

<sup>408</sup> [Public Hearing – Minister for Education re Government Plan – 13<sup>th</sup> September 2019 p.24](#)

## Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Les Quennevais School IT equipment.

Additional Investment Required (£000)

2020	2021	2022	2023
580	0	0	0

### Summary of Business case

- The new Les Quennevais school is due to be completed in 2020. Whilst the Capital project for the school build will address the IT infrastructure (fibre, data cabling etc.), peripheral hardware (wired and mobile devices, interactive displays etc.) is not budgeted for. As the new school is purpose built, there will be significant difficulties if existing hardware is deployed in the new site. It is explained that a trial will be undertaken for a number of the peripherals in the current school, but a fixed deployment must wait until the new school is available. Existing hardware that still has some functionality will be redeployed throughout the other schools or maintained as spares.

### Panel Analysis

- The Panel noted that the funding requirement for this project is only for 2020 (£580,000) and that there is nothing further in the subsequent years of the plan. Whilst this is understood given the school is due to open in 2020, the Panel questioned whether the funding would also cover the costs associated with the upkeep of the equipment going forward. The Minister for Education provided the following response:

*CYPES Education IT devices are purchased with a minimum 4-year warranty and devices need to be replaced on a 4-year cycle. Peripheral infrastructure and hardware (e.g. wireless access points, interactive displays, audio visual systems, lighting rigs, digital signage etc.) have an extended life of 5-10 years but again need to be replaced on that 5-10-year cycle. This is currently funded out of Education IT budgets. The school is sourcing products such as Interactive teaching screens that provide a 5 year or in some cases life time warranty and a build quality to provide as long a life as possible.<sup>409</sup>*

- There is a clear need for the new hardware within the new school. It is noted that the equipment is purchased under warranty for 4-years which should mitigate the issues raised, however, the Panel is unclear as to how much budget will be available centrally to manage upkeep of the equipment being proposed. For that reason, the Panel has rated this project as 'amber'.




#### FINDING 6.12

The funding for this project covers the costs of the hardware devices in the new Les Quennevais School, however, there is no confirmation as to how much budget will be available centrally to manage upkeep of the equipment.

<sup>409</sup> [Written questions – Minister for Education](#)

## Primary School Meals

Primary School Meals Feasibility Pilot CSP 1-2-04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Support the reduction of preventable disease	➤ We will enable Islanders to lead active lives and benefit from the arts, culture and heritage	Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Primary School Meals Pilot.

#### Additional Investment Required (£000)

2020	2021	2022	2023
150	0	0	0

### Summary of business case

- This business case relates to the funding of a pilot scheme to provide a hot school meal in two/three town primary schools. It is the intention of the pilot to provide a clear understanding of the required resources and early indicators of successful outcomes to enable a decision to be taken on the benefit of extending the provision. The pilot is a partnership programme between Government and 'Caring Cooks'. If the pilot is successful and depending on the financial directive threshold for the project, any permanent contract will go out to a competitive and transparent tendering process.

### Panel Analysis

- When examining this project, the Panel focussed on how it is intended to measure the success of the pilot scheme. In response, the Minister for Education explained that there was existing and well-established evidence that the provision and consumption of schools meals in line with nutritional requirements of the Jersey School Food Standards will have short and medium term benefits on learning and health outcomes in children.<sup>410</sup> The Panel also clarified the objectives, success indicators and tangible outcomes of the pilot.<sup>411</sup> It is noted that the meals will be prepared in an outside facility and not the schools themselves.<sup>412</sup>
- The main concern of the Panel was the funding of £150,000 for the pilot occurred only in 2020, after which there was no additional funding requirement. The Panel questioned where the budget would come from in the event the project was a success. The Minister for Education clarified that the budget for any future scheme would be

<sup>410</sup> [Written questions – Minister for Education](#)

<sup>411</sup> [Written questions – Minister for Education](#)

<sup>412</sup> [Additional written questions – Minister for Education](#)



met from within the additional revenue request for reducing preventable diseases (p.33 R.91/2019):<sup>413</sup>

*The proposed new funding over the Government Plan period for this work is: 2020=£300k; 2021=£1.2m; 2022=£2.5m; 2023=£2.8m. This proposed funding is taken from the business case for reducing preventable disease which includes funds for up-scaling several interventions and programmes commenced through our Food and Nutritional strategy including extension to the provision of primary school meals. The exact future allocations of funding will be made on evidence of success across programmes.*<sup>414</sup>

- Whilst this clarifies the Panel's initial concern over where funding for any future programme would come from, this is still a pilot scheme which will need evidence of success before being rolled out fully. This project has therefore been rated 'amber' at this stage.



#### FINDING 6.13

If the Primary Schools Meals pilot scheme is a success, funding for the continuation of this project will come from the business case for 'reducing preventable diseases' (p.33 R.91/2019). Until such time as the pilot is evaluated there is no certainty over how much funding will be required.

## Digital Jersey Academy

Digital Jersey Academy CSP 3-2-04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Additional investment in Digital Jersey</li> <li>➤ Develop the Digital Skills Academy</li> </ul>	<ul style="list-style-type: none"> <li>➤ We will explore and use the opportunities offered by digital</li> </ul>	Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Digital Jersey Academy.

#### Additional Investment Required (£000)

2020	2021	2022	2023
539	366	243	252

### Summary of business case

- This business case identifies additional funding requirements for Digital Jersey in order to run the Digital Jersey Academy (DJA) which is a focused facility for higher level

<sup>413</sup> [Written questions – Minister for Education](#)

<sup>414</sup> [Written questions – Minister for Education](#)

digital skills development. The DJA opened in September 2019 and has been established to benefit students leaving secondary education, those in the digital sector looking to upskill and those looking to enter the sector. It is in response to evidence-based skill shortages and supports diversification of the economy. It is hoped that DJA will contribute to improvements in GVA, jobs and/or productivity in 5 years, as well as enhance Jersey's international competitiveness. It will run a series of courses including a Level 6 (undergraduate level) Digital Leadership Programme, the Digital Jersey Coding Course and the Digital Jersey Marketing Course.

- The additional revenue request will be used to cover operational running costs of the DJA, cover faculty teaching costs, marketing and continued course development costs as well as associated project management costs for private sector involvement on the course. It is also expected that the DJA will generate income from both students and private sector businesses to be maximised by 2022.

### Panel Analysis

- The Panel met with Digital Jersey when conducting its post-16 education review and was given a useful definition of the four main areas when defining digital. For the benefit of this report, it has agreed that it would be useful context from which to start when discussing this business case:

*So, we have already put it into 4 different areas; so that is development-based skills, so that is kind of coding languages. Infrastructure and DevOps, so that is more like Cloud based information. Business intelligence and digital creative and content and within all of those 4 areas you can kind of align them to different companies. So obviously every company, no matter what sector of the economy, will have people within those 4 areas.<sup>415</sup>*

- The Panel received a submission from Digital Jersey which commented on the Terms of Reference for the review and also provided additional information about the work of the Digital Jersey Academy. Digital Jersey also noted its support for the new post-16 education strategy and the purpose-built further education campus.<sup>416</sup>
- As the DJA had launched in September 2019, the Panel questioned how many students were accessing courses so far. It was noted that 87 students were currently enrolled across the various courses on offer.<sup>417</sup> It was questioned whether students would be able to access the current higher education funding when applying for the Level 6 Digital Leadership Course. The Panel received the following response:

*The Digital Leadership Programme (DLP) is in the process of becoming Jersey's first regulated qualification on the Office of Qualifications and Examinations Regulation (Ofqual) register. Once this process is complete, students will be eligible for grant funding by Student Finance, this should be complete by Qtr. 2 2020 at the latest. In the interim, CYPES, via Digital Jersey is supporting payment of the tuition fees and maintenance for eligible students.<sup>418</sup>*

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<sup>415</sup> [Public Hearing – Digital Jersey re post-16 education – 15<sup>th</sup> March 2019 p.2](#)

<sup>416</sup> [Submission – Digital Jersey](#)

<sup>417</sup> [Written questions – Minister for Education](#)

<sup>418</sup> [Written questions – Minister for Education](#)

- The Panel notes that this is one of the reasons why the funding requirement is higher in 2020 than subsequent years. It is also noted that the funding requirement decreases over the 4 years, in-line with the expected income revenue as set out in the business case. The Panel questioned how much income would be expected from the Digital Leadership Programme from private sector businesses:

*The Digital Leadership Programme launched in September this year; consequently, it is too soon, as well as commercially sensitive, to put financial details into the public domain. However, the intention is a revenue split of 40% from student tuition fees, 30% from project work and 30% from industry courses. The programme places strong emphasis on industry involvement, which will be of great benefit to both the students and local firms.*<sup>419</sup>

- The Panel also questioned whether the proposed courses crossed over with those on offer at Highlands College, and whether there was any duplication or progression opportunities from partnership working. It was noted that both Digital Jersey and Highlands College had signed an MoU in March 2019 which outlined the intention to work together in order to expand the digital skills training offer in the Island. This includes sharing resources and use of each other's learning environments.<sup>420</sup> It was also noted that the courses on offer at each establishment are designed to complement each other and to that end there are no duplications in courses.<sup>421</sup> It was also explained that students accessing Level 3 courses at Highlands would be well placed to progress on to the Digital Leadership Course<sup>422</sup>.
- The Panel does hold concerns about the funding blend of this project, especially given the intention for student finance to fund students on the Level 6 course. The Panel understands that the funding allocated in this business case is in order to meet the running costs, teaching costs and project management costs associated with private sector involvement. Assuming students are able to access funding through student finance, then this would in theory also be paid to Digital Jersey to cover the costs of running the course. The Panel believes that this may create a 'double funding' scenario. While there is certainly a strong argument for the need of this programme, the Panel believes that further clarity is required over the intended use of both of these funding streams. It has therefore rated the project as 'amber'.



#### **FINDING 6.14**

Students accessing the Digital Leadership Programme will (once the qualification has been registered with Ofqual) be eligible to receive support through the student finance scheme. The Panel is concerned that this funding is in addition to the funding provided by the proposal and could create a double funding scenario.



#### **RECOMMENDATION 6.5**

The Minister for Education should provide further clarity as to exactly where the funding from the student finance scheme will be utilised within the Digital Jersey

<sup>419</sup> [Written questions – Minister for Education](#)


<sup>420</sup> [Written questions – Minister for Education](#)

<sup>421</sup> [Written questions – Minister for Education](#)

<sup>422</sup> [Written questions – Minister for Education](#)

Academy and ensure that there is no duplication with the proposed funding under this business plan.

## Skills Jersey

Skills Jersey CSP 3-4-01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
No action		Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Skills Jersey.

#### Additional Investment Required (£000)

2020	2021	2022	2023
655	675	695	716

### Summary of business case

- This additional investment requirement is requested in order to continue the structural changes needed to provide increased services for aligning the interim skills strategy commissioned in late 2016. The investment will mainly be used to create new posts including a skill project manager, a researcher post, industry engagement posts and a work experience co-ordinator. It will go towards the creation of an improved skills accelerator scheme to include undergraduate and post-graduate internships to help graduates look to Jersey as an option after advanced studies. It will also cover rent/building and operating costs for Skills Jersey.

### Panel Analysis

- The Panel has received a breakdown of the costs associated with the rent/building and operating costs for Skills Jersey. This has been provided in confidence due to commercial sensitivities. It has however clarified the split in the funding for the Panel.
- The Panel questioned what the expected outcomes of introducing the new roles were. The Minister for Education provided an in-depth explanation as to the expected scope of the roles and associated outcomes which included:
  - increased engagement with adults (CV writing, personal statement and interview workshops and those close to retirement),
  - increased engagement with schools at Year 11, 12 and 13
  - Offer a range of workshops at different age groups on issues such as decision making, entrepreneurial skills, job searching and choosing GCSE's
  - Parent sessions regarding skills/career options
  - More apprentices accessing the Trackers scheme
  - Mentoring as directed by schools for disengaged students
  - Further research in to different apprenticeships and work experience areas
  - Research into skills gaps and future skills/jobs
  - Increased engagement of employers and industry areas with schools

- Increased engagement of employers in work place visits
  - Industry specific mentors to engage students and teachers
  - Returnships for careers returners and work experience for adults looking to change careers.<sup>423</sup>
- The Panel notes the increased engagement this funding will provide; however, it is too early to say whether this will achieve the outcomes stated. For that reason, the Panel has rated this project as 'amber'.

**FINDING 6.15**

The new roles created under the Skills Jersey additional funding request are designed to increase engagement across the range of services offered. It is, however, too early to state whether they will achieve the outcomes stated.

## Jerriais

Jerriais CSP 3-5-03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
	➤ We will enable Islanders to lead active lives and benefit from the arts, culture and heritage	Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Jerriais.

#### Additional Investment Required (£000)

2020	2021	2022	2023
375	386	398	410

### Business case summary

- In September 2016, the States Assembly unanimously agreed additional support for Jèrriais in an MTFP amendment debate. This provided for the maintenance of teaching levels for Jèrriais as well as the appointment of two fully qualified teachers employed by CYPES to replace retiring team member of the L'Office du Jèrriais. R.72/2017 Jèrriais Plan 2017-2019 proposed a two-stage approach to give the language new status and increase opportunities to learn it. This was caveated by the need to develop a further plan in 2018.
- The Jèrriais Teaching Service has developed the Jèrriais Language Plan 2020-2023 to coincide with the Government Plan which sets out the aims and objectives to protect and promote Jèrriais. In addition, work is underway to secure ratification of Jèrriais

<sup>423</sup> [Additional written questions – Minister for Education](#)

under the terms of the European Charter for Regional and Minority Languages to bring Jersey in line with other UK minority languages like Manx and Cornish. It is also noted that the States recently adopted P.143/2018<sup>424</sup> as amended which called for all Government of Jersey signage and letter headings to be presented in both English and Jèrriais when requiring replacement. It also agreed to adopt Jèrriais as an official language of the States Chamber.

### Panel Analysis

- The Panel questioned how many students (from primary through to adult) are currently accessing Jèrriais lessons. It was provided with the following information by the Minister for Education:

*These are the current numbers of students accessing Jèrriais lessons: Primary 189, Secondary 24, Adult 26, Adult conversation 34. There has been a six-fold increase in secondary students since lessons started with 4 students in 2017. Adult conversation has also increased six-fold from 4 or 5 in 2017 to the current figure of 34. All figures denote an exponential annual progression. Additionally, the participation in the Eisteddfod has followed a similar six-fold increase since 2017.<sup>425</sup>*

- The Panel is fully supportive of the scope of the project; however, it questioned the expectation of the likely number of speakers of the languages in 10 – 15 years' time. The Minister explained the following:

*The forecast for 10-15 years' time is dependent upon two major factors:*

- 1. An increase in teaching staff to match the increase in demand. The capacity of the current teachers is for only 50% of primary schools and to maintain the status quo of participating secondary schools.*
  - 2. Pressure on curriculum time for the language means that lessons take place around assembly, lunchtimes and after school.<sup>426</sup>*
- The Panel is satisfied that the funding allocated at this stage is attached to a clear plan (Jèrriais Language Plan 2020-2023) and there is a mandate from the Assembly to promote and protect the language. This will of course require review as the plan progresses, but the Panel is generally supportive of this additional funding request.


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<sup>424</sup> [P.143/2018 Jèrriais: Promotion by the Public Sector](#)

<sup>425</sup> [Written questions – Minister for Education](#)

<sup>426</sup> [Written questions – Minister for Education](#)

## Settlement Scheme

Settlement Scheme CSP 3-1-05			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Continued funding for dedicated officers to deliver the Jersey EU settlement scheme	➤ We will make St Helier a more desirable place to live, work, do business and visit	Minister for Home Affairs	

### Summary Report

The Department for Justice and Home Affairs (JHA) has requested the following funds in respect of the EU Settlement Scheme.

#### Additional Investment Required (£000)

2020	2021	2022	2023
91	0	0	0

### Summary of business case

- This additional revenue request is for a further 12 months funding for the two Jersey EU settlement scheme caseworkers to enable the Jersey Settlement Scheme (JSS) to operate until the end of the transition period on 31<sup>st</sup> December 2020.
- Current funding for the two posts exists until December 2019 and has allowed the processing of applications from EU residents in Jersey for leave to remain once the United Kingdom leaves the European Union (EU). The scheme (in line with that in the UK) will remain open until the end of 2020 and has so far received approximately 45% of the anticipated applications (as of 28<sup>th</sup> October 2019) out of a potential 20,000. It is also noted that the scheme will operate until the end of 2020 regardless of a no deal Brexit.

### Panel Analysis

- The Panel has maintained a watching brief on the Settlement Scheme since its introduction and has regularly requested updates from the Minister for Home Affairs on the progress of the scheme. It was noted at a public hearing with the Minister for Home Affairs that the most recent figure for applications was just over 6,100.<sup>427</sup> It was explained during factual accuracy checking of the report that this figure had risen to 9,000 as of 28<sup>th</sup> October 2019.
- The Panel did question whether the lack of resources after 2020 could impact the ability of the scheme to complete all of the applications. It was acknowledged during the hearing that a significant number of applications (2,000) had been received in the build up to the current Brexit deadline (31<sup>st</sup> October), mainly attributed to the anxiety surrounding the deadline.<sup>428</sup> Although this deadline has no bearing on the scheme

<sup>427</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.33](#)

<sup>428</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.33](#)

(which runs until the end of 2020 regardless) it has raised the question as to whether a similar rush will occur towards the end of 2020. It is the understanding of the Panel that any applications received up until 31<sup>st</sup> December 2020 will be processed, however, if a deluge of applications are received close to this date it will not be possible to process them all before the funding allocated in the business plan runs out. The Panel questioned the Minister on this matter at a public hearing:

**Deputy R.J. Ward:**


*You could have, going into January, February, March, April, thousands of cases, but the funding is only 2020; would it not have been some flexibility into 2021? It may be needed, that you may need to have some additional funding for at least 2021 to clear up the final excess of applications.*

**Acting Director, Jersey Customs and Immigration Service:**

*The important thing is the ability for those members of the public who need to get the authority that they will be able to do so as long as the application is made, so in other words, that is covered. I understand exactly what you are saying. My intention is that during the course of next year when we can see how the numbers are doing, if it is quite clear that we are still well down - and with this surge it may mean more - that we will consider our options in dealing with it. It may be possibly one of the 2, that I make an application to consider further funding, but more realistically, I am going to look to try to cover it within the resources that we have got.<sup>429</sup>*

- The Panel is satisfied that this matter has been given due consideration. It is also satisfied with the requirement of the scheme and supports the request for additional funding.

## Financial Crimes Unit

Financial Crimes Unit CSP 3-2-07			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Making the economic crime and confiscation unit permanent	➤ We will make St Helier a more desirable place to live, work, do business and visit	Minister for Home Affairs	

### Summary Report

The Department for Justice and Home Affairs (JHA) has requested the following funds in respect of the Financial Crimes Unit.

Additional Investment Required (£000)

2020	2021	2022	2023
472	486	501	516

<sup>429</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.36](#)




### Summary of business case

- This additional investment recognises that financial services remains a core industry for Jersey with the international scrutiny and oversight that this brings. Regulation, and criminal investigation in respect of suspected money laundering and financing of terrorism are a priority for the Government of Jersey. This is delivered through the Jersey Financial Crimes Unit (JFCU). In 2016, a 3-year contingency funding arrangement was implemented to deal with unacceptable responses to suspected criminality in terms of the length of time taken to conduct and finalise investigations. The additional funding provided an increase in the number of investigators including 3 Detectives, 2 Police Staff and 1 Advocate. These individuals remain in post and form part of the broader JFCU Operations Unit. Due to further pressures (including the next International Moneyval inspection in 2022) this additional funding request seeks to make the interim posts permanent.

### Panel Analysis

- The Minister for Home Affairs confirmed the details of the business case during a public hearing.<sup>430</sup> It was also noted within the hearing that (as with all projects within the Government Plan) if the additional funding request was not approved, the posts would be lost.<sup>431</sup>
- The Panel questioned whether the six staff identified within this funding would be in addition to or part of the increase in Police Officers dealt with elsewhere in the Government Plan. It was noted that the staff are already in post and the funding is required to continue the posts, therefore they would not be in addition to the increase of Police Officer numbers.<sup>432</sup> Having reviewed the information available the Panel is satisfied with the need for the additional funding and will be supporting it.

### Policing 2020-23

Policing 2020-23 013-11			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Invest in an increase to police numbers		Minister for Home Affairs	

### Summary Report

The Department for Justice and Home Affairs (JHA) has requested the following funds in respect of Policing 2020-2023.

#### Additional Investment Required (£000)

2020	2021	2022	2023
821	1,919	2,073	2,196

<sup>430</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.15](#)

<sup>431</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.16](#)

<sup>432</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.16](#)

### Summary of business case

- The business case has identified a need to increase police officer numbers based on the evidence that Jersey currently has significantly fewer Officers per 1,000 population than the UK, Guernsey and the Isle of Man. It is noted that this is due to lack of continued investment over recent years. It is explained that notwithstanding a number of modernisation and savings programmes (including digital transformation), the lack of resources is now translating into a reduction in police services and activities.
- It explains that alongside the lowest number of recorded officers the police have also seen an increase in demand for services over the past 2 years. It notes that crime has increased by 13% whilst police incidents have increased by 29%.
- The additional funding requested would support an additional 10 officers as well as 6 police staff to free up further officers for frontline duty. This would immediately increase police numbers from 190 to 200. Over the remainder of the Government Plan, further additional investment is requested to increase the total number of Officers to 215. It is noted this would in turn improve the ratio of officers per 1,000 population from 1.8 to 2.0 which is still lower than the UK, Guernsey and Isle of Man but marks a significant improvement on the current position.

### Panel Analysis

- The Panel received submissions from the Jersey Police Authority (JPA) and Jersey Police Force Association (JPFA) in respect of this business case. Both highlighted the concerns from within the business case about the impact of lower police numbers on the ability of the Force to fulfil its duty<sup>433</sup> and operate effectively and efficiently.<sup>434</sup>
- Within the submission from the JPFA, it was explained that since 2006 the number of police officers had fallen from 245 to 188 as of 2019.<sup>435</sup> The JPA also highlighted in its submission that 215 officers and an additional 10 civilian support staff should be seen as the lowest optimal baseline for the Force.<sup>436</sup> Both, however, expressed support for the proposals.<sup>437</sup>
- The Panel questioned the Minister for Home Affairs on the rationale for reducing the number of Police Officers over the previous MTFP:

**Deputy R.J. Ward**

*What was the rationale in the M.T.F.P. (Medium Term Financial Plan) for reducing police numbers to 215? Well, it was 188, was it not?*

**The Minister for Home Affairs:**

*They were open to 190, but it was not a matter of reducing it. The plan was not to reduce the number to 190. What happened was there was an arbitrary*

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<sup>433</sup> [Written submission – Jersey Police Force Association](#)

<sup>434</sup> [Written submission – Jersey Police Authority](#)

<sup>435</sup> [Written submission – Jersey Police Force Association](#)

<sup>436</sup> [Written submission – Jersey Police Authority](#)

<sup>437</sup> [Written submission – Jersey Police Authority](#) & [Written submission – Jersey Police Force Association](#)

*budget figure given to the States of Jersey Police and that eventually led to them only having the budget for 190 officers.<sup>438</sup>*


- The Minister explained that over the preceding months, the Police Authority and management team of Jersey Police had produced a report outlining the optimum level for the service. This was a figure of 226, an increase of 36 officers.<sup>439</sup> This was, however, subject to a review by Her Majesty's Inspectorate of Constabulary (HMIC) from the United Kingdom which was yet to be finalised.<sup>440</sup>
- It was further explained that the recruitment of the 10 additional officers was already underway, with funding committed this year.<sup>441</sup> It was expected that the figure of 215 would be in place by the end of 2020.<sup>442</sup> The Acting Deputy Chief Officer of the States of Jersey Police updated the Panel on the current recruitment drive during a public hearing:

**Acting Deputy Chief Officer, States of Jersey Police:**

*Good quality. The Minister is absolutely correct, we had in the region of 120-odd candidates express interest by attending one of our open evenings. We held 3 sessions to explain what a role in the police might look like. From memory, we had around 102 applications and through the normal filtering processes you might expect, some will fall away naturally at that process. I think we are 12 down to about 80 candidates now who are about to go through fitness tests and aptitude tests, with an aim to get to 40 individuals who will come forward to extended interview processes.<sup>443</sup>*

- The Minister further explained that a pool of potential recruits would be created to assist with any future recruitment drives.<sup>444</sup>
- The Panel is pleased to see that the issue identified in the business case is already being addressed and awaits the outcome of the HMIC review, at which point it will revisit the proposals. In the meantime, the Panel is pleased to approve this business case.

## Legal Aid

Legal Aid 01-Non-06			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
No Action		Non-Ministerial	

<sup>438</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.10](#)

<sup>439</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.10](#)

<sup>440</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.10](#)

<sup>441</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.10](#)

<sup>442</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.10](#)

<sup>443</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.11 and 12](#)

<sup>444</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September p.11 and 12](#)

## Summary Report

The Judicial Greffe has requested the following funds in respect of the Legal Aid Office.

### Additional Investment Required (£000)

2020	2021	2022	2023
400	412	424	437

## Summary of business case

- The States Assembly adopted the Access to Justice (Jersey) Law 201- (the Law) on 1<sup>st</sup> May 2019. The Law establishes a statutory basis for a legal aid scheme which was previously administered by the Batônnier on behalf of the legal profession. Under the law, the Judicial Greffier is made responsible for administering the scheme, with a new Legal Aid Guidelines Committee (LAGC) established to assist and advise the Chief Minister in constructing new Legal Aid Guidelines.
- This funding relates to the running costs of the new Legal Aid Office and a publicly funded fixed fee Duty Solicitor and Duty Advocate service will be established to support those in custody. This requires a net growth revenue increase for the Judicial Greffe of around £400,000 per annum.

## Panel Analysis

- The Panel received a detailed submission from the Judicial Greffier which provided a breakdown of the funding request, split between the schemes on offer and the operating costs of the Legal Aid Office.<sup>445</sup>
- It was also noted that as the Legal Aid Office has already been established the CEO of the Law Society had assumed responsibility for the administration of the current scheme.<sup>446</sup> It was therefore noted that it would be right to make a contribution of no more than 10-15% of their base salary where possible.<sup>447</sup> The Judicial Greffier explained that this would only be paid should there be available funds remaining in the legal aid budget at the end of the year. If the budget had been exhausted, then no contribution could be made.<sup>448</sup>
- Until such time as the new Legal Aid Scheme is brought forward, the current scheme will remain in place. The Panel questioned when this was anticipated to be brought forward and note that the Law mandates the LAGC to bring forward a scheme within six months of the Law coming in to force. It is noted that this would be by May 2020 at the latest.<sup>449</sup>

<sup>445</sup> [Written submission – Judicial Greffier](#)

<sup>446</sup> [Written submission – Judicial Greffier](#)

<sup>447</sup> [Written submission 2 – Judicial Greffier](#)

<sup>448</sup> [Written Submission 2 – Judicial Greffier](#)

<sup>449</sup> [Written submission 2 – Judicial Greffier](#)

- The Panel has therefore agreed to give this project an ‘amber’ rating on the basis that additional costs may be incurred depending on the outcome of the new Legal Aid Scheme. It cannot therefore give certainty over the level of funding identified.

**FINDING 6.16**

The Legal Aid guidelines which govern the scheme have yet to be agreed by the Legal Aid Guidelines Committee. Until such time as a proposed scheme is agreed the Panel cannot give assurances as to whether the level of funding is appropriate.

## Probation Service

Probation Service 01-Non-07			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
No Action		Non-Ministerial	

### Summary Report

The Probation and After-Care Service has requested the following funds:

#### Additional Investment Required (£000)

2020	2021	2022	2023
35	35	35	35

### Summary of business case

- The funding request seeks to maintain posts which have been funded by the States of Jersey since 2002 through the Substance Abuse and Crime Strategies, subsequently known as the Building a Safer Society Strategy (BASS). These posts include a Court Liaison Officer, Portuguese Offender Worker, Restorative Justice Officer and an ADAPT Co-ordinator.
- A 2008 Audit Report recommended that funding for these posts be transferred from the then Home Affairs Department to Jersey Probation and Aftercare Service (JPACS). This recommendation was never actioned. The result of this was that projects receiving BASS funding were unable to make requests due to the current revenue allocation process.
- The posts are seen as essential to the effective delivery of the JPACS service and therefore a growth bid has been submitted for 2020 onwards.

### Panel Analysis

- The Panel received a detailed submission from the Chief Probation Officer detailing the requirements of each of the posts within the funding bid and also background


information on the BASS funding and JPACS objectives and accountability lines.<sup>450</sup> The Panel is satisfied that this information has explained the requirement for the posts and also highlighted the important work undertaken by the JPACS

- It was also explained that the findings of a review into the working between JPACS and the Jersey Prison Service were expected to be published in October 2019.<sup>451</sup>
- The Panel is satisfied with the rationale and need for this additional funding request and will be supporting it.

### *Business Cases for Capital Expenditure*

This section of the report will focus on the Capital Projects as set out in R.91/2019 that the Panel has examined as part of the review.

### Le Rocquier school facilities and community sports facility - Capital

Le Rocquier school facilities and community sports facility R.91/2019 - Page 205			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	

### **Summary Report**

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the capital project to improve the Le Rocquier school facilities and community sports facility.

#### Additional Investment Required (£000)

2020	2021	2022	2023
0	1,305	2,400	1,000

<sup>450</sup> [Written submission – JPACS](#)

<sup>451</sup> [Written submission – JPACS](#)

### Summary of business case

- Le Rocquier school has (at last census) 772 students enrolled with capacity for 900 as catchment for the east of the Island. At present there are no sporting/fitness facilities in the east of Island except FB fields which is solely for outdoor activities. This request is therefore submitted to improve the facilities for students at the school and also to maximise community use of the facilities. The project is intended to demolish the existing sports hall and build a new sports hall, gym, fitness and dance studio, ensure an office for curriculum staff and community use as well as invest in a new outdoor 3G pitch.

### Panel Analysis

- The Panel mainly explored how the ongoing maintenance of the facilities would be funded, given that the funding identified is mainly for capital build of the project. It is noted that a feasibility study will be undertaken and the model of delivery for the project will be discussed and agreed between CYPES and Department for Growth, Housing and Environment (GHE).<sup>452</sup>
- At this stage, the funding requested is estimated and will be identified further once the feasibility study is completed.<sup>453</sup> The Panel would also highlight the potential safeguarding implications that come with community use of school facilities and consideration should be given to whether the school will ultimately get ‘first refusal’ on the use of the facilities. The Panel therefore cannot comment on the proposed capital spend until such time as this is completed. To that end, the Panel has given this project an ‘amber’ rating.



#### FINDING 6.17

The final funding requirements of Le Rocquier School facilities and community sports facility capital project will not be known until such time as the feasibility study is completed.

### School 3G Pitches Replacement - Capital

School 3G Pitches Replacement R.91/2019 - Page 206			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children’s residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	

<sup>452</sup> [Written questions – Minister for Education](#)

<sup>453</sup> [Written questions – Minister for Education](#)

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the school 3G pitch replacement capital project.

#### Additional Investment Required (£000)

2020	2021	2022	2023
750	750	750	750


### Summary of business case

- This business case outlines the benefits of 3G artificial pitches and identifies the following schools that would benefit from replacement of existing pitches; Plat Douet, Mont Nicolle, La Moye, Le Rocquier, Rouge Bouillon and Grainville.

### Panel Analysis

- The Panel notes that as part of the proposal to improve the sport/fitness and community facilities at Le Rocquier the cost of a new 3G pitch is included. The Panel has received additional information since the publication of R.91/2019 that highlights that the funding for Le Rocquier will come from this programme as opposed to within the capital project outlined previously.
- The Panel understands the benefits of replacing pitches with 3G versions, however, as with the concern listed in the Le Rocquier Capital project, consideration should be given to ensuring the schools get prime use of the facilities as opposed to community use. The Panel notes that this will be discussed and agreed on a school by school basis<sup>454</sup>. This project is therefore rated 'amber' at this stage

## School Field Development: Grainville Secondary and St John Primary - Capital

School Field Development: Grainville Secondary and St John Primary R.91/2019 - Page 207			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	

<sup>454</sup> [Written questions – Minister for Education](#)



### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the school field development at Grainville and St. John's school

Additional Investment Required (£000)

2020	2021	2022	2023
400	400	0	0

### Summary of business case

The business case sets out the requirements for both schools as follows:

- **Grainville School** – the current school field is undersized and the final 'phase 5' development of the school does not address this. The Government is working with a neighbouring landowner to engage in a 'land swap' to develop a full-sized football pitch along with the necessary security arrangements. It would also provide for a multi-use games area which would increase the PE curriculum offer and allow greater use from the community.
- **St. John's School** – the school currently has no field attached to it with the only play space currently tarmacked. This in turn impacts the PE curriculum time which is delivered at the nearby recreation centre. Part of a neighbouring field (under private ownership) is designated for educational use in the Island Plan and a planning and use of this by the school will form part of the developer's submission to the planning department. If successful, the Parish will be granted a junior sized football pitch to make available to the school.

### Panel Analysis


- The Panel has reviewed the business case and is satisfied with the rationale and need for the project to be undertaken. It notes, however, that there is a degree of uncertainty over the project on account of the agreements and planning consent that will need to be granted prior to any of them being taken forward in earnest. It has therefore rated the project as 'amber' at this stage.



#### FINDING 6.18

The final funding requirements for new school fields at Grainville and St. John's Primary school will not be known until such time as the necessary agreements and planning permissions are granted for the proposals.

## Les Landes Nursery - Capital

Les Landes Nursery R.91/2019 - Page 208			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Les Landes Nursery capital project.

#### Additional Investment Required (£000)

2020	2021	2022	2023
0	500	500	-

### Summary of business case

- The business case provided in R.91/2019 explains it is CYPES policy for every States of Jersey School to have a nursery class. By 2021, Les Landes will be the only non-fee-paying Government of Jersey School without a nursery class. The investment would therefore provide further nursery places for families. A feasibility study is required in order to identify the siting of the new classroom, although an extension would be required which could also lead to a reconfiguring of the existing Key Stage 1 classrooms.

### Panel Analysis


- The Panel has reviewed the outline business case and understands the rationale and need for the nursery provision at the school. It cannot, however, provide assurances over the required level of funding at this stage as the feasibility study will need to be completed prior to any building commencing. It has therefore rated the project as 'amber' at this stage.



#### FINDING 6.19

The final funding requirements for the Les Landes nursery capital project will not be known until such time as the feasibility study is completed.

## Mont-a-l'Abbe School Extension – Capital

Mont-a-l'Abbe School Extension R.91/2019 - Page 209			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Mont-a-l'Abbe extension.

#### Additional Investment Required (£000)

2020	2021	2022	2023
850	650	0	0


### Summary of business case

- The current provision offered through Mont a l'Abbe school is split across two sites, with the primary provision at the school and the secondary at Haute Vallee school. This arrangement does not provide an environment for children with specific difficulties to thrive. The project seeks to build an extension to the school in order to co-locate all 0-19 pupils on one site. This would be achieved by purchasing a field located behind the school in order to future-proof the school.
- The development would also provide the ability to increase the respite care available for these children as well as reducing the requirement to send children off-island due to severe learning needs. It is noted this project is linked to an Estates project to fund the main build.

### Panel Analysis

- The Panel has reviewed the business cases made available in respect of this project and is satisfied with the rationale and need. It will therefore be supporting it.

## La Moye Primary School Extension - Capital

La Moye Primary School Extension R.91/2019 - Page 210			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the La Moye Primary School Extension.

#### Additional Investment Required (£000)

2020	2021	2022	2023
0	1,000	1,000	0

### Summary of business case

- The business case in R.91/2019 outlines the need to expand the current school hall which is currently unfit for purpose and provide an additional classroom to meet the requirements of a two-form entry school. It outlines that the school hall is currently 26% smaller than it should be based on current guidelines. It also explains that additional outside space will be required to compensate for the hall expansion, however, there is existing space which could be redeveloped and will be included in the costs. It explains that there is an obvious space for the additional classroom, however, this will need to be explored further through feasibility studies.

### Panel Analysis


- The Panel has reviewed the business cases provided for this project and whilst it understands the rationale and need for the improvements it notes that the final costs will be dependent on the outcome of a feasibility study. For that reason, the Panel has rated the project as 'amber' at this stage.



#### FINDING 6.20

The final funding requirements for the La Moye Primary School extension capital project will not be known until such time as the feasibility study is completed.

## JCG School Hall Extension – Capital

JCG School Hall Extension R.91/2019 - Page 211			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the JCG School Hall Extension.

#### Additional Investment Required (£000)

2020	2021	2022	2023
0	260	0	0


### Summary of business case

- The business case explains that the facilities at Jersey College for Girls (JCG) were designed for 600 students, however, the current student census is c730. As a result, certain areas of the school have become overcrowded and in need of investment. One such area is the school hall which is now difficult to manage and creates health and safety risks. It is proposed to place an extension on the current school hall that would allow for full school assemblies, a stage for school productions, double as an additional classroom, use for media, music and drama studies and reduce health and safety risks. It is estimated to cost in the region of £260,000.

### Panel Analysis

- The Panel has reviewed the business case for the project and notes that it is subject to approval through planning and GHE (Jersey Property Holdings). The Panel cannot therefore give an accurate assessment as to whether the funding identified is sufficient to meet the needs of the project. Until such time as final approval is confirmed, the Panel has rated the project as 'amber'.

## JCG and JCP Additional Music Facilities - Capital

JCG and JCP Additional Music Facilities R.91/2019 - Page 212			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the JCG and JCP additional music facilities.

#### Additional Investment Required (£000)

2020	2021	2022	2023
0	500	1,000	0

### Summary of business case

- The business case explains that since the introduction of 'Polyphony' (an in-house instrumental tuition programme) in 2009, access to instrumental and vocal tuition has been broadened at the school. In turn there has been an increase in students studying music which has in turn placed a strain on the facilities in the school.
- The funding proposes a new development to be shared between JCG and JCP to support collaboration of teaching and the learning of music related activities. The development is also proposed to offer facilities for the Jersey Music Service and rehearsal space for other outside agencies and organisations. The identified site is Claremont lodge which sits between the two schools. The proposal for the new facility estimates a cost of £1.5 million over two years and would deliver an additional band rehearsal room, music classroom, six practice rooms, storage facilities, offices and a recording studio.

### Panel Analysis

- The Panel questioned the rationale for the development and was provided with additional information which highlighted the need:

*This new build is a response to a genuine need. Due to the popularity and importance of teaching music at the school, plus the introduction of the in-house instrumental tuition programme 'Polyphony', pressure has been put on the school's existing facilities, which were not designed for the numbers of students that are now involved every day. As a result, not all Senior School*

*pupils can be taught on site and have to find tuition off site. In addition, the Prep school cannot teach properly with the facilities currently available.*<sup>455</sup>

- It was also noted that new facilities would be required to provide a larger facility for the school's orchestral work. It was explained that the current band room has space for 45 students, however, the orchestra currently has over 70 students at full strength.<sup>456</sup> Furthermore there is an identified need to provide additional practice room space due to the number of students accessing music lessons.<sup>457</sup>
- The Panel questioned how the facilities being suggested compared to those in non-fee-paying schools. The Minister for Education explained that they were comparable to the plans for Grainville Phase 5 (currently under construction) which would incorporate a new music department consisting of similar elements (classroom, recital room, practice rooms and recording room).<sup>458</sup>
- It has been noted within the business plan summary in R.91/2019 that the development would also provide space for the Jersey Music Service as well as for use by outside agencies and organisations. The Panel questioned whether it was intended to charge these users but was not provided with any answers. It was, however, informed further of the potential usage from outside groups:

*The development would also provide teaching facilities for the Jersey Music Service peripatetic service and other outside agencies, including the conducting of instrumental and vocal examinations. Also, the Island has a very limited amount of space for large scale music ensembles e.g. Music in Action have recently requested to rehearse at JCG, because there is not a place in the Island that they can rehearse a medium sized orchestra with a piano. The school is also keen the facility is used during the holidays and evenings, for example for the delivery of CPD courses and lectures and talks for music teachers.*<sup>459</sup>

- It is a concern of the Panel that similar investment in music does not appear to be happening within the non-fee-paying schools, although it does acknowledge the ongoing work to change the delivery model of the Jersey Music Service.
- The Panel notes the need for the facilities, however, further clarity is required over the proposed use by outside agencies. For that reason, it has rated the project as 'amber'.



#### **FINDING 6.21**

The Panel has noted the need for additional music facilities at Jersey College for Girls and Jersey College Prep, however, further details are required over the proposed used by outside agencies. It is a concern of the Panel that similar investment in music within non-fee-paying schools is not being made.

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<sup>455</sup> [Written questions – Minister for Education](#)

<sup>456</sup> [Written questions – Minister for Education](#)

<sup>457</sup> [Written questions – Minister for Education](#)

<sup>458</sup> [Written questions – Minister for Education](#)

<sup>459</sup> [Written questions – Minister for Education](#)

**RECOMMENDATION 6.6**

The Minister for Education should ensure that further information is provided by JCG and JCP as to how the proposed music facilities will be used by outside agencies.

## JCG and JCP New Playing Fields – Capital

JCG and JCP New Playing Fields R.91/2019 - Page 213			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the JCG and JCP additional music facilities.

#### Additional Investment Required (£000)

2020	2021	2022	2023
0	336	0	0

### Summary of business case

- The business case recognises the fact that green space at JCG and JCP is currently limited and regular negotiation is required during the summer months to secure facilities operated by other schools in close proximity. It also notes the difficulty this poses when offering extracurricular activities during lunchtime. The proposal seeks to address the issue by acquiring Fields 800, 800A and 801, change their use and develop them to provide open green space accessible by JCG and JCP at all times during the school day for a range of educational (PE, Forest School etc.) and social (use at break times etc.)

### Panel Analysis

- The Panel reviewed the business case for the project and notes the issues relayed in respect of the lack of green space. Within the additional business case information provided, it was noted that the square metres of shared outside space for the two schools falls well below DfE guidelines for schools of this size.



- The Panel notes that completion of this project would be dependent upon the acquisition and change of use for the fields under the Island Plan. It also notes that the proposed cost is currently an estimate. Given the variables inherent in this project, the Panel has agreed that further information is required before certainty can be given. It has therefore rated the project as 'amber'.



#### FINDING 6.22

The completion of capital project for new playing fields and JCG and JCP is dependent upon the acquisition of the fields and change of use under the Island Plan and the costs are estimated at this stage. Further information is therefore required prior to assurances over the level of funding in the proposal.

### Replacement assets and minor capital - CYPES

Replacement assets and minor capital - CYPES			
R.91/2019 - Page 193			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	

#### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the replacement assets and minor capital project.

#### Additional Investment Required (£000)

2020	2021	2022	2023
200	200	200	250

#### Summary of business case

- This funding relates to replacement of various fixed assets across the Department for CYPES. The assets include, minibuses for various schools, equipment for workshops, climbing wall, nurseries equipment, fixture and fittings, outdoor play equipment and rigid inflatable boats. It is noted that funding cannot be provided to match the schedule and so some replacements will be delayed to future years.

## Panel Comments

- The Panel requested a copy of the schedule of items due for replacement. It was informed that the schedule is being completed between now and the end of the year in conjunction with schools and departments and will be shared with the Panel when available.
- The Panel understands the need to replace the equipment listed in the summary business case, however, until this information is available it has rated the project as 'amber' at this stage.



### FINDING 6.23

A schedule of replacement equipment for CYPES is being completed between now and the end of the year. It is expected that the funding within the business case will not cover all items and some will be delayed to later years.



### RECOMMENDATION 6.7

The Minister for Education should ensure that the schedule for replacement equipment for CYPES is provided to the Panel with information detailing how projects will be prioritised. This should be completed by December 2020.

## Minor Capital for disability accessibility improvement to schools

Minor Capital for disability accessibility improvements to schools - CYPES R.91/2019 - Page 134			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the disability access for schools to comply with Discrimination Law, Safeguarding and Regulation of Care legislative improvements.

Additional Investment Required (£000)

2020	2021	2022	2023

### Summary of business case

- The business case explains that as a result of the creation of CYPES (including the addition of Children's Services), there is a requirement to update safeguarding, site security, health and safety and property management across the service. The funding will be allocated to a series of prioritised projects in order to meet the requirements of the Discrimination Law, safeguarding practice and the Regulation of Care Law. It is noted that no funding is provided in the standalone business case, however, an overall budget for improvements of £2.5 million in 2020 has been committed to by the Government in order to implement changes required by the Discrimination Law, Safeguarding and Regulation of Care Law. This will be allocated between the projects as required.

### Panel Analysis

- The Panel notes the projects within the business plan that will be prioritised for improvements under this capital project bid. There is a lack of clarity over how funding will be apportioned between the projects and lack of certainty that they will receive the necessary amount. Whilst the need for the improvements is required, the Panel cannot give assurances over how the funding will be spent. It has therefore rated the project as 'amber' at this stage.



#### FINDING 6.24

Capital improvements to schools will be prioritised to meet set objectives in order to comply with the Discrimination Law, Safeguarding and Regulation of Care requirements. At present there is no clarity over how funding will be apportioned between these improvements.

### Youth Service/Community Hub site improvements

Youth Service/Community Hub site improvements - CYPES R.91/2019 - Page 136			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in site improvements		Minister for Education	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Youth Service/Community Hub site improvements to comply with Discrimination Law, Safeguarding and Regulation of Care legislative improvements.

2020	2021	2022	2023

### Summary of business case

- This business case outlines the requirements for improvements to various properties from which the Jersey Youth Service operates. The need for the additional funding has been identified to comply with Health and Safety and other legislation to maintain the properties in good order in order to ensure services can continue to be delivered. It is noted that no funding is provided in the standalone business case, however, an overall budget for improvements of £2.5 million in 2020 has been committed to by the Government in order to implement changes required by the Discrimination Law, Safeguarding and Regulation of Care Law. This will be allocated between the projects as required.

### Panel Analysis

- The Panel notes that the projects within the business plan will be prioritised for improvements under this capital project bid in order to comply with set objectives. There is a lack of clarity over how funding will be apportioned between the projects and lack of certainty that they will receive the necessary amount. Whilst the need for the improvements is required, the Panel cannot give assurances over how the funding will be spent. It has therefore rated the project as 'amber' at this stage.



#### FINDING 6.25

Capital improvements to Youth Service/Community Hubs will be prioritised to meet set objectives in order to comply with the Discrimination Law, Safeguarding and Regulation of Care requirements. At present there is no clarity over how funding will be apportioned between these improvements.

### Next Passport Project – Capital

Next Passport Project R.91/2019 - Page 181			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
No Action		Minister for Home Affairs	

### Summary Report

The Department for Justice and Home Affairs (JHA) has requested the following funds in respect of the next passport project

#### Additional Investment Required (£000)

2020	2021	2022	2023
0	0	998	0

## Summary of business case

- The business case sets out the current position in Jersey, whereby residents are able to apply and subsequently be issued with a 'Jersey variant' British passport. In order to reflect the constitutional position of the Island, there has been a political desire to maintain this arrangement. Island variant British Passports are currently issued by the Lieutenant-Governor on the Crown's behalf, administered by the Customs and Immigration Service.
- The project is a joint initiative between all the Crown Dependencies and Gibraltar (who all retain their respective variants) and is led by a project manager co-funded by the participating jurisdictions. There is a close link with Her Majesty's Passport Office (HMPO), which had initially intended to move forward with this project earlier and conduct an options assessment. This has since been delayed due to the United Kingdom's decision to leave the European Union and the operational consequences surrounding passport issuance. The current contract for the issuance of Jersey variant British Passports has been extended until April 2022. The options assessment will determine if Jersey can have access to the current HMPO solution or whether an alternative solution is required. It is expected for this decision to be taken in 2020 in order to provide sufficient lead in time.

## Panel Analysis

- The Panel reviewed the business case for the project and raised a number of questions with the Minister for Home Affairs. Firstly, the Panel questioned how the estimated funding of £998,000 had been arrived at. It was given the following response by the Minister:

*This was the approximate expected cost of the project at the time the Government Plan was drafted. The approximate cost for the project is now assessed at £800,000, based on experience of similar projects. The spend profile has also been reviewed. A digital options assessment is being carried out (see Question 3) in order to further refine this.*

*The previous passport issuance project initiated in 2014 by the Crown Dependencies and Gibraltar cost £300,000 for Jersey's share with further yearly maintenance and support costs of £110,000. It is therefore not unreasonable, given the additional complexities of this project, to give the approximate cost of the whole project as £800,000. The payment profile is likely to be over 2021 and 2022 when costs will be incurred as the project develops. The final solution needs to be in place by April 2022. As with the previous project, this is being delivered in collaboration with the other Crown Dependencies and Gibraltar, and the costs will be shared.<sup>460</sup>*

- The Panel notes that further clarity has been provided over the projected costs, specifically that they have reduced as a result of the review of similar projects. It was also clarified that the spend profile for the project would now be spread across 2021 and 2022.<sup>461</sup> The Panel went on to question when it was expected for the options assessment to be completed:

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<sup>460</sup> [Written questions – Minister for Home Affairs](#)

<sup>461</sup> [Written questions – Minister for Home Affairs](#)

*By the end of quarter 1 2020. HM Passport Office are in the process of securing resources to conduct the options assessment, which will take 12 weeks to complete. The options assessment will provide a clear understanding of the technical, security and financial viability of acquiring a version of the HM Passport Office solution.<sup>462</sup>*

- Potential constraints on the project were also questioned by the Panel. The following information was received from the department:

*The initial stage of this project is to conduct the options assessment which will assess the viability of acquiring a version of the HM Passport Office solution from a technical, security and financial perspective. Initial discussions have proved positive and there does not appear to be any insurmountable technical or security challenges. However, if the options assessment proves otherwise the Crown Dependencies and Gibraltar will have to research and develop their own solution, which may not result in a fully digital customer experience.<sup>463</sup>*

- Although clarity has been provided over the projected costs of the project, and a clear timeline is in place as to when it will be brought forward, the Panel notes that there is a small degree of uncertainty over the outcome of the options assessment. For that reason, it has rated this project as 'amber' pending the outcome of the assessment.



#### FINDING 6.26

Due to the need for an options assessment to be completed, there is no certainty as to the proposed costs of the new passport project at this time.

## Combined Control IT – Capital

Combined Control IT R.91/2019 - Page 182			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
No Action		Minister for Home Affairs	

### Summary Report

The Department for Justice and Home Affairs (JHA) has requested the following funds in respect of the combined control IT capital project.

#### Additional Investment Required (£000)

2020	2021	2022	2023
2,299	0	0	0

<sup>462</sup> [Written questions – Minister for Home Affairs](#)

<sup>463</sup> [Written questions – Minister for Home Affairs](#)

## Summary of business case

- The business case sets out the progress made to date in establishing a Combined Control Room for the emergency services (Police, Ambulance and Fire) and notes the capital IT requirements for the next two phases of the work. The second stage includes updating multiple IT/Communication systems and, where possible, consolidate them onto common platforms. The following stage seeks to 'in-source' the current emergency call handling service from JTGlobal to the Government of Jersey. A high-level analysis of the current systems has been carried out, indicating where systems require replacement/upgrade by priority.

## Panel Analysis

- The Panel questioned the Minister for Home Affairs at a public hearing on the work that was being done to understand the compatibility issues for the current systems. It also questioned how this project would be considered amidst the wider IT projects being rolled out across the Government of Jersey:

**Deputy R.J. Ward:**

*There is no risk that we are spending this money, but then when the update of other platforms comes across from the entire Government update that this will then become incompatible? There is future planning that this money on this system will not be wasted compared to the systems that will come online - if you will excuse the pun - later on?*

**Director General, Justice and Home Affairs**

*Part of the investment for Government is about getting the architecture right, so it ensures that there is no conflict between systems. We have got a project manager involved in this case and, quite rightly, they have an eye on ensuring that if there is need ... well, there will be a need for connectivity between systems, that they are not incompatible. That will be part of the project management as we go forward.<sup>464</sup>*

- The Panel also questioned whether the funding requirement of £2.29 million in 2020 alone was enough to cover the ongoing operational requirements of any new systems. The following information was provided by the Director General for Justice and Home Affairs and the Minister for Home Affairs during the hearing:

**The Deputy of St. Peter:**

*There is capital expenditure that has been allocated of £2.29 million, along with capital expenditure on all I.T. expenditure, there are going to be additional operational costs that are going to be on the operational budget, because software is leased nowadays, therefore is an operational cost. I think the question for the listener is what does that add to the total cost of this particular project?*

**Director General, Justice and Home Affairs:**

*I do not have the breakdown of it. I understand the £2.29 million is capital. Whether that includes or not things like licences and bits and bobs, I am not sure. Part of the project is still developing the case around resource, for example, so who knows, it could be less resources, it could be more resources,*

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<sup>464</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019](#)

*a different type of resource. All that work is being commissioned and we are working through that.*

***The Minister for Home Affairs:***

*Yes, and it is also fair to say that there are operational costs now with the 2 different systems that have been used, so it is not as if it is going to be new revenue expenditure, because the thing is operational now.<sup>465</sup>*

- The Panel notes that work to identify the resource requirements is part of the project and ongoing at this time. The Panel also questioned the arrangements for the on-boarding of the emergency call system from JTGlobal to the Government:

***Director General, Justice and Home Affairs:***

*Again, we are working through that. The 999 system has been with JT now for a number of years. It could be better and I think that is recognised across both emergency services, Government and JT, so we are working through the detail in terms of their performance, the infrastructure that sits behind the 999 system and the benefits of bringing it forward, and if we do bring it forward into the joint control, to make sure it is stable and it is going to improve the system. So we are working through the detail at the moment.<sup>466</sup>*

- It is noted that this work is also ongoing, and the outcome is not fully determined at this stage. One particular area of concern for the Panel in respect of the combined control room (although not linked directly to the Capital Project) is the potential for confidentiality to be breached between the various services in the room (i.e. a conflict between Ambulance receiving sensitive information about drug use, and this information coming to the attention of the police.) The Panel wrote to the Minister for Home Affairs to understand the steps that had been taken to mitigate this issue:

*Combined Control Personnel are provided with training in data protection, use headsets in order to minimise the risk of information being overheard and there is a demarcation between police systems and ambulance systems, which prevent either service directly accessing each other's information. A Data Privacy Impact Assessment (DPIA) was undertaken during the early stages of the Combined Control Room (CCR) project and subsequently, a Data Sharing Agreement (DSA) signed on behalf of each service, including the Health and Community Services Caldicott Guardian, in order to ensure that sharing is carried out in accordance with the requirements of the Data Protection (Jersey) Law 2018 and Caldicott Principles.<sup>467</sup>*

- This is caveated with the information that relevant and necessary information when legal enablement exists will be shared with another service. It was noted however, that any information overheard within the CCR cannot be recorded, documented or acted upon unless it has been formally shared.<sup>468</sup> The Panel note that the current systems are demarcated, and this arrangement should be maintained within any new systems when developed.

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<sup>465</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 – p.20](#)

<sup>466</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 – p.21](#)

<sup>467</sup> [Additional written questions – Minister for Home Affairs](#)

<sup>468</sup> [Additional written questions – Minister for Home Affairs](#)



- As a result of the ongoing work required to bring forward this project, the Panel has rated it as 'amber' at this stage.

**FINDING 6.27**

The Panel recognises the possible benefits of the combined control room, however, further clarity over the long-term implications of co-locating the services is required.

## Electronic Patient Records- Capital

Electronic Patient Records R.91/2019 - Page 183			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Develop and secure funding for a multi-year Technology Transformation Programme	➤ We will explore and use the opportunities offered by digital	Minister for Home Affairs	

### Summary Report

The Department for Justice and Home Affairs (JHA) has requested the following funds in respect of the Electronic Patient Records system for the Ambulance Service.

#### Additional Investment Required (£000)

2020	2021	2022	2023
667	0	0	0

### Summary of business case

- The project business case outlines that the project to provide electronic patient records for the Ambulance Service is currently being scoped. It is noted that discussions are ongoing with Health and Community Services about the link with similar projects. It is envisaged that a new system would enable clinical information to be available to Ambulance staff prior to arriving at an incident, electronically record information from the incident and transfer this to hospital staff ensuring compliance with data storage and transfer provisions. A suitable supplier is being investigated by the Ambulance Service which will interface and contribute to the Jersey Care Record and future healthcare systems.

### Panel Analysis

- The Panel questioned the Minister for Home Affairs on the current system used by the Ambulance Service and how a new system would better address the issues highlighted in the business case:

**Current process:**

*Ambulance staff currently use a paper-based system to record patient assessment, treatment and history of the current incident. This record is hand delivered to Emergency Department staff on arrival, and a copy is retained by*

*the Ambulance Service and stored for 10 years (and longer in some circumstances). There is currently no mechanism to allow the Ambulance staff any access to the patient medical history, which affects service delivery and consistency of treatment.*

**Proposal:**

*The Ambulance service would like to digitalise this paper process in order to improve patient safety, enable electronic data capture for audit purposes and once enabled access the wider Jersey Care Record. There are two options available, either to follow a full procurement process to procure a full EPR solution (including devices, licences, server infrastructure) or secondly, preferred, to explore utilising the Ambulance EPR system currently being procured by South West Ambulance Service (SWAS). Positive initial discussions have taken place with SWAS, and officials are about to start work on a requirement identification and matching exercise. This solution would enable Jersey Ambulance Service to have electronic devices in each vehicle in an expedient way, and would support real-time readings of the patient's data, access to warnings and ambulance held past medical data. Patient records would be presented electronically to the Emergency Department in advance of arrival, held electronically for safer storage, and ease of clinical audit. Integration with the Jersey Care Model integrated solution would then be pursued.<sup>469</sup>*

- It was confirmed during a public hearing that the £667,000 cost attributed to the project was in order to purchase the necessary software and kit to implement the electronic patient records system. The Panel questioned how this project would fit in with the ongoing healthcare review which will feed in to the design and location of the hospital:

**The Deputy of St. Peter:**

*Okay. What I am now confused by is this healthcare review going on, part of which will feed into the design and the location of the hospital, which is going to be clinically led, as you know. The key to that provision there is to have obviously electronic patient records at the core of that and that is my understanding. What value add is your £670,000 going to do for that core project for the health records of everybody in the Island?*

**Director General, Justice and Home Affairs:**

*The value added will be when the project comes to fruition, then the Ambulance Service will have the technology there to record it electronically. The value added will be when the hospital is in such a position that it has got its technology and it has got its own electronic patient records, the 2 will talk technically across each other; at the moment it is just pieces of paper.<sup>470</sup>*

- The Panel raised concern that as this particular project is a tactical solution for the Ambulance Service and the strategic solution for healthcare of the whole Island is a work in progress at present, there is a risk that the two systems would not be fully compatible. The Director General for Justice and Home Affairs gave the following assurance about the concern:

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<sup>469</sup> [Additional written questions – Minister for Home Affairs](#)

<sup>470</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 – p.25](#)

**Director General, Justice and Home Affairs**

*The reassurance is the project is not being done in isolation, the project is done very much with Health and Community Services. They understand exactly what we are doing and will be compatible with the hospital when they go live with the electronic patient records. It would be madness, to be frank, if we introduced a system with the Ambulance Service that did not have any right connectivity to the hospital. The ambulance staff are very keen to get it.*<sup>471</sup>

- The Minister for Home Affairs also confirmed that the project forms part of the Digital Health Strategy and a fundamental requirement of any system would be the integration and ability to share data between Ambulance and Health and Community Services.<sup>472</sup>
- Notwithstanding this assurance, the Panel still holds concerns about the future proofing of the system, especially considering the lack of clarity over the future whole Island health system. The Minister explained that whilst this concern was fully understood, he also did not want to delay improvements to the service.<sup>473</sup> The Panel further questioned whether the funding was required to be spent in 2020 (as outlined in business case) and was told that there is flexibility in the system to prevent decisions being taken in haste.<sup>474</sup>
- It is vital that this project integrates with any whole Island health systems, otherwise it is possible that the funding requested could be wasted in the event that compatibility issues arise. Whilst there has been firm assurance that this will not be the case, and the need of the technology is clear, the Panel continues to hold concerns that this is a significant risk to the project. For that reason, it has rated it 'amber' at this stage.

**FINDING 6.28**

Whilst it understands the need for the new system, the Panel has not been able to establish how the proposed Electronic Patient Records system for the Ambulance Service would integrate with other whole Island health systems that are due to be developed. It is concerned that without assurances over the integration of this proposal with future health systems the proposed funding could be wasted.

**RECOMMENDATION 6.8**

The Minister for Home Affairs should pause the delivery of this project until such time as assurances have been provided that it will integrate with any future whole Island health systems.


<sup>471</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 – p.25](#)

<sup>472</sup> [Additional written questions – Minister for Home Affairs](#)

<sup>473</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 – p.28](#)

<sup>474</sup> [Public Hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 – p.30](#)

## Minor Capital – JHA

Minor Capital – JHA R.91/2019 - Page 199			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
No action		Minister for Home Affairs	

### Summary Report

The Department for Justice and Home Affairs (JHA) has requested the following funds in respect of Minor Capital projects.

#### Additional Investment Required (£000)

2020	2021	2022	2023
561	236	166	62

### Summary of business case

- The business case relates to the fixed assets for Justice and Home Affairs that have been programmed for replacement. This includes items for the Ambulance Service, Customs and Immigration, Fire and Rescue and HM Prison.

### Panel Analysis

- The Panel requested detail as to the assets that required replacing and also a breakdown of the amounts per year relevant to each service. The Minister provided the following tables detailing the request:

Company	Description	Sum of 2020	Sum of 2021	Sum of 2022	Sum of 2023
Ambulance service	Defibrillator replacement	20,000	38,000	38,000	38,000
	Major Incident	40,000			
	Software	27,000			
<b>Ambulance service Total</b>		<b>87,000</b>	<b>38,000</b>	<b>38,000</b>	<b>38,000</b>
Customs & Immigration	Intelligence & Investigtaion	137,000		38,000	11,000
	Software		40,000		13,000
	Equipment Replacement		80,000		
<b>Customs &amp; Immigration Total</b>		<b>137,000</b>	<b>120,000</b>	<b>38,000</b>	<b>24,000</b>
Fire & Rescue	Specialist Equipment	150,000		30,000	
	Offshore Equipment	40,000			
<b>Fire &amp; Rescue Total</b>		<b>190,000</b>	<b>-</b>	<b>30,000</b>	<b>-</b>
HM Prison	Intelligence & Investigtaion	39,000			
	Equipment Replacement	113,000	78,000	60,000	
<b>HM Prison Total</b>		<b>152,000</b>	<b>78,000</b>	<b>60,000</b>	<b>-</b>

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<sup>475</sup> [Written questions – Minister for Home Affairs](#)


Company	Sum of 2020	Sum of 2021	Sum of 2022	Sum of 2023
Ambulance service	87,000	38,000	38,000	38,000
Customs & Immigration	137,000	120,000	38,000	24,000
Fire & Rescue	190,000	-	30,000	
HM Prison	152,000	78,000	60,000	
<b>Total</b>	<b>566,000</b>	<b>236,000</b>	<b>166,000</b>	<b>62,000</b>

- The Minister also explained in response to the request that:

*Due to the timing of submissions to the Government Plan and the very nature of our services, the submissions for capital will be reviewed on annual basis following approval of the Government plan by the States assembly. This will allow the department to deal with essential capital requirements whilst responding to any unplanned capital requirements that might arise during that time.*<sup>476</sup>

- The Panel is satisfied with the details provided and supports the proposed additional funding request.

## Minor Capital – Police

Minor Capital - Police R.91/2019 - Page 200			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
No action		Minister for Home Affairs	

### Summary Report

The Department for Justice and Home Affairs (JHA) has requested the following funds in respect of minor capital for the States of Jersey Police.

#### Additional Investment Required (£000)

2020	2021	2022	2023
200	200	200	200

### Summary of business case

- This business case relates to fixed assets for the States of Jersey Police that have been scheduled for replacement.

### Panel Analysis

- The Panel questioned why the funding breakdown of the four years stayed static at £200,000. The Minister provided the following answer:


*As we discussed when we met recently, the approval of the new Public Finances (Jersey) Law in June 2019 provided for a change in the way funding*

<sup>476</sup> [Written questions – Minister for Home Affairs](#)

*is allocated for projects within the Government Capital Programme. The new law enables funding to be allocated on an annual cash requirement. The £200k per year has been allocated to the States of Jersey Police to facilitate the planning cycles of capital and enable the department to deal with changing requirements. SOJP will direct this expenditure principally towards software, hardware and licenses. SOJP has been advised that, in the event £200k is not sufficient, in-year bids for additional Capital expenditure will be accepted and assessed on a case-by-case basis.<sup>477</sup>*

- The Panel notes the discretion required to replace certain assets, however, further details will be required within each year as to how this funding will be spent to achieve the outcomes.

## Equipment replacement – JHA – Police – Capital

Equipment Replacement – JHA - Police R.91/2019 - Page 201			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
No Action		Minister for Home Affairs	

### Summary Report

The Department for Justice and Home Affairs (JHA) has requested the following funds in respect of capital equipment replacement for the States of Jersey Police Force.

#### Additional Investment Required (£000)

2020	2021	2022	2023
170	100	50	0

### Summary of business case

- The business case explains the requirement to replace various items of police equipment over the next three years in order to meet the Force's key objectives. It is noted that the core police budget does not allow for the replacement of capital items and currently does not even cover staffing costs thereby necessitating a reduction in headcount. The Panel is aware that the Minister for Home Affairs has sought to address the reduction in headcount through current recruitment initiatives, however, these officers are not currently in post.

### Panel Analysis


- The Panel requested a breakdown of the areas in which the capital funding would be utilised and was provided with the following table:

<sup>477</sup> [Written questions – Minister for Home Affairs](#)

Equipment	2020 (£)	2021 (£)	2022 (£)	2023 (£)	Total (£)
Response Policing	135,900	60,300	29,500		209,500
Major Incidents	34,100	29,400	-		63,500
Intelligence & Investigaion	-	10,300	20,500		30,800
<b>Total Equipment requirement</b>	<b>170,000</b>	<b>100,000</b>	<b>50,000</b>	<b>-</b>	<b>303,800</b>

- It was noted in the response that no funding had been identified in 2023 as the Police were not able to predict required expenditure with any degree of confidence.<sup>478</sup>
- Whilst a breakdown of the areas of expenditure have been provided, the Panel would have preferred to see further detail about how the funding would be spent in each specific area. Subject to this information being provided, the Panel has rated the project as 'amber' at this stage.

## Replacement of aerial ladder platform – JHA

Replacement of aerial ladder platform – JHA R.91/2019 - Page 202			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
No Action		Minister for Home Affairs	

### Summary Report

The Department for Justice and Home Affairs (JHA) has requested the following funds in respect of the replacement of the aerial ladder platform for the States of Jersey Fire Service.

#### Additional Investment Required (£000)

2020	2021	2022	2023
591	177	0	0

### Summary of business case

- The current Aerial Ladder is part of a rolling programme for replacement which was recommended by Her Majesty's Inspectorate of Fire Service in 2006. The high-reach appliance is essential to rescue persons and fight fires in premises higher than four stories. Due to the isolated nature of Jersey, total reliance is placed on the one Aerial Appliance for the whole Island. The total cost of the specialist vehicle is estimated at £768,000.

### Panel Analysis

- The Panel questioned why the funding requirement for this project was split over two years. It was explained that the project would be undertaken in two stages, with the high reach unit being arranged first and the accompanying vehicle second.<sup>479</sup> The Panel further questioned what process would be undertaken to source the new appliance. The following information was provided in response:

<sup>478</sup> [Written questions – Minister for Home Affairs](#)

<sup>479</sup> [Written questions – Minister for Home Affairs](#)

*A team of operational officers are currently researching and developing the user requirements and specifications for a new 'high reach' appliance. This work may result in the vehicle being a Turntable Ladder, rather than an Aerial Ladder Platform (each being a specific variant of the 'high reach' vehicle type). The procurement and tender process will be as per the Financial Directions and Public Finance Manual and will be managed by Jersey Fleet Management with support from the Commercial Group. The build will be undertaken by specialist manufacturers and will be monitored by Jersey Fleet Management and States of Jersey Fire & Rescue Service throughout.*<sup>480</sup>

- It was also explained that the project would take 12 to 18 months to complete after tendering, after which it was anticipated that the new appliance would become operational in late 2021. This would also include the best disposal and reuse option for the current appliance.<sup>481</sup>

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<sup>480</sup> [Written questions – Minister for Home Affairs](#)

<sup>481</sup> [Written questions – Minister for Home Affairs](#)



## 6.7 Final Panel Comments

- The Panel broadly welcomes the fairly ambitious projects that it has examined during its review of aspects of the Government Plan. Providing investment in education is crucial if the Government intends to fulfil its priority of putting children first. It is also crucial that investment is made in the skills of the Island and wider workforce requirements both now and into the future. Likewise, in order to allow this growth, we must invest in the services that work together to keep the Island safe.
- Whilst the Panel is supportive, it has made a number of recommendations where further information is required in respect of some of the projects. A number of the capital projects are subject to feasibility studies which leaves questions about the actual funding requirements. Furthermore, a number of projects (especially in relation to education) are subject to review which again does not provide clarity over the future funding implications. Further examination of the projects as they progress will be vital to ensure they are being implemented correctly and efficiently and the Panel will continue to hold Ministers to account for delivery of this work.

## 6.8 Witnesses and Evidence Gathered

### Public Hearings

- [Minister for Education – Friday 13<sup>th</sup> September](#)
- [Minister for Home Affairs – Friday 27<sup>th</sup> September](#)

### Evidence Gathered

- The Panel reviewed detailed business cases on each project and capital project
- Responses to written questions were received from both Ministers

### Submissions

The Panel received the following submissions from stakeholders

- [Brighter Futures](#)
- [Digital Jersey](#)
- [Every Child, Our Future](#)
- [Jersey Child Care Trust](#)
- [Jersey Police Force Association](#)
- [Jersey Student Loans Support Group](#) & [Second Submission](#)
- [Jersey Early Years Association](#)
- [Jersey Police Authority](#)
- [Judicial Greffier](#) & [Second Submission](#)
- [NASUWT](#)
- [Probation and Aftercare Service](#)) & [Second Submission](#)

## Section 7 – Care of Children in Jersey Review Panel’s Government Plan Review

### 7.1 Care of Children in Jersey Review Panel membership

The Panel comprised of the following States Members:



Deputy Robert Ward (Chair)



Deputy Kevin Pamplin (Vice-Chair)



Deputy Mike Higgins



Deputy Trevor Pointon



Deputy Louise Doublet

*The Deputy joined the Panel during October 2019 and was not involved in the early stages of the review.*



Senator Kristina Moore

*The Senator resigned from the Panel in October 2019 but was involved with the early stages of the review.*

## 7.2 Chair's Foreword



Scrutiny of this area of the Government Plan has required a detailed consideration of some significant areas of investment. At the same time, we are aware of the changing nature of children's services, and the pressures on social workers and wider areas of support for children. These provide an ongoing challenge for the Minister and the department.

In addition, the commitment of the Government of Jersey to put children first provides a context for the plan. The proof of the success of this priority will only come with time and with the realisation of projects covered in the plan.

Concerns around the nature and use of efficiencies remain and will do so until the commitment to front line services being unaffected is totally clear.

A handwritten signature in black ink, appearing to read 'R. Ward', with a long, sweeping underline.

Deputy R. Ward  
Chair, Care of Children in Jersey Review Panel

## 7.3 Findings and Recommendations

### Key Findings



#### **FINDING 7.1**

The Minister for Children and Housing has identified efficiencies within three areas that include moving residential care from larger to smaller homes, improving the intensive fostering service, and making better decisions about the permanent situation for a young person in care (permanence).



#### **FINDING 7.2**

Until such time as the outcomes of both legislative and service delivery for the Child in need project are available, it is not possible to give an assurance over the level of funding it has been allocated within the Government Plan.



#### **FINDING 7.3**

The Panel is concerned that without certainty over the proposed Legal Aid Guidelines, and how they link with the Family Law proposals, it is not possible to identify whether access to support under the new legislation would be impacted.



#### **FINDING 7.4**

As considerable work is still required in order to bring forward the recommendations arising from the Youth Justice Review, the Panel cannot comment on the proposed allocation of funding at this time.



#### **FINDING 7.5**

Whilst there is clarity over the apportionment of funding to meet the requirements of registration with the Care Commission, an ongoing inspection process has yet to be identified. The Panel therefore cannot provide assurance over the allocation of funding at this time.



#### **FINDING 7.6**

The Panel supports the development of the proposed 'Child House' model, however, there is uncertainty over the timescale and siting of any future delivery space for the model.



#### **FINDING 7.7**

There has been investment in the Safeguarding Team and Advice Team within the Law Officers' Department to increase the support to Children's Services when dealing with a variety of legal issues. Further evidence of the effectiveness of these additional posts would ensure confidence in the decision-making process.



#### **FINDING 7.8**

There is significant funding being applied for policy and service development within the Children's Change Programme, however, due to the considerable volume of work required the Panel cannot comment on whether this funding is appropriate at this stage.

**FINDING 7.9**

The evidence received points to a yearly increase in the need for the service. The Panel is concerned that the proposed funding level may not be sufficient in future years to keep pace with the need for the service.

**FINDING 7.10**

The Panel notes the need for the dedicated HR professional post in Children's Services, however, it requires further information about the outcomes being achieved through this funding prior to making any further comments.

**FINDING 7.11**

It is expected for the training offered by the Safeguarding Partnership Board to vary depending on the needs of staff. The Panel cannot, therefore, comment on the funding levels as need for training may increase or decrease and impact the funding requirement.

**FINDING 7.12**

The Children's Legislative Transformation Programme is intended to be implemented over three phases, the first of which has started in 2019. Given the length of time required, and breadth of legislation required, the Panel cannot give assurance over the level of funding applied to it at this stage.

**FINDING 7.13**

The Panel supports the work of Jersey Cares and any work that helps strengthen advocacy support for Looked After Children and Care Leavers, however, further details are required as to how this funding will be applied by Jersey Cares.

**FINDING 7.14**

The Panel is supportive of the development of a Children's Rights service; however, further details are required as to how the Children's Rights Assistants will be recruited to support this service. It is noted that a Children's Rights Officer is currently being recruited.

**FINDING 7.15**

As the posts of Practice Improvement Officers have yet to be recruited to, the Panel cannot, at this stage, comment on whether the proposed funding will meet the intended objectives of the posts.

**FINDING 7.16**

The Independent Jersey Care Inquiry raised concern within its two-year report of the role and operation of the Multi-Agency Safeguarding Hub (MASH).

**FINDING 7.17**

The funding allocated to the Citizen's Panel is to enable them to produce further reports and recommendations, but not to implement any recommendations made. The funding under the proposal is only for 2020, however, there is scope to extend this funding if seen fit.

**FINDING 7.18**

The Panel cannot comment on the proposed funding levels for the project to support children with complex needs until such time as evidence of the outcomes of the project are available.

**FINDING 7.19**

The funding allocated to support the redesign of CAHMS relates to roles that will support children, young people and their families at an early stage. The roles are currently in the process of being identified. To that end, the Panel cannot comment on whether the funding level is appropriate at this stage.

**FINDING 7.20**

The proposal to create a new therapeutic unit for Looked After Children with complex needs is due to be developed over the course of 2020. To that end, the Panel cannot comment on whether the proposed funding level will meet the service requirements at this stage.

**FINDING 7.21**

The Panel is fully supportive of the improved Corporate Parenting offer contained within the Government Plan proposals. It does, however, note that legislation is required before any proposals can be fully implemented.

**FINDING 7.22**

The funding identified within the workforce development project (4.31) is to support the roll out of the Jersey Practice framework (Jersey Children First) for an additional 18 months. The Panel maintains its view that investment in oversight roles should not overshadow investment in frontline services.

**FINDING 7.23**

The development of the case management system (MOSAIC) will assist frontline services in carrying out their duties. It is noted that the system could be further developed to allow for business and performance reporting.

**FINDING 7.24**

The funding identified within business case 4.33 provides a role to support the recruitment of social workers and co-ordinating practical arrangements (such as onboarding) and attend recruitment fairs. The Panel again highlights its view that investment in frontline services is required more so than back office roles.

**FINDING 7.25**

The Panel supports the redress scheme, however, as there is no certainty over the number and type of applications that will be made to the scheme, it cannot be certain at this stage whether the funding identified is appropriate.

**FINDING 7.26**

The Panel is highly supportive of the need to introduce a Public Services Ombudsman service. Until such time as the policy and accompanying legislation is developed, the Panel cannot comment on the proposed expenditure at present.

**FINDING 7.27**

Capital improvements to Children's Residential Homes will be prioritised to meet set objectives in order to comply with the Discrimination Law, safeguarding and Regulation of Care requirements. At present there is no clarity over how funding will be apportioned between these improvements.

## Recommendations



### RECOMMENDATION 7.1

The Minister for Children and Housing should review the number of clients accessing the Nursery Special Needs Service on a quarterly basis in order to identify whether the proposed part-time posts are sufficient to meet the actual need.



### RECOMMENDATION 7.2

The Minister for Children and Housing should provide further details to the Care of Children in Jersey Review Panel about the intended use of the funding for the advocacy worker by Jersey Cares. This should be provided by end of Q4 2020.



### RECOMMENDATION 7.3

The Minister for Children and Housing should update the Care of Children in Jersey Review Panel on the recruitment of the Children's Rights Officer and Children's Rights Assistant posts by the end of Q4 2020 and then subsequently at the end of every quarter until the posts are filled.



### RECOMMENDATION 7.4

Once the Practice Improvement Officers are in post, the Minister for Children and Housing should provide initial quarterly updates which detail the impact and outcomes of the posts within Children's Services.



### RECOMMENDATION 7.5

The Minister for Children and Housing should review the operation of the Multi-Agency Safeguarding Hub (MASH) and in doing so specifically address the concerns raised by the Independent Jersey Care Inquiry about the operation of the service in its two-year report. This should be completed by the end of Q3 2020.



### RECOMMENDATION 7.6

The Minister for Children and Housing should ensure that the future of the Citizen's Panel is clarified by the end of Q3 2020.



### RECOMMENDATION 7.7

Further to the Review Panel's recommendation within its most recent update report, the Minister for Children and Housing should fast track legislation that defines the role of Corporate Parent in Jersey, to be completed by the end of Q4 2020.



### RECOMMENDATION 7.8

The Minister for Children and Housing (as chair of the Children's Services Improvement Board) should ensure that the MOSAIC system is being utilised to enable best practice in record keeping and consistent reporting prior to any additional business and performance reporting facilities being introduced. This in turn should enable more effective data to be produced.



## 7.4 Departmental Budgets and Efficiencies

The Panel notes from the Government Plan, that the following Departmental budget will be in place for 2020 for Children, Young People, Education and Skills (CYPES):

Summary Table 3(i) Proposed 2020 Revenue Heads of Expenditure <sup>482</sup>			
	Income (£000)	Expenditure (£000)	Head of Expenditure (£000)
Children, Young People, Education and Skills	17,422	165,059	147,637

The 2020 resources allocated to the Minister for Children and Housing is as follows<sup>483</sup>:

Resources mapped to Ministerial portfolios <sup>484</sup>	
Minister	2020 Allocation (£000)
Minister for Children and Housing	31,557

The Minister for Children and Housing holds the following budget within the various departments for 2020:

2019 Net Revenue Expenditure (£000)	Service Area	2020		
		Income (£000)	Expenditure (£000)	Net Revenue Expenditure (£000)
21,698	Children's Services	(5,600)	27,402	27,397
0	<b>Education</b> Non-fee-paying Provided Schools	0	347	347
0	<b>Young People, Further Education and Skills</b> Further Education, Higher Education and Careers	0	276	276
0	Youth Service	0	410	410

<sup>482</sup> P.71/2019 - Appendix 2

<sup>483</sup> P.71/2019 p.138

<sup>484</sup> P.71/2019 p. 138

0	<b>Customer and Local Services</b> Customer Services	0	110	110
0	<b>Growth, Housing and Environment</b> Property and Special Projects	0		0
0	Regulation	0		0
0	<b>Health and Community Services</b> Hospital and Community Services	0	70	70
0	<b>Justice and Home Affairs</b> Public Protection and Law Enforcement	0	391	391
0	<b>Strategic Policy, Performance and Population</b> Policy	0	2,122	2,122
	<b>Non-Ministerial</b> Law Office Department	0	335	335
	Judicial Greffe	0	100	100
21,698	<b>Net Revenue Expenditure</b>	(5,600)	31,562	31,557

The Panel questioned the Minister for Children and Housing on the allocated budget he held for delivery of the services under his remit within 2019:

**Deputy R.J. Ward:**

*What base budget do you hold responsibility for? We are just trying to get some focus on what budgets you hold.*

**The Minister for Children and Housing:**

*This year? Okay, so we have asked to get a bigger, full list because this is obviously been a transition year and stuff has moved around, but I have got just short of £22 million.<sup>485</sup>*

- It is noted that, at present, the Minister has some functions delegated from other Ministerial portfolios (i.e. Health and Community Services) which are due to be amended so that they fall entirely within the remit of the Minister for Children and Housing. It was then confirmed that the budget for 2020 would increase to £27.5 million.<sup>486</sup>
- In respect of efficiencies, the Panel notes that the Department for Children, Young people, Education and Skills intends to make £3.5 million worth of efficiencies, of which £1.78 million relate to the remit of the Minister for Education. The Panel questioned the Minister for Children and Housing on how the proposed efficiencies would be found from within services under his remit and received a high-level response as to where they were expected to be found:

**Director General, Children, Young People, Education and Skills:**

*At this stage the principal area under this Minister's portfolio is in the sufficiency strategy where we are looking to continue the work to reprovide residential care from larger to smaller homes, introducing an intensive fostering service, which will reduce our reliance therefore on off-Island placements, but will also reduce*

<sup>485</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.2](#)

<sup>486</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.2](#)

*our reliance on expensive in-Island care and support for young people as well. A third dimension of that will be to have a much clearer and stronger approach to what we would call permanence, which is about making decisions sooner and better around those children for whom fostering as a long-term proposition and/or adoption are decisions that could be taken. The principal area of being more efficient is because we can, in the simplest of terms, reduce our reliance on expensive off-Island provision and, to some extent, reduce our high-level costs in-Island as well.<sup>487</sup>*

- The Panel questioned whether the efficiency programme would reach a point whereby no further savings would be required to be made. The Director General of CYPES provided the following view on the process going forward:

**Director General, Children, Young People, Education and Skills:**

*My experience in other jurisdictions, Chair, is that this process of dealing with the 3 “Es” is a continual process. I do not think I would ever suggest that it is inexorable. There comes a point where certain levels of investment are always required for the very best services to be effective. If you fall below that then first of all you are giving your Minister poor advice, but more importantly you are doing an injustice to children. I think there is some way to go with the efficiency programme because it has not been applied systematically over years yet in the Government.<sup>488</sup>*

- The Panel also questioned the notion that departments would be asked to make percentage cuts to the services they offered. It was given the following response from the Minister for Children and Housing:

**The Minister for Children and Housing:**

*As I said, my budget is due to go up every year and I consider it politically, and frankly morally, intolerable to accept any cuts to frontline services in this area because of where we are coming from. Our background of decades of failure in this means that this must be an area of top priority. That view among my colleagues is known full well and I will not tolerate it.<sup>489</sup>*

- The Panel notes the efficiencies are broadly broken down into the areas discussed during the hearing. However, further details as to how they will be fully rolled out are required before any assurances about the impact on frontline services can be made. In light of the commitment to put children first, the Panel would express its view that no cuts should be made to frontline services as a result of the efficiencies programme.

### FINDING 7.1














The Minister for Children and Housing has identified efficiencies within three areas that include moving residential care from larger to smaller homes, improving the intensive fostering service, and making better decisions about the permanent situation for a young person in care (permanence).




<sup>487</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.4](#)













<sup>488</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.8](#)












<sup>489</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.6](#)

## 7.5 Actions, Programs and Capital Projects Reviewed

Additional Revenue Programs			
Program	CSP reference	Page number	Scrutiny RAG Status
<b>Policy/Legislation Transformation and accompanying service delivery</b> Made up of 8 Projects:	<b>CSP1.1.01</b>	<a href="#">424</a>	
<b>Project</b>	<b>Department</b>		
1.1 - Children in Need	Children, Young Persons, Education and Skills	<a href="#">424</a>	
1.2 - Care Leavers	Children, Young Persons, Education and Skills	<a href="#">426</a>	
1.3 - Family Law	Strategic Policy, Performance and Population	<a href="#">428</a>	
1.4 - Youth Justice	Strategic Policy, Performance and Population	<a href="#">429</a>	
1.5 - Regulation and Inspection	Strategic Policy, Performance and Population	<a href="#">430</a>	
1.6 - Safeguarding Partnership Board (SPB)	Strategic Policy, Performance and Population	<a href="#">432</a>	
1.7 - Sexual Assault Referral centre (SARC) /Develop and Children's House	Justice and Home Affairs	<a href="#">433</a>	
1.8 - Domestic Abuse Strategy	Justice and Home Affairs	<a href="#">435</a>	
<b>Children's Change Programme</b> Made up of 9 Projects:	<b>CSP1.1.02</b>	<a href="#">436</a>	
<b>Project</b>	<b>Department</b>		
2.1 - Increase capacity family/children's section (contingency)	Non-Ministerial	<a href="#">437</a>	
2.2 - Baby Steps	Children, Young People, Education and Skills	<a href="#">438</a>	
2.3 - Jersey Youth Service Growth	Children, Young People, Education and Skills	<a href="#">440</a>	

2.4 - Children's Change Programme	Strategic Policy, Performance and Population	<a href="#">441</a>	
2.5 - Family Support Workers	Children, Young People, Education and Skills	<a href="#">442</a>	
2.6 - Maintenance of Care Inquiry funding Youth Service Cat 1	Children, Young People, Education and Skills	<a href="#">443</a>	
2.7 - Youth Enquiry Service (YES) and Projects Cat 2	Children, Young People, Education and Skills	<a href="#">444</a>	
2.8 - Nursery Special Needs	Children, Young People, Education and Skills	<a href="#">445</a>	
2.9 - Increase Resource in Public Protection Unit	Justice and Home Affairs	<a href="#">448</a>	
<b>Independent Jersey Care Inquiry P108</b> <b>Made up of 12 Projects:</b>	<b>CSP1.1.03</b>	<a href="#">449</a>	
<b>Project</b>	<b>Department</b>		
3.1 - Parent / Infant /Psychotherapy Service	Health and Community Services	<a href="#">449</a>	
3.2 - Sustainable Workforce: Accredited training (Children's Social Work)	Children, Young People Education and Skills	<a href="#">450</a>	
3.3 - Sustainable Workforce: HR professional with admin support (Children's Social Work)	Children, Young People Education and Skills	<a href="#">452</a>	
3.4 - Sustainable Workforce: Multi-agency Specialist Safeguarding Training	Strategic Policy, Performance and Population	<a href="#">454</a>	
3.5 - Sustainable Workforce: On-Island Social Work Training	Children, Young People Education and Skills	<a href="#">455</a>	
3.6 - Legislation: Children's Policy and Legislative Programme	Strategic Policy, Performance and Population	<a href="#">457</a>	
3.7 - The "Jersey Way"	Strategic Policy, Performance and Population	<a href="#">459</a>	

3.8 - Children's Voice: Develop a Looked After Children's Advocacy Worker (Children's Services)	Children, Young People Education and Skills	<a href="#">460</a>	
3.9 - Children's Voice: Develop a new Children's Rights service plus MOMO App (Mind of Mine Own)	Children, Young People Education and Skills	<a href="#">461</a>	
3.10 - Inspection of Services, Practice improvement, performance and quality (Children's Social Work)	Children, Young People Education and Skills	<a href="#">463</a>	
3.11 - IJCI – Enhanced MASH Resourcing	Children, Young People Education and Skills	<a href="#">465</a>	
3.12 - Care Inquiry Citizen Panel	Strategic Policy, Performance and Population	<a href="#">466</a>	
<b>P82 Children's Services Early Intervention</b> <b>Made up of 3 Projects:</b>	<b>CSP1.1.04</b>	<a href="#">468</a>	
<b>Project</b>	<b>Department</b>		
<b>4.1 Early Intervention/ Support in the Community</b>	Children, Young People, Education and Skills	<a href="#">468</a>	
4.11 - Support to Children with complex needs		<a href="#">469</a>	
4.12 - Mental Health and Wellbeing		<a href="#">470</a>	
4.13 - Antenatal support		<a href="#">471</a>	
<b>4.2 Support to Looked After Children</b>	Children, Young People, Education and Skills	<a href="#">472</a>	
4.21 - Small therapeutic unit on Island		<a href="#">473</a>	
4.22 - Intensive Fostering Scheme		<a href="#">474</a>	
4.23 - Transition to adulthood /through care/ care leavers		<a href="#">476</a>	
4.24 - Corporate Parenting		<a href="#">476</a>	

4.25 – Small item replacement and refurbishment/redecoration for Children’s Homes		<a href="#">478</a>	
<b>4.3 Workforce Development</b>	Children, Young People, Education and Skills	<a href="#">478</a>	
4.31 - Workforce development and training		<a href="#">479</a>	
4.32 - Case management system		<a href="#">480</a>	
4.33 - Recruitment and retention/ HR support		<a href="#">481</a>	
<b>Redress Scheme</b>	<b>CSP1.1.05</b>	<a href="#">482</a>	
<b>Putting Children First – Involving and Engaging Children</b> Made up of 4 Projects:	<b>CSP1.3.01</b>	<a href="#">484</a>	
Youth Voice	Children, Young People, Education and Skills	<a href="#">484</a>	
Participation and advocacy for Looked After Children and Care Leavers		<a href="#">485</a>	
Advocacy for children in need and children in the child protection system		<a href="#">487</a>	
Children’s Commissioner	Strategic Policy, Performance and Population	<a href="#">488</a>	
<b>Public Services Ombudsman</b>	<b>CSP1-3-02</b>	<a href="#">489</a>	
<b>Capital Expenditure Projects</b>			
<b>Capital Project</b>	<b>CSP reference</b>	<b>Page number</b>	<b>Scrutiny RAG Status</b>
Children’s Residential Homes	N/A	<a href="#">491</a>	


## 7.6 Reports on Specific Actions and Business Cases

### *Business Cases for Additional Revenue Expenditure*

- This section relates to the additional revenue expenditure projects within R.91/2019 that the Panel has reviewed.

### Supporting and Protection Children:

#### Policy/Legislation Transformation and accompanying service delivery (8 Projects)

1.1 Children in Need			
CSP 1.1.01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ 'Right Help, Right Time' integrated prevention and early intervention service</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> <li>➤ Progress policy and legislative change to underpin long-term reform, including:</li> </ul>	We will work in partnership with Parishes, churches faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Children in Need.

#### Additional Investment Required (£000)

2020	2021	2022	2023
1560	1760	1760	1760

### Business case summary

- The threshold for intervention is too high in comparison with other jurisdictions. Following the report of The Care Inquiry Panel there is a need for significant policy and legislative development and creation of a 'child in need' policy. Service delivery is to change in advance of law change with the implementation of 'Right Help, Right Time' early intervention, investment in services to support children's mental health and emotional wellbeing and enhancing staffing to progress early help and appropriate training.



## Panel Analysis

- The Review Panel questioned the Minister for Children and Housing on the proposed timescale for the legislation described within this project to be brought forward:

***The Minister for Children and Housing:***

*The timescale is to ... this involves updating our children's law and it really does need updating. There are lots of things that need to be done to it. For this project we are looking to consult the end of this year, draft the law during 2020 and lodge it in the second half of next year.<sup>490</sup>*

- It was confirmed that the particular piece of legislation that would require amending is the Children's (Jersey) Law 2002.<sup>491</sup> There was a degree of uncertainty from within the business case provided in R.91/2019 as to whether the funding attributed to this project was in order to fund the development of the legislation to underpin this service, or to fund the delivery of it. The Panel questioned this at a public hearing:

***Deputy R.J. Ward***

*It just seems a lot of money for legislation. For example, there is £206,000 on the care leaver's offer, which seems a small amount of money. That legislation is underpinning everything.*

***Group Director, Policy, Strategic Policy, Performance and Planning:***

*The funding under 1.1 is for the implementation. It is for that service delivery, the operational model that Mark has been talking about. You are absolutely right, that would be enormous amount of money for the legislation development. It is not for that. There is money elsewhere for the, far smaller, policy and legislation teams involved in it.<sup>492</sup>*

- It was further explained by the Director General for CYPES that any supporting legislation would not be designed to specify services but would in fact be used to specify the entitlement that a child in need would receive.<sup>493</sup> The Director General further explained that the design work for the project was ongoing alongside initiatives that sit with Customer and Local Service (CLS) and Health and Community Services (HCS).<sup>494</sup> The Minister for Children and Housing confirmed that the Children's Services Improvement Board would track the success of the projects.<sup>495</sup>
- The Panel notes that this project specifies three separate areas of priority, namely, 'Right Help, Right Time, mental health support and the Jersey Practice Framework, although there was no distinction as to how the funding would be allocated between these three strands. The Panel questioned this further at its public hearing with the Minister for Children and Housing:

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<sup>490</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.9](#)

<sup>491</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.15](#)

<sup>492</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.10](#)

<sup>493</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.11](#)

<sup>494</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.12](#)

<sup>495</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.12](#)

**Group Director, Policy, Strategic Policy, Performance and Planning:**  
*So, the way that the funding has been modelled for the plan does not set that out because it needs to be a demand-led model. We will not know until we get in there, is the honest answer. We will have to report back as it happens but that is the anticipated mix.*<sup>496</sup>

- The Panel fully supports the need for both the legislative changes and service delivery, however, it is not possible at this stage to say with any certainty that the level of funding is appropriate without first seeing outcomes arising from the change to service delivery. For that reason, the Panel has highlighted this project as ‘amber’ at this stage.



**FINDING 7.2**

Until such time as the outcomes of both legislative and service delivery for the Child in need project are available, it is not possible to give an assurance over the level of funding that has been allocated within the Government Plan.

1.2 Care Leavers			
CSP 1.1.01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ ‘Right Help, Right Time’ integrated prevention and early intervention service</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> <li>➤ Progress policy and legislative change to underpin long-term reform, including:</li> </ul>	<p>We will work in partnership with Parishes, churches faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders</p>	<p>Minister for Children and Housing</p>	

**Summary Report**

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Care Leavers.

Additional Investment Required (£000)

2020	2021	2022	2023
206	206	206	206

[Business case summary](#)

<sup>496</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.12](#)

- Policy and law changes will provide Ministerial duties and powers for care leavers up to age 25 to enable them to move from care towards independence. Social Security entitlements can be extended to care leavers.

### Panel Analysis

- Given the heading of this particular section (Policy and Legislation Delivery), the Panel again questioned whether the funding requested was for legislative and policy development or implementation. It was confirmed that the £824,000 over the four years was intended to fund service delivery.<sup>497</sup>
- The Panel questioned the timescale for the offer for care leavers to be brought forward and received the following information:

**Director General, Children, Young People, Education and Skills:**

*The offer is already in existence in outline. It has been put to the Corporate Parenting Board and has received in principle support. So, what we are now doing, therefore, is looking at how to connect existing and potential new funding with what is set out in that draft offer and bring back not just the Corporate Parenting Board but particularly to that board how the money and the offer will work. So that work is literally underway as well.*<sup>498</sup>

- Within the business case in R.91/2019, it states that the purpose of this project is to offer a ‘generous’ level of support for care leavers. The Panel questioned exactly what this meant:

**Director General, Children, Young People, Education and Skills:**

*I think we have used the word “generous” deliberately as in not just like we plucked a word out and off we went and wrote it down because Jersey is in a fantastic position not to have to copy other jurisdictions except where they have something that is enviable. Therefore, what we are signalling here is that some of ... maybe we should have given more thought to the word “generous”. What we are saying is, is this is going to be the best kind of offer that you can have as a care leaver, so “generous” perhaps implies some other connotation, does it not? But this really means that it is going to be at least as generous as, and in some instances better than other offers you would find in jurisdictions that you might look to as an example.*<sup>499</sup>

- It was further explained that the intention of the funding was to provide care leavers with the same level of support as one would normally expect from a supportive and generous parent once they had reached the age of 18.<sup>500</sup>
- The Panel is fully supportive of this initiative, especially given the historic failings in this area.


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<sup>497</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.15](#)

<sup>498</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.15](#)

<sup>499</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.16](#)

<sup>500</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.17](#)

1.3 Family Law			
CSP 1.1.01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ 'Right Help, Right Time' integrated prevention and early intervention service</li> <li>➤ Progress policy and legislative change to underpin long-term reform, including:</li> </ul>	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

### Summary Report

The Department for Strategic Policy, Planning and Performance (SPPP) has requested the following funds in respect of Family Law.

#### Additional Investment Required (£000)

2020	2021	2022	2023
100	100	100	0

### Business case summary

- This is funding to support additional workload for the Mediation Service whilst the law transitions to 'no fault' divorce in anticipation of an increased requirement to attempt a mediated settlement before reverting to the Courts.

### Panel Analysis

- The Panel received a briefing on the proposed changes within this business case in March 2019. It was noted at the time that the public consultation had concluded, and further work would be undertaken in order to bring forward the preferred policy position in legislation. The Panel is generally supportive of the need to bring forward this change in policy.
- The Panel did question whether any of this work would link in with the proposed legal aid scheme that would be brought forward for approval by the Chief Minister from the Legal Aid Guidelines Committee (LAGC). It was noted that, whilst there was some crossover, any link would be subject to the scheme as agreed by the Chief Minister on advice of the LAGC.<sup>501</sup>
- Until the Legal Aid Scheme is approved, there is a lack of clarity over how this will impact access under the proposed legislation. For that reason, the Panel has rated the project as 'amber' at this stage.

<sup>501</sup> [Written questions – Minister for Children and Housing](#)

**FINDING 7.3**

The Panel is concerned that without certainty over the proposed Legal Aid Guidelines, and how they link with the Family Law proposals, it is not possible to identify whether access to support under the new legislation would be impacted.

1.4 Youth Justice			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ 'Right Help, Right Time' integrated prevention and early intervention service</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> <li>➤ Progress policy and legislative change to underpin long-term reform, including:</li> </ul>	<p>We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders</p>	<p>Minister for Children and Housing</p> <p>Minister for Home Affairs</p>	

**Summary Report**

The Department for Strategic Policy, Planning and Performance (SPPP) has requested the following funds in respect of Youth Justice.

## Additional Investment Required (£000)

2020	2021	2022	2023
137	265	129	0

**Business case summary**

- Following the findings of the Independent Jersey Care Inquiry and the Youth Justice Review, this is allocation for three policy officers over a fixed term to develop a criminal justice policy that puts children first and development of a welfare orientated multi-agency youth justice strategy.

**Panel Analysis**

- The Panel questioned the funding increase in 2021 as outlined above. It was informed that the bid is primarily for additional time-limited staff resources to carry out the


necessary data gathering, research, policy development work and implementation and 2021 is the only year in which all staff are engaged in this process.<sup>502</sup>

- It was also explained that the timescale for development of a youth and adult criminal justice policy was scheduled for the end of 2021.<sup>503</sup> The Panel questioned whether this project would fit in with the review of the Probation and Aftercare Service (JPACS). It was explained that whilst the Youth Justice Review pre-dated the review of JPACS, any advances in practice arising from the review would be reflected in the policy development.<sup>504</sup>
- The Panel cannot comment on whether the funding identified is sufficient to meet the objectives with any certainty at this time as considerable work will need to be undertaken to bring forward the changes arising from the Review. For that reason, it has rated the project as 'Amber' at this stage.



#### FINDING 7.4

As considerable work is still required in order to bring forward the recommendations arising from the Youth Justice Review, the Panel cannot comment on the proposed allocation of funding at this time.

1.5 Regulation and Inspection			
CSP 1.1.01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Progress policy and legislative change to underpin long-term reform, including:	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

### Summary Report

The Department for Strategic Policy, Planning and Performance (SPPP) has requested the following funds in respect of Regulation and Inspection.

#### Additional Investment Required (£000)

2020	2021	2022	2023
75	225	375	450

<sup>502</sup> [Written questions – Minister for Children and Housing](#)

<sup>503</sup> [Written questions – Minister for Children and Housing](#)

<sup>504</sup> [Written questions – Minister for Children and Housing](#)

### Business case summary

- The Care Commission requires the Children's Services to ensure services are fit for purpose. The funding is to support the fitness and qualification of staff, staff ratios, buildings that are fit for purpose. The funding is to cover estimated Government costs from 2021 and the cost of further inspection by Ofsted in 2020.

### Panel Analysis

- The Review Panel noted within the summary business case in R.91/2019, reference is made for this funding to help cover the required costs for registration under the Care Commission. The Panel questioned the Minister for Children and Housing on what proportion of the funding would be assigned to meet this requirement:

**Group Director, Policy, Strategic Policy, Performance and Planning:**

*The cost that is set out, just to explain that the cost in 2020 is to resource the return of Ofsted's visits for the children's social work services; date to be determined, which is soon, I hope. The rest of it is to cover those fees that government services will incur and will pay the Care Commission. The rest of that funding does cover that.*<sup>505</sup>

- The Panel notes that the funding does account for an Ofsted inspection to take place in 2020. It questioned whether it was the intention to hold these inspections on an annual basis:

**The Deputy of St. John:**

*Is it intended for there to be an Ofsted inspection on an annual basis?*

**Director General, Children, Young People, Education and Skills:**

*The answer is I do not know but I mean that in a positive sense because the way this has commenced is by near annual inspection although the interval between the first and the second is being nearer 15 or 16 months than a year. What is intended here is to make sure that there is sufficient resource for appropriate inspection activity to take place and there is, pending a discussion that the Care Commission, the department and some others, I suspect, are expecting to have around, what does the model of inspection need to look like going forwards to best drive improvement?*<sup>506</sup>

- It also questioned whether the best way forward for inspecting services would be through smaller, regular inspections as opposed to full-scale inspections. It was explained that it was intended for them to be undertaken both at the right time and in the right areas they are seen as supportive.<sup>507</sup>
- The Panel noted in the accompanying business case in R.91/2019, reference is made to 'fitness of manager'. The Panel questioned exactly what this meant and received the following information:

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<sup>505</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.17](#)

<sup>506</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.18](#)

<sup>507</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.20](#)

**Director General, Children, Young People, Education and Skills:**

*No, so I will give you perhaps an example. We are going through a process of all of our children's, as well as adults, residential provision being regulated. I need to be designated as fit to have oversight of those children's facilities. So fitness in that respect means I have got a clean D.B.S. (Disclosure and Barring Service). I have got references that are positive. I have not got interruptions in my career that you cannot account for. That is what "fitness to manage" means in this context.<sup>508</sup>*

- Considering the ongoing work required to identify the best inspection process for the Island, the Panel would rate this project as 'amber' until such time as that work is completed.

**FINDING 7.5**



Whilst there is clarity over the apportionment of funding to meet the requirements of registration with the Care Commission, an ongoing inspection process has yet to be identified. The Panel therefore cannot provide assurance over the allocation of funding at this time

1.6 Safeguarding Partnership board (SPB)			
CSP 1.1.01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ 'Right Help, Right Time' integrated prevention and early intervention service</li> <li>➤ Progress policy and legislative change to underpin long-term reform, including:</li> </ul>	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

**Summary Report**

The Department for Strategic Policy, Planning and Performance (SPPP) has requested the following funds in respect of the Safeguarding Partnership Board (SPB).

Additional Investment Required (£000)

2020	2021	2022	2023
180	180	180	180

**Business case summary**

- A 2018 independent review has identified areas for development within the Safeguarding Partnership Board (SPB). The funding is to bring forward and entrench the responsibilities of the SPB and increase training and public awareness.

<sup>508</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.21](#)



## Panel Analysis

- The Panel received a submission from the Safeguarding Partnership Board (SPB) as to the scope of what would be introduced as a result of this additional funding. The Panel were informed that the funding related to a project which sought to implement the findings and recommendations arising from an independent review of the SPB in 2018.<sup>509</sup> It was explained that there were five main areas associated with the project which are as follows:

- Developing a culture of learning including enhanced access to training
- Advice and guidance
- Raising the profile and awareness of safeguarding
- Developing potential Pan Island Safeguarding Partnership arrangements
- Strengthening assurance and accountability<sup>510</sup>


- It was confirmed by the Minister for Children and Housing in response to a Panel question that the funding would be utilised for the purposes as set out by the SPB:

*The monies provided via the Government Plan (£180k per year 2020 – 2023) will enable the Safeguarding Partnership Boards (SPB) to: deliver an enhanced training and advice service; increase public awareness of safeguarding issues and strengthen assurance and accountability in accordance with the 2018 independent review of the Board (as published on gov.je).<sup>511</sup>*

- The Panel also questioned the Minister for Children and Housing on the proposed timeline to bring forward the legislation to underpin the work of the SPB:

*This is scheduled for Phase 2 of the Children’s Legislation Transformation Programme. It is therefore anticipated that work on scoping the legislation will start in late 2020, with proposed legislation being brought forward in 2021.<sup>512</sup>*

- The Panel understands the requirement for the funding and is satisfied with the evidence it has received in support. It will therefore be supporting it.

1.7 Sexual Assault Referral Centre (SARC)			
CSP 1.1.01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ ‘Right Help, Right Time’ integrated prevention and early intervention service</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through</li> </ul>	We will work in partnership with Parishes, churches faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing  Minister for Home Affairs	

<sup>509</sup> [Submission – Safeguarding Partnership Board](#)

<sup>510</sup> [Submission – Safeguarding Partnership Board](#)

<sup>511</sup> [Written questions – Minister for Children and Housing](#)

<sup>512</sup> [Written questions – Minister for Children and Housing](#)

additional posts dedicated to responding to those affected by domestic abuse			
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### Summary Report

The Department for Justice and Home Affairs (JHA) has requested the following funds in respect of the Sexual Assault Referral Centre (SARC):

#### Additional Investment Required (£000)

2020	2021	2022	2023
267	355	355	355

### Business case summary

- The funding is to enable development of the SARC into a Child's House Model within Dewberry House. This will provide medical investigative and emotional support in one place, early support after the trauma of abuse, an increase in the length of time support is provided and the ability to gather more effective evidence to progress investigations and court cases.

### Panel Analysis

- The Panel explored the proposed timescale for bringing forward the Child's House Model:

**Director General, Children, Young People, Education and Skills:**

*I think I would probably have to come back to you about that, but it is definitely contingent upon the Government Plan approving this particular investment. I am sorry I do not know the specific answer today, but I would say, in general terms, it will be from the beginning of 2020 because this is about investment that delivers additionality.<sup>513</sup>*

- It is noted that this particular investment is beholden to the approval of the Government Plan. The Panel asked why the funding increased between 2020 and 2021 and it was confirmed that this would be in response to the scaling up of the project and its delivery, after which it would plateau.<sup>514</sup>
- The Panel questioned whether children and young people would be involved in the design of the rooms within the house, in order to give a homely feel to the surroundings. It was confirmed that every step was taken to achieve this, notwithstanding the requirement that some rooms needed to meet forensic standards to assist in police investigations.<sup>515</sup> The Minister for Children and Housing explained that relocation from the current site was a matter for consideration when seeking to integrate several services in to one space.<sup>516</sup>

<sup>513</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.21](#)

<sup>514</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.21](#)

<sup>515</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.22](#)

<sup>516</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.23](#)

- The Panel fully supports the need for this ‘Child House’ model, however, given the uncertainty over the timescale and siting of the house it has given it an ‘amber’ rating at this stage.



**FINDING 7.6**

The Panel supports the development of the proposed ‘Child House’ model, however, there is uncertainty over the timescale and siting of any future delivery space for the model.

1.8 Domestic Abuse Strategy			
CSP 1.1.01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ ‘Right Help, Right Time’ integrated prevention and early intervention service</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> <li>➤ Progress policy and legislative change to underpin long-term reform, including:</li> </ul>	<p>We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders</p>	<p>Minister for Home Affairs</p>	

**Summary Report**

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Domestic Abuse Strategy.

Additional Investment Required (£000)

2020	2021	2022	2023
189	239	250	261

**Business case summary**

- There is a high incidence of domestic abuse in Jersey, which impacts upon children of those families. An increase in the Independent Domestic Violence Advisers posts is proposed across different services such as the emergency department, the youth service and the multi-agency safeguarding hub to ensure quick contact and support for victims of abuse.

**Panel Analysis**

- The Panel established that the purpose of this funding is to expand the number of Independent Domestic Violence Advisors (IDVA's) from two to four which will be full time equivalent posts.<sup>517</sup> It was also explained that the implementation of the posts would be staggered.<sup>518</sup>
- The Panel questioned whether the four posts would be entirely dedicated to dealing with domestic abuse in the Island and noted the roles were spread throughout the Government:

***Acting Deputy Chief Officer, States of Jersey Police:***

*As is absolutely the plan there, they are to support those in crisis and help bring forward victims of domestic abuse, to help with a whole host of opportunities, be it safeguarding through to prosecution and they are spread across the Government of Jersey departments in that sense.<sup>519</sup>*

- Furthermore, the Acting Deputy Chief Officer confirmed the outcomes that would be expected as a result of the increase in the number of roles:

***Acting Deputy Chief Officer, States of Jersey Police:***

*Yes, so this is a crime area that we feel pretty strongly is underreported in Jersey and the opportunity of deploying and introducing I.D.V.A.s (Independent Domestic Violence Advisors) to work alongside those people who are suffering in that sense can only help increase the opportunity to report and therefore likelihood of getting a conviction. It is very much in that support role space. I am not frightened of this, there may be an increase in the reporting of domestic violence as a result.<sup>520</sup>*

- It is noted that an increase in the reporting of instances of domestic violence could be seen as a measure of success for the project. The Panel also questioned whether any legislation was intended to be brought forward in order to deal with the issues of domestic violence. The Minister for Home Affairs confirmed that this work would be commenced as part of the 'policy pipeline', however, there were other competing priorities that would need to be balanced amongst this work.<sup>521</sup> The Panel notes that this work forms part of commencement phase three of the Children's Legislative Transformation Programme.<sup>522</sup>
- The Panel is satisfied with the proposed additional roles and also notes further legislative development is in train around domestic violence. It will therefore be supporting this project.

## Children's Change Programme (9 Projects)

It is noted that the projects contained within this section are all currently taking place, however, they have been funded from contingency over the previous Medium-Term Financial Plan

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<sup>517</sup> [Public hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 p.37](#)

<sup>518</sup> [Public hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 p.38](#)


<sup>519</sup> [Public hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 p.38](#)

<sup>520</sup> [Public hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 p.40](#)

<sup>521</sup> [Public hearing – Minister for Home Affairs re Government Plan – 27<sup>th</sup> September 2019 p.40](#)

<sup>522</sup> [Children's Legislative Transformation Programme p.6](#)

(MTFP). The requests are therefore designed to make these posts and projects permanent across the Government Plan cycle.

2.1 Increase capacity family/children's section (contingency) Non-Ministerial			
CSP 1.1.02			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

### Summary Report

Non-Ministerial Departments (Law Officers' Department and Legislative Drafting Office) have requested the following funds in respect of increase capacity family/children's section.

Additional Investment Required (£000)

2020	2021	2022	2023
335	338	342	345

### Business case summary

- The funding is to increase capacity in posts in the Family / Children's Services function within the Law Officers' Department and Legislative Drafting Office.

### Panel Analysis

- The Panel noted that the business case contained within R.91/2019 appeared to be incomplete and offered very little information as to what exactly was being requested. This was acknowledged by the Minister for Children and Housing at a public hearing and the Group Director for Policy confirmed the exact need for this funding:

**Group Director, Policy, Strategic Policy, Performance and Planning:**

*The costs for policy and legislation development associated with all this are in 3 places in here; in 2.1, 2.4 and 3.6. In 2.1, the one that you are asking about, that refers to additional capacity and continuation of additional capacity that has already gone into the Law Officers' Department and the Law Drafters' Office to ensure that the legislation can be delivered but also my understanding is some additional law officer capacity for casework.<sup>523</sup>*

- The Panel also received further information during factual accuracy checking from the Law Officers' Department (LOD) which explained the funding related to additional

<sup>523</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.23](#)

posts within the Safeguarding Team and Advice Team. It was explained that the increase in the Safeguarding Team would achieve the following outcomes:

*The funding is required to continue to provide high quality legal advice to the Children’s Service on a range of challenging and time sensitive issues including emergency protection orders, care orders, secure accommodation orders and adoption orders. The funding has meant that more of the court hearings are dealt with in house, which is of benefit to the Children’s Service. The posts will enable the Safeguarding Team to provide timely advice and support to the Children’s Service during its Improvement Programme and beyond. This includes contribution to the Children’s Service Strategic and Operational Improvement Boards and delivery of training to social workers in relation to the legal powers and duties they perform in the name of the Minister for Children & Housing. The outcome of this work will help improve the delivery of services to vulnerable children and their families. The funding also enables a Legal Adviser to sit on the Children’s Legislation Transformation Board to provide practitioner input into the development of new social policy and legislation in relation to children.<sup>524</sup>*

- It was also explained that the funding to support the Advice Team would assist the increased workload arising from the Children’s Legislative Transformation Programme.
- Whilst it understands the need for the posts (to meet the significant increase in legislative development and advice on safeguarding matters), it would raise its disappointment with the way the business case has been presented. For that reason, it has rated the project as ‘amber’ until it has seen ongoing evidence of the positive impact the additional posts have had on the work of the service.

**FINDING 7.7**



There has been investment in the Safeguarding Team and Advice Team within the Law Officers’ Department to increase the support to Children’s Services when dealing with a variety of legal issues. Further evidence of the effectiveness of these additional posts would ensure confidence in the decision-making process.

2.2 Baby Steps			
CSP 1.1.02			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ ‘Right Help, Right Time’ integrated prevention and early intervention service		Minister for Children and Housing	

**Summary Report**

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Baby Steps.

<sup>524</sup> Email – Law Officers’ Department 30 October 2019

## Additional Investment Required (£000)

2020	2021	2022	2023
219	226	232	239

## Business case summary

- This is to fund a Perinatal parent education programme which was run for a 4-year period by NSPCC as a targeted programme and is now offered universally by FNHC. Other antenatal programmes previously in place have stopped.

## Panel Analysis

- The Panel received a significant submission from Family Nursing and Home Care (FNHC) which set out the background of the programme, its governance arrangements, details of the programme, pathways and data relevant to the programme.<sup>525</sup> The Panel would like to express its thanks to FNHC for providing such an in-depth insight in to the work of the programme.
- The Panel questioned why other antenatal programmes had ceased as a result of the Baby Steps programme. The Minister for Children and Housing confirmed the reason in writing:

*The extension of the Baby Steps programme as a universal offer for all expectant parents meets the need that was previously met by the three-session antenatal run by the Community Midwifery Service.*<sup>526</sup>

- It was also noted that due to the evidence-based nature of the programme (which had been developed in collaboration with the NSPCC) it provided significant advantages over the existing programmes that it eventually replaced.<sup>527</sup> The programme is now available to all expecting parents and is introduced by the Midwives at the 12-week booking appointment and revisited at 16 – 18-week contact.<sup>528</sup>
- The Panel was interested to know the role that Midwives played in this programme and was given the following information:

*Two part-time midwives are seconded to Family Nursing and Home Care to support the delivery of the programme, working alongside Health Visitors and Baby Steps Facilitators. The content of the programme supports the work of Midwives in the preparation of expectant mothers and partners/support for birth.*<sup>529</sup>

- Furthermore, the programme is linked to other services provided by FNHC including the Community Health Visitor Service and also assists in early identification of

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<sup>525</sup> [Written Submission – FNHC](#)

<sup>526</sup> [Written questions – Minister for Children and Housing](#)


<sup>527</sup> [Written questions – Minister for Children and Housing](#)

<sup>528</sup> [Written questions – Minister for Children and Housing](#)

<sup>529</sup> [Written questions – Minister for Children and Housing](#)

expectant mothers who may benefit from a higher level of support, including through the Maternal Early Childhood Sustained Home Visiting Programme.<sup>530</sup>

- The Panel is fully supportive of the programme and is satisfied with the detailed evidence received in respect of it. It will therefore be supporting the project.

2.3 Jersey Youth Service Growth			
CSP 1.1.02			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ 'Right Help, Right Time' integrated prevention and early intervention service</li> </ul>	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Jersey Youth Service Growth.

Additional Investment Required (£000)

2020	2021	2022	2023
96	98	101	104

### Business case summary

- There are currently gaps in the service and the funding is to increase work with young carers, LGBTQ young people, early help and corporate parenting and to increase support to the Youth Enquiry Service (YES) projects providing information, advice and counselling.

### Panel Analysis

- The Panel questioned how the funding identified for these projects was different to that set out in project 2.6 (Maintenance of Care Inquiry funding Youth Service Cat 1) on page 12 of R.91/2019. It received the following clarification:


*2.6 is the current funds and delivery that is taking place and 2.3 is to increase funding for the LGBT and Young Carers posts from half-time to full-time, create a new post to support the Youth Service capacity to support the Early Help and preventative work it carries out with some of the Islands most vulnerable young people and engage them in relevant programmes and also to increase support*

<sup>530</sup> [Written questions – Minister for Children and Housing](#)



available from the Youth Enquiry Service and reduce any waiting times for counselling. Currently the Youth Service is a projects worker short as they have used the funds from this post on a temporary basis to back fill to support the LGBTQ and Young Carers work.<sup>531</sup>

- Further details were also given as to how the funding would be allocated between the posts identified.<sup>532</sup> The Panel is satisfied in the rationale and need for the additional funding for these posts and will therefore be supporting the bid.

2.4 Children's Change Programme			
CSP 1.1.02			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ 'Right Help, Right Time' integrated prevention and early intervention service</li> <li>➤ Bring forward primary legislation for indirect incorporation of the United Nations Convention on the Rights of the Child</li> </ul>	We will promote and protect Jersey's interests, profile and reputation internationally	Minister for Children and Housing	

### Summary Report

The Department for Strategic Policy, Planning and Performance (SPPP) has requested the following funds in respect of the Children's Change Programme.

#### Additional Investment Required (£000)

2020	2021	2022	2023
191	196	204	209

### Business case summary

- The funding is to continue the officer capacity to implement the changes detailed in the Independent Jersey Care Enquiry to support the Minister in strategic planning and indirect incorporation of the UN Convention of the Rights of the Child.

<sup>531</sup> [Written questions – Minister for Children and Housing](#)

<sup>532</sup> [Written questions – Minister for Children and Housing](#)

Panel Analysis

- The Panel questioned how many posts would be maintained as a result of this funding and what the focus would be for the roles. It received the following information in response:

*The sum referred to in 2.4 Children’s Change Programme concerns continuation funding for two posts that were initially created in 2016 in response to the IJCI report. These two posts form the core of the Children’s Policy Team. Over the Government Plan period, tasks will include – as stated in R.91/2019 – strategic planning of the children’s policy agenda, taking forward incorporation of the UN Convention on the Rights of the Child, and progressing the children’s agenda – this latter task including ongoing policy support to the Minister for Children.<sup>533</sup>*

- The Panel is aware that there is a significant amount of policy and legislative development required and programmed over the course of the Government Plan. This is vital to ensuring the issues of the past are firmly resolved. The Panel notes that there is additional funding within project 3.6 (p.16 R.91/2019) in order to help deliver this programme.<sup>534</sup> At this stage, however, the Panel cannot say with any certainty that the funding identified is sufficient. It has therefore marked the project as ‘amber’.

**FINDING 7.8**



There is significant funding being applied for policy and service development within the Children’s Change Programme, however, due to the considerable volume of work required the Panel cannot comment on whether this funding is appropriate at this stage.

2.5 Family Support Workers			
CSP 1.1.02			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children’s Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ ‘Right Help, Right Time’ integrated prevention and early intervention service</li> </ul>	We will work in partnership with Parishes, churches faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

**Summary Report**

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Family Support Workers.

<sup>533</sup> [Written questions – Minister for Children and Housing](#)

<sup>534</sup> [Written questions – Minister for Children and Housing](#)

## Additional Investment Required (£000)

2020	2021	2022	2023
175	180	185	191

## Business case summary

- To support the creation of a pilot Family Support Work Team to implement the 'early help' approach using practitioners from different agencies working together in schools, early years' environments, Family Nursing and Home Care, Education Support Services, the Youth Service and in the voluntary and community sector.


## Panel Analysis

- The Panel questioned the number of roles that were created by this funding and were informed that it related to 6 roles (3 fulltime family support workers and 3 term time family support workers (2 at 30 hours and 1 at 37 hours)).<sup>535</sup> It also questioned what the anticipated caseload was for each of these roles and received the following information:

*(Family Support Worker's) tend to work with between 8-12 families at any one time, plus delivery of Triple P groups and Parent Consultation (Pop In) sessions at schools and early years settings. The team worked with 112 new families in the academic year 2018/19*

*During the same time period they were the lead worker for 58 children and young people (where a child/ family needs multi agency support a lead worker is identified to co-ordinate support, make sure the family don't have to repeat lots of information and have a clear plan in place).*<sup>536</sup>

- The Panel is satisfied with the need for the roles and current funding requirement, and will therefore be supporting the project.

2.6 Maintenance of Care Inquiry funding Youth Service Cat.1			
CSP 1.1.02			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ 'Right Help, Right Time' integrated prevention and early intervention service</li> </ul>	We will work in partnership with Parishes, churches faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

<sup>535</sup> [Written questions – Minister for Children and Housing](#)

<sup>536</sup> [Written questions – Minister for Children and Housing](#)

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Maintenance of Care Enquiry funding Youth Service Cat.1.

#### Additional Investment Required (£000)

2020	2021	2022	2023
189	194	200	206

### Business case summary


- To set up and support LGBTQ Youth Jersey, Young Carers project (Mytime), Missing young person and Child Sexual Exploitation (CSE) project, Youth Enquiry Service (YES) Counsellor. This is in accordance with a request to review services for today's children and young people where there are gaps in current services for vulnerable young people.

### Panel Analysis

- Noting the information provided to it for project 2.3 above (and accepting that the funding identified in this business case relates to roles currently funded through contingencies), the Panel requested a breakdown of the funding allocated to various projects listed in the business plan and received the following information:

<i>LGBT AYW</i>	<i>£25,000</i>
<i>Young Carer AYW</i>	<i>£25,000</i>
<i>YES Counsellor</i>	<i>£60,000</i>
<i>Projects/CIST SYW</i>	<i>£60,000</i>
<i>Total</i>	<i>£170,000<sup>537</sup></i>

- The Panel will be supporting the additional funding for the continuation of this important work.

2.7 Youth Enquiry Service (YES) and Projects Cat. 2			
CSP 1.1.02			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ 'Right Help, Right Time' integrated prevention and early intervention service</li> </ul>	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

<sup>537</sup> [Written questions – Minister for Children and Housing](#)

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Youth Enquiry Service (YES) and Projects Cat. 2.

#### Additional Investment Required (£000)

2020	2021	2022	2023
101	104	107	110

### Business case summary


- Funding is to provide additional staff for the Youth Enquiry Service (YES) and for the development of additional projects to deliver the universal plus/preventative work with children and young people – projects already delivered include sessions at schools on Consent, Equality and Diversity and Alcohol awareness and a diet and nutrition workshop.

### Panel Analysis

- The Panel reviewed the outline business case in R.91/2019 and is generally supportive of the proposed additional funding. It did, however, question how the funding would be allocated between the various posts proposed and received the following information:

#### *Original budget allocation not actual spend amounts*

YES AYW	£45,000
Projects/CIST AYW	£50,000
Total	£95,000 <sup>538</sup>

2.8 Nursery Special Needs			
CSP 1.1.02			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ 'Right Help, Right Time' integrated prevention and early intervention service</li> </ul>		Minister for Children and Housing	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Nursery Special Needs.

<sup>538</sup> [Written questions – Minister for Children and Housing](#)

## Additional Investment Required (£000)

2020	2021	2022	2023
60	62	64	66

## Business case summary

- To fund and develop an outreach service for schools and families with children with special needs to support inclusion in mainstream education, rather than Mont-a-l'Abbe or other specialist settings. To fund an Early Intervention Family Support for children age 0-5. This supports the 'early help' approach and ensures multi-agency support in school and community.

## Panel Analysis

- The Panel requested the job description for the role to better understand the range of actions that it would be undertaking. It is noted that this funding relates to 0.4 FTE which is split across two areas. An Outreach Service from Bel Royal School termed the 'Learning Inclusion Team' (LIT) which will be able to offer outreach in other schools and turning a term time Portage worker role in to a full-time role to assist children with the most complex needs.<sup>539</sup>
- The Panel questioned how the one 0.8FTE and one 0.4FTE would undertake the large range of actions identified in the business case. It was given the following information by the Minister for Children and Housing:

*Requests for outreach support can be made in respect of children and young people with complex learning needs who may be viewed as requiring support above ordinarily available support. This may include pupils with for example;*

- moderate or severe learning difficulties who are likely to have severe developmental delay, impaired ability to communicate and interact with the environment, and regressive conditions in some instances;*
- severe and long term sensory and/or physical difficulties who have restricted mobility which require an adapted educational environment and specialist equipment and where staff who support them require moving and handling training;*

*Requests for portage can be made from any agency for children age 0 – 5. Portage runs as an outreach service for parents and children at home for pre-statutory school children with additional needs. The Portage team also run regular 'Stay and Play' groups for pre-school children and their parents.<sup>540</sup>*

- The Panel also received a list of expected outcomes from the roles, which for the LIT included assistance with assessment and moderation of pupil's attainment levels/curriculum access and needs, advice on interventions and bespoke training to

<sup>539</sup> [Written questions – Minister for Children and Housing](#)

<sup>540</sup> [Written questions – Minister for Children and Housing](#)

address particular needs.<sup>541</sup> Outcomes for the Portage worker post included delivery of portage home visiting service, supporting planning for change and transitions and liaison with other early year's professionals.<sup>542</sup> The Panel was also provided with figures to evidence the increased need for the service over the past 3 years:

	2016	2017	2018
Referrals	85	107	126
Children Supported	96	152	172
Hours delivered	950	1342	1566 <sup>543</sup>

- The Panel also received the following information in respect of the estimated need for the services (and number of referrals) and also the number of hours of support offered from these roles:

*There were 10 Request for Involvements of the LIT service from mainstream schools. These cases require continued regular involvement over the year.*

*There were 53 new referrals for Portage last academic year. This was in addition to the existing caseload from the previous year.*

*Portage delivered 650 hours of home visits and 120 hours of stay and play groups throughout the year.*

*The LIT provides hours relevant to the specific need. In some cases, this is monthly visits.<sup>544</sup>*

- The Panel notes the need for the service, however, the increasing numbers accessing the schemes highlights potential concern over how they are resourced. Should this continue to increase at the rate highlighted above the Panel would raise concern that additional funding will be required. For that reason, the Panel has rated this project as 'amber' at this stage.



#### **FINDING 7.9**

The evidence received points to a yearly increase in the need for the service. The Panel is concerned that the proposed funding level may not be sufficient in future years to keep pace with the need for the service.



#### **RECOMMENDATION 7.1**


The Minister for Children and Housing should review the number of clients accessing the Nursery Special Needs Service on a quarterly basis in order to identify whether the proposed part-time posts are sufficient to meet the actual need.

<sup>541</sup> [Written questions – Minister for Children and Housing](#)

<sup>542</sup> [Written questions – Minister for Children and Housing](#)

<sup>543</sup> [Written questions – Minister for Children and Housing](#)

<sup>544</sup> [Written questions – Minister for Children and Housing](#)

2.9 Increase Resource in Public Protection Unit			
CSP 1.1.02			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ 'Right Help, Right Time' integrated prevention and early intervention service</li> <li>➤ Bring forward primary legislation for indirect incorporation of the United Nations Convention on the Rights of the Child</li> </ul>	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of an Increase Resource in Public Protection Unit.

#### Additional Investment Required (£000)

2020	2021	2022	2023
124	127	131	135

### Business case summary


- The funding is to continue to employ 2 Detectives already in post within the Police Public Protection Unit to respond to child abuse investigations and management of offenders.

### Panel Analysis

- The Panel has reviewed the business case in R.91/2019 and supporting documentation received and is supportive of the proposals.



## Independent Jersey Care Inquiry P108 (12 Projects)

3.1 Parent/ Infant/ Psychotherapy Service			
CSP 1.1.03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> <li>➤ Enhance the availability of advocacy support to key groups</li> </ul>	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

### Summary Report

The Department for Health and Community Services (HCS) has requested the following funds in respect of the Parent/ Infant/ Psychotherapy Service.

#### Additional Investment Required (£000)

2020	2021	2022	2023
70	70	71	104

### Business case summary

- To continue with the specialist Parent / Infant Psychotherapy Service for vulnerable infants/young children and their parents/carers to contribute towards reducing the number of children entering the child protection system and prevent trans-generational breakdown of family relationships and the long-term effects of poor early emotional, social and cognitive development.

### Panel Analysis


- The Panel notes that the current service is being piloted and the funding comprises a highly specialised psychotherapist who is able to offer therapeutic work to support the relationships of infants with their parents or carers.<sup>545</sup>

<sup>545</sup> [Written questions – Minister for Children and Housing](#)

- The Panel questioned how this service was targeted and need identified amongst children and their families. It received the following information in response:

*Approximately 1000 babies are born in Jersey each year and we anticipate that the post holder will be working with those children whose families are presenting with the highest level of need. It is well evidenced that mothers with young children are vulnerable to developing a range of mental health difficulties such as post-natal depression or post-traumatic stress disorder and this impacts upon the parent’s ability to develop their relationship with their child.<sup>546</sup>*

- It was further explained that the post holder works in collaboration with health visitors and the Bridge to ensure parents who are most at need can access the service.<sup>547</sup> It was also confirmed that the post holder has capacity to work with 20 families at a time.<sup>548</sup> The Panel is supportive of the project.

3.2 Sustainable Workforce: Accredited training (Children’s Social Work)			
CSP 1.1.03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children’s Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> <li>➤ Enhance the availability of advocacy support to key groups</li> </ul>	<p>We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders</p>	<p>Minister for Children and Housing</p>	

**Summary Report**

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Sustainable Workforce: Accredited training (Children’s Social Work).

Additional Investment Required (£000)

2020	2021	2022	2023
30	31	32	33

<sup>546</sup> [Written questions – Minister for Children and Housing](#)

<sup>547</sup> [Written questions – Minister for Children and Housing](#)

<sup>548</sup> [Written questions – Minister for Children and Housing](#)

### Business case summary

- To support post graduate accredited professional training in systemic practice to sustain improved recruitment and retention.

### Panel Analysis

- The Panel questioned the Minister for Children and Housing about the details of the accredited training that staff would be undertaking and received the following information from the Director General for CYPES:

**Director General, Children, Young People, Education and Skills:**

*As you can see it is a rather modest sum, so up to the early part of this year we had made a commitment to invest in systemic training for social workers. What this figure represents is, broadly speaking, the cost of that initial investment in systemic training, which we wanted to sustain through the duration of the plan either to roll out further opportunities for social workers to go on that programme and/or other relevant accredited training relating to the practice model of social work that we are developing. So, it is a relatively ... sorry, I am just about to say something that might sound patronising. I do not mean that all. It is a relatively modest sum designed to reflect the fact that we started something. We might want to continue it, but we also might want to evolve it. But it is basically about giving social workers access and particularly access to learning with social workers from other jurisdictions on training that can be accredited and supports our practice model.<sup>549</sup>*

- Delivery of this training will be through the Tavistock Centre in London and it was also confirmed that at the end of the training, staff would receive an Institute of Learning and Management equivalent qualification in systemic practice.<sup>550</sup>
- The Panel questioned whether this training linked to the on-island systemic practice course offered by Jersey Association for Family Therapy. It was confirmed that this training was designed to be complementary rather than competitive and was intended to begin dealing with previously poor investment in social work training.<sup>551</sup>
- It was noted by the Panel that the amount of funding required is relatively small for tackling a previous lack of investment. The Director General, however, confirmed that work was ongoing to create further learning development opportunities for social workers:

**Director General, Children, Young People, Education and Skills:**

*No, and it is a small part of what we need to build up. I am less concerned about the money although the money will be very welcome. I am more concerned that one of the jobs I need to do is make sure that there is a good learning and development offer for social workers and other allied professionals like family support workers because that has been part of our retention problem here. So even when we landed good staff sometimes we do not hold on to them*

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<sup>549</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.25](#)

<sup>550</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.25](#)

<sup>551</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.26](#)

*because there is not a framework of learning and development that they can see. That is slowly coming into place. This would be an element of it.*<sup>552</sup>

- The Panel recognises the need for significant investment in training and development opportunities for social workers, however, it also notes that this particular project is one small part of that development. It is therefore supportive of this project and will continue to monitor the development of other opportunities.

3.3 Sustainable Workforce: HR professional with admin support (Children's Social Work)			
CSP 1.1.03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> <li>➤ Enhance the availability of advocacy support to key groups</li> </ul>	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Sustainable Workforce: HR professional with admin support (Children's Social Work).

#### Additional Investment Required (£000)

2020	2021	2022	2023
77	79	81	84

### Business case summary

- In response to the recommendation of the Care Inquiry this is to retain a dedicated HR Officer who is in post and had a positive impact on the service.

<sup>552</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.27](#)

## Panel Analysis

- The Panel reviewed the business case in R.91/2019 and sought further clarity over the details of the post and role described. It was explained that this related to the costs of a dedicated HR officer within Children’s Services focussing on the on-boarding and recruitment of social workers.<sup>553</sup> It was also noted that the role sat within People Services and was line managed through the central HR team yet was stationed within the same building as Children’s Services.<sup>554</sup>
- The Panel questioned whether it was likely for the role to be drawn in to other areas of the HR function across the States. The Director General for CYPES confirmed that the role formed part of a ‘hub and spoke’ approach to HR management:

**Director General, Children, Young People, Education and Skills:**

*I guess the language at this end of the table is hub and spoke, so this role is spoked out to the service but the professional supervision, because this person is a qualified people service professional, will be through a line manager who is from People Services, which is the H.R. business partner to the department. So, there is good connection, so while the professional locus for People Services is corporate, sits at the centre, the people who do the work then get spoked out to the departments.<sup>555</sup>*

- The Panel raised concern over the term ‘robust management’ within the business plan. It was felt that given the historic issues raised in the HR lounge bullying and harassment report this could give the wrong impression to staff about how they would personally be dealt with. The Director General explained the reasoning for the use of the term:

**Director General, Children, Young People, Education and Skills:**

*We need to make sure that, because there have been historically, and sometimes still contemporaneously, issues about the way people arrive and the way that they are expected to be onboarded and therefore behave and operate, we have not been consistent sometimes in managing those issues. Quite literally we have not been consistent, so sometimes complaints and occasionally grievances will arise because of that differential treatment. This is about, again, it is the language I guess that you are picking up here, but this is about being consistent. I think “robust” for me in this sense just means being clear and firm and following policy.<sup>556</sup>*

- The Panel notes that need for this role in order to deal with historic issues. It does, however, hold concerns about the level of funding compared to that of frontline services and agrees it should be monitored to ensure the outcomes are being met. For that reason, it has rated the project as ‘amber’ at this stage.

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<sup>553</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.27](#)

<sup>554</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.28](#)

<sup>555</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.28](#)

<sup>556</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.29](#)

**FINDING 7.10**

The Panel notes the need for the dedicated HR professional post in Children's Services, however, it requires further information about the outcomes being achieved through this funding prior to making any further comments.

3.4 Sustainable Workforce: Multi-Agency Specialist Safeguarding Training			
CSP 1.1.03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> <li>➤ Enhance the availability of advocacy support to key groups</li> </ul>	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

**Summary Report**

The Department for Strategic Policy, Planning and Performance (SPPP) has requested the following funds in respect of Sustainable Workforce: Multi-agency specialist safeguarding training.

## Additional Investment Required (£000)

2020	2021	2022	2023
77	79	81	84

**Business case summary**

- A continuation of investment released from contingency funds for years 2017-2019 via P108/2018 to enable ongoing increased levels of training across the children's workforce. Funding will enable the Safeguarding Partnership Board (SPB) to increase capacity to deliver more foundation training and increased specialist training on child sexual abuse, working together, new sexual offences legislation and the voice of the child.

Panel Analysis

- The Panel questioned whether the funding proposed within this business case was the same as outlined in project 1.6 (p.9 R.91/2019). It was explained that the funding set out in 1.6 related solely to the policy and legislative development for safeguarding (and the SPB), whereas this particular funding related to the costs associated with staff training to help enhance safeguarding and knowledge in safeguarding.<sup>557</sup>
- The Panel also questioned exactly what training would be offered as a result of this training and received the following response:

*The training will and should vary according to need for example there may be a need to improve competence and capability of staff in assessing neglect or presenting evidence to court in court proceedings. The training provided will change over time. It will also be tiered in approach i.e. awareness raising, training from managers, supervision, skills-based training for practitioners.*<sup>558</sup>

- It is clear that the training will be required to fit the needs of staff and this will inevitably come in a broad range of matters. For that reason, the Panel cannot give assurance over the amount of funding that has been allocated as the training needs may increase or decrease and in turn impact the funding requirement. It has therefore rated the project as ‘amber’ at this stage.

**FINDING 7.11**



It is expected for the training offered by the Safeguarding Partnership Board to vary depending on the needs of staff. The Panel cannot, therefore, comment on the funding levels as need for training may increase or decrease and impact the funding requirement.

3.5 Sustainable Workforce: On-Island Social Work Training			
CSP 1.1.03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children’s Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> </ul>	<p>We will work in partnership with Parishes, churches faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders</p>	<p>Minister for Children and Housing</p>	

<sup>557</sup> [Written questions – Minister for Children and Housing.](#)

<sup>558</sup> [Written questions – Minister for Children and Housing.](#)

➤ Enhance the availability of advocacy support to key groups			
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### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Sustainable Workforce: On-Island social work training.

#### Additional Investment Required (£000)

2020	2021	2022	2023
276	221	144	144

### Business case summary

- Funding to deliver a degree course in Jersey in partnership with the University of Sussex. In the longer term it is anticipated the course will fund itself but for first few years there is payment to Sussex University to support the course.

### Panel Analysis

- The Panel examined the business case in R.91/2019 and noted the need and arrangements for the on-island social work training. It is pleased that this has now started as of September 2019 with a current intake of 15 students from across the Channel Islands.<sup>559</sup> The Panel also noted the drop in funding over the four years of the Government Plan, which was explained by the Minister for Children and Housing during a public hearing:

**Deputy K.G. Pamplin:**

*This is fairly straightforward, but could you just outline and explain the reason for the drop of funding over the 4 years? I believe it is because of the funding at the beginning of the course, but I will let you elaborate.*

**The Minister for Children and Housing:**

*That is right. The degree is essentially a franchise of the University of Sussex and that is a good thing because they are highly regarded in this area, so we are pleased with that. It has only just started its first formal year of teaching, the first tranche to go through that; therefore, we are having to receive direct support from the University of Sussex in that beginning time. People within the organisation have not delivered it here before and it is just a matter of fact that over time that experience and that ability to deliver things will just become an ordinary part of what we do. We will not need to co-opt as much from the University of Sussex directly for that. So, this is not about reducing capacity.<sup>560</sup>*

<sup>559</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.31](#)

<sup>560</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.30](#)



- The Panel is also pleased to note that students accessing this course are eligible for the full grant under the student finance scheme, on account of the course being listed on the critical skills list within Social Security.<sup>561</sup> The Panel questioned whether mature students wishing to access the course who were on income support would have their benefits protected:

**Deputy R.J. Ward:**

*Because this is a priority course and you may attract more mature students who may already have families, will their income support be protected, and they will be seen as working the 35 hours while they are on that course?*

**Director General, Children, Young People, Education and Skills:**

*The present rules are the present rules around eligibility and I think the issue here is, because it is a priority skills course, then you are entitled to 100 per cent fee support. That is one of the crucial elements about the present system. There are, as we know, disregards relating to Social Security, but the expectation anyway is that those are unlikely to kick in because it is a full-time course, so people are unlikely to find themselves in a form of employment that then starts to compromise their maintenance versus their income.<sup>562</sup>*

- The Panel supports the need for this course and the associated funding.

3.6 Legislation: Children's Policy and Legislative Programme			
CSP 1.1.03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> </ul>	<p>We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders</p>	<p>Minister for Children and Housing</p>	

### Summary Report

The Department for Strategic Policy, Planning and Performance (SPPP) has requested the following funds in respect of Legislation: Children's policy and legislative programme.

<sup>561</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.30](#)

<sup>562</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.32](#)

## Additional Investment Required (£000)

2020	2021	2022	2023
404	417	429	442

## Business case summary

- In accordance with the Independent Jersey Care Inquiry recommendation a Children's Legislation Framework Programme has been approved to be delivered in three waves. In 2020 this will include legislation to address "Children in Need", Care Leavers, corporate parenting, corporal punishment, family law, education law reform and young people not in education, employment or training Phase 1 and commencement of Phase 2 on regulation and inspection of further children's services, special guardianship and legislation for the safeguarding partnership board.

## Panel Analysis

- Upon reviewing the business case within R.91/2019 for this project, the Panel raised concern that this appeared to be a double up of funding with projects identified in 2.1 (p.10 R.91/2019) and 2.4 (p.11 R.91/2019). The distinction between the projects was clarified by the Group Director for Policy during a public hearing:

**Group Director, Policy, Strategic Policy, Performance and Planning:**

*As I said, the funding in 2.1, 2.4 and here in 3.6, 2.1 was to do with the legal side, so stick with 2.4 and 3.6 is the policy resource to do the policy development. The funding that we were discussing right at the beginning is all to do with the implementation of the policy, so that is the distinction.*<sup>563</sup>

- The Panel noted that a programme board had been established to oversee the implementation of this work. It questioned how this board operated and how it was held accountable. The Group Director provided the following information during the public hearing:

**Group Director, Policy, Strategic Policy, Performance and Planning:**

*So, this is the Children's Legislation Transformation Programme Board is just co-ordinating the officials on this, so I act as the Chair for it and the key for it in terms of very early stage policy development is to make sure that we are getting operational voices in and overseeing the co-ordination across what is quite a complex programme of work. So, it is meant to be a co-ordination mechanism internally.*

**Deputy K.G. Pamplin:**

*How is the board accountable?*

**Group Director, Policy, Strategic Policy, Performance and Planning:**

*We are directly accountable to the Minister and to the Children's Strategic Partnership Board as well. It is a co-ordination role, so then each piece of policy*

<sup>563</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.32](#)

*development still has to go through the processes that you would expect. So, papers will come to the Minister, then to Council of Ministers, and so on.*<sup>564</sup>

- The Panel has recently published a report examining the implementation of recommendations five to eight of the Independent Jersey Care Inquiry (IJCI) in which it examines the Children’s Legislative Transformation Programme.<sup>565</sup> It will continue to hold the Minister to account for delivery of the programme and given the fact that the programme is at the early stages of development it has rated the project as ‘amber’.

#### FINDING 7.12



The Children’s Legislative Transformation Programme is intended to be implemented over three phases, the first of which has started in 2019. Given the length of time required, and breadth of legislation required, the Panel cannot give assurance over the level of funding applied to it at this stage.

3.7 The “Jersey Way”			
CSP 1.1.03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> <li>➤ Enhance the availability of advocacy support to key groups</li> </ul>		Minister for Children and Housing	

#### Summary Report

The Department for Strategic Policy, Planning and Performance (SPPP) has requested the following funds in respect of The Jersey Way.

#### Additional Investment Required (£000)

2020	2021	2022	2023
208	214	220	227

<sup>564</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.34](#)


<sup>565</sup> [S.R.12/2019 Response to the Care Inquiry: Update Report November 2019](#)

### Business case summary

- Projects to include public engagement, openness, transparency, checks and balances, accountability and confidence in Government, administrative redress and administration of the justice system and further policy progress to support this.

### Panel Analysis

- As stated in the previous section of this report, the Panel has conducted an in-depth review of the implementation of recommendations five to eight of the IJCI. The 'Jersey Way' related to recommendation seven of the inquiry report and the response has been examined by the Panel in this report. Given the crossover with this particular funding request, the Panel would draw attention to its report for analysis of the rationale for this funding.<sup>566</sup>

3.8 Children's Voice: Develop a Looked After Children's Advocacy Worker (Children's Services)			
CSP 1.1.03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> <li>➤ Enhance the availability of advocacy support to key groups</li> </ul>	We will promote and protect Jersey's interests, profile and reputation internationally	Minister for Children and Housing	

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Children's Voice: Develop a Looked After Children's Advocacy Worker (Children's Services).

#### Additional Investment Required (£000)

2020	2021	2022	2023
60	62	64	66

<sup>566</sup> [S.R.12/2019 Response to the Care Inquiry: Update Report November 2019](#)

Business case summary

- Funding for a Looked After Children Advocacy Worker post to address the failure to value children in care, mitigate negative effects of small island culture and its challenges.

Panel Analysis

- The Panel requested a job description relating to this role and was given the following information about the funding:

*This is the continuation of the previous resources allocated through contingency funding subsequent to the publication of the Independent Jersey Care Inquiry in July 2017. The funding was originally identified and used to purchase participation and advocacy support from a third sector organisation. It is proposed that this money is now used towards funding the new Jersey Cares organisation.<sup>567</sup>*

- The Panel notes that the funding will now be used to fund Jersey Cares, a new advocacy support organisation for looked after children and care leavers.<sup>568</sup> The Panel also questioned whether this particular role crossed over with the work of the Children’s Rights Officer, however, given the funding is now being utilised for Jersey Cares there is a distinction between the work they would both be undertaking.<sup>569</sup>
- The Panel supports the introduction of this role but requires further details on the tasks it will undertake at this stage. It has therefore rated the project as ‘amber’.

**FINDING 7.13**



The Panel supports the work of Jersey Cares and any work that helps strengthen advocacy support for Looked After Children and Care Leavers, however, further details are required as to how this funding will be applied by Jersey Cares.



**RECOMMENDATION 7.2**

The Minister for Children and Housing should provide further details to the Care of Children in Jersey Review Panel about the intended use of the funding for the advocacy worker by Jersey Cares. This should be provided by end of Q4 2020.

3.9 Children’s Voice: Develop a new Children’s Rights service plus MOMO App (Mind of Mine Own)			
CSP 1.1.03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Continue to implement the Children’s Services Improvement Plan by building a more stable and high-performing workforce	We will nurture a diverse and inclusive society	Minister for Children and Housing	

<sup>567</sup> [Written questions – Minister for Children and Housing.](#)

<sup>568</sup> [Written questions – Minister for Children and Housing.](#)

<sup>569</sup> [Written questions – Minister for Children and Housing.](#)

<ul style="list-style-type: none"> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> <li>➤ Enhance the availability of advocacy support to key groups</li> </ul>			
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### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Children’s Voice: Develop a new Children’s Rights service plus MOMO App (Mind of Mine Own).

#### Additional Investment Required (£000)

2020	2021	2022	2023
208	214	220	227

### Business case summary

- To employ a Children’s Rights Officer and two Assistants to work with Looked After Children to ensure their rights are protected and facilitate complaints and comments and a small amount for a digital app for MOMO (Mind of My Own) to enable children to message staff.

### Panel Analysis

- The Panel initially questioned how this work links to the funding request in 1.2 (p.8 R.91/2019). It was explained that:

*The offer for children in care links to this section as the Children’s Rights Officer will be able to assist children and young people to ensure that the Minister provides the entitlement and offer. The Children’s Rights Officer will also be able to ‘lobby’ at a senior management level on behalf of looked after children and care leavers.<sup>570</sup>*

- The Panel notes that it is intended to recruit care experienced persons to fill the roles of Children’s Rights Assistants. It questioned how this would be achieved inside an open and transparent recruitment process and received the following information:

*Jersey will not be the first jurisdiction to engage care experienced individuals in similar roles so will use the learning gained elsewhere. Advertising will be*

<sup>570</sup> [Written questions – Minister for Children and Housing.](#)

*done in the most appropriate way such as social media with support offered through recruitment processes and within the roles.<sup>571</sup>*

- It has also been noted by the Panel that within the yearly funding allocations, £20,000 per annum is required to be invested in the Mind of My Own (MOMO) application that will be accessible by children and young people in care.<sup>572</sup> The Panel has been informed about the purpose of MOMO during previous briefings and discussions with the Minister and its purpose is to allow young people in care to report any issues or views they may have through the app.
- The Panel is supportive of the project; however, further details are required as to how the recruitment of the Children’s Rights Assistants will be undertaken. For that reason, it has rated the project as ‘amber’ at this stage.

**FINDING 7.14**



The Panel is supportive of the development of a Children’s Rights service; however, further details are required as to how the Children’s Rights Assistants will be recruited to support this service. It is noted that a Children’s Rights Officer is currently being recruited.

**RECOMMENDATION 7.3**



The Minister for Children and Housing should update the Care of Children in Jersey Review Panel on the recruitment of the Children’s Rights Officer and Children’s Rights Assistant posts by the end of Q4 2019, and then subsequently at the end of every quarter until the posts are filled.

3.10 Inspection of Services: Practice improvement, performance and quality (Children’s Social Work)			
CSP 1.1.03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children’s Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ Enhance the availability of advocacy support to key groups</li> </ul>	<p>We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders</p>	<p>Minister for Children and Housing</p>	

<sup>571</sup> [Written questions – Minister for Children and Housing.](#)

<sup>572</sup> [Written questions – Minister for Children and Housing.](#)

## Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of the Inspection of Services: Practice improvement, performance and quality (Children's Social Work).

### Additional Investment Required (£000)

2020	2021	2022	2023
134	138	142	147

### Business case summary

- Funding for two Practice Improvement Officers to lead practice development, assessing professional standards, develop training, case review and audit and to support external scrutiny such as Ofsted.

### Panel Analysis

- The Panel reviewed the business case within R.91/2019 and raised questions with the Minister for Children and Housing in respect of the purpose of the two roles being requested through this funding. It received the following information:

*Practice Improvement Officers are posts within children's services whose role is to support and develop improving practice. They have a role in ensuring that lessons from reviews, inspections and best practice elsewhere are learned and influence practice and service delivery in Jersey. They will be credible, experienced knowledgeable practitioners able to coach and direct practice to support improved outcomes. They will become an integral part of the quality assurance system in the service.*<sup>573</sup>

- It was also noted that the posts would link in with any ongoing inspections by Ofsted and other external scrutiny bodies by preparing documents as well as practically leading action on any inspection findings.<sup>574</sup> The posts will sit at the same level as a Senior Practitioner (equivalent Civil Service Grade 11) and report direct to the Head of Quality in Children's Services. It is not expected for the roles to have any management responsibility.<sup>575</sup>
- The Panel has previously raised its concern about too much investment being made in back office roles and not in front line services. Until such time as the roles are in place it is difficult to say whether the intended impact will be achieved. The Panel has therefore rated this project as 'amber'.

#### FINDING 7.15



As the posts of Practice Improvement Officers have yet to be recruited to, the Panel cannot, at this stage, comment on whether the proposed funding will meet the intended objectives of the posts.

<sup>573</sup> [Written questions – Minister for Children and Housing.](#)


<sup>574</sup> [Written questions – Minister for Children and Housing.](#)

<sup>575</sup> [Written questions – Minister for Children and Housing.](#)



**RECOMMENDATION 7.4**

Once the Practice Improvement Officers are in post, the Minister for Children and Housing should provide initial quarterly updates which detail the impact and outcomes of the posts within Children's Services.

3.11 IJCI – Enhanced MASH Resourcing			
CSP 1.1.03			
	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> <li>➤ Enhance the availability of advocacy support to key groups</li> </ul>	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	

**Summary Report**

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of ICJI Enhanced MASH Resourcing.

## Additional Investment Required (£000)

2020	2021	2022	2023
47	47	48	48

**Business case summary**

- Continuation of funding to ensure effective multi-agency participation in MASH (multi agency safeguarding hub) in the employment of a nurse and researcher as part of first safeguarding response.

**Panel Analysis**

- The Panel questioned how the funding was broken down between the two posts described in the business case and received the following information:

*This funding was used to ensure that there was sufficient cover at MASH throughout business hours, the posts had not been full time until this funding was made available meaning potential delays in information sharing and*

*impacting on decision-making about appropriate action. The majority of the resource was spent on the nursing post.<sup>576</sup>*

- Whilst the Panel notes the rationale for continuing the two posts, it would draw attention to the following recent comments made by the IJCI Panel in its two-year review:

*Whilst the MASH model was developed in England to try to build effective information exchange and decision making across relevant agencies in large metropolitan areas, we do question whether the hub, as currently constituted, is proportionate to the size of Jersey. We estimated its annual costs were in the region £700,000, while we could find no indication of what specific outcomes were anticipated in terms of keeping children safe, let alone what had been achieved. We question whether this is the best use of money and resource.<sup>577</sup>*

- The Review Panel will continue to hold the Minister to account for the implementation of the IJCI recommendations and would suggest that a review of the MASH system is required to ensure it is as effective as possible. For that reason, the Panel has rated this project as ‘amber’ at this stage.



**FINDING 7.16**

The Independent Jersey Care Inquiry raised concern within its two-year report of the role and operation of the Multi-Agency Safeguarding Hub (MASH).



**RECOMMENDATION 7.5**

The Minister for Children and Housing should review the operation of the Multi-Agency Safeguarding Hub (MASH) and in doing so specifically address the concerns raised by the Independent Jersey Care Inquiry about the operation of the service in its two-year report. This should be completed by the end of Q3 2020.

3.12 Care Inquiry Citizen Panel			
CSP 1.1.03			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children’s Services Improvement Plan by building a more stable and high-performing workforce</li> <li>➤ Increase our support for some of the most vulnerable children and young people, through additional posts dedicated to responding to those affected by domestic abuse</li> </ul>		Minister for Children and Housing	

<sup>576</sup> [Written questions – Minister for Children and Housing.](#)

<sup>577</sup> [R.123/2019 - Independent Jersey Care Inquiry: Two-Year Report p.17](#)

Enhance the availability of advocacy support to key groups		
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### Summary Report

The Department for Strategic Policy, Planning and Performance (SPPP) has requested the following funds in respect of the Care Inquiry Citizen Panel.

#### Additional Investment Required (£000)

2020	2021	2022	2023
60	0	0	0

### Business case summary

- Funding to support the Citizen Panel in the delivery of recommendations to ensure the survivors of the care system are respected and honoured. The requested resource would enable the continued expert facilitation and support essential to enable the Citizen Panel to continue its independent oversight of Governments implementation with regard legacy.

### Panel Analysis

- As discussed previously, the Panel has recently published its review of the progress made implementing recommendations five to eight of the IJCI. During this review, the Panel met with the Citizen's Panel and also questioned the Minister on the work being done to bring forward their recommendations. In respect of the funding attributed to this project, the Panel questioned whether ceasing funding after 2020 was appropriate should the Citizen's Panel still require time to conduct its work. The Minister for Children and Housing outlined the reason during a public hearing:

***The Minister for Children and Housing:***

*The Citizens Panel was not intended to be a panel that would exist in perpetuity. It was to oversee a particular piece of work and that piece of work will come to an end. This funding allows them to continue into next year, so they can continue to do that work, but that I believe was what was always envisaged from that.*<sup>578</sup>

- The Panel note that the work of the Citizen's Panel was specifically targeted around a particular piece of work, however, it went on to question whether or not the funding outlined above would allow for the implementation of the recommendations they had developed. It was confirmed that the funding would be for the Panel to produce further reports and not for the actual implementation of the recommendations.<sup>579</sup>
- It is noted that there would be scope for the Panel to continue should the need arise. The Minister for Children confirmed this during the public hearing:

<sup>578</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.41](#)

<sup>579</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.41](#)

**Deputy R.J. Ward:**

*So, there is scope for the panel to continue?*

**Deputy K.G. Pamplin:**

*If an amendment was brought forward, so to speak.*

**The Minister for Children and Housing:**

*Yes, of course, and something could come up in the next round of the Government Plan, but what I am not doing at this point is committing to that suggestion, simply because we have not yet formulated our response to the Care Inquiry Review. There may be more-appropriate alternatives to that; we just have to think through all of those.<sup>580</sup>*

- From the evidence received by the Panel on this matter (especially in relation to the delay in bringing forward the memorial and services for survivors – please see the Panel’s report on this matter for further details<sup>581</sup>) it cannot give certainty that the amount of funding set aside is appropriate at this stage. It notes, however, that there is flexibility within future Government Plan cycles to amend this issue. The Panel has therefore rated this project as ‘amber’ at this stage.

**FINDING 7.17**



The funding allocated to the Citizen’s Panel is to enable them to produce further reports and recommendations, but not to implement any recommendations made. The funding under the proposal is only for 2020, however, there is scope to extend this funding if seen fit.



**RECOMMENDATION 7.6**

The Minister for Children and Housing should ensure that the future of the Citizen’s Panel is clarified by the end of Q3 2020.

**P82 Children’s Services Early Intervention (made up of 3 projects)**

4.1 Early Intervention/ Support in the Community			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children’s Services Improvement Plan</li> <li>➤ Begin the implementation of new care pathways for Child and Adolescent Mental Health Services (CAHMS)</li> </ul>	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	n/a

<sup>580</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.42](#)

<sup>581</sup> S.R.XX/2019 Response to the Care Inquiry: Update Report November 2019

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Early Intervention/Support in the Community.

#### Additional Investment Required (£000)


2020	2021	2022	2023
530	780	1080	1130

### Panel Analysis

- Due to the layout of the projects within the Government Plan (further projects sit within each of the three projects numbered 4.1, 4.2 and 4.3), the Panel will provide overarching comments on each section first and then additional comments relating to each individual section within the project. For that reason, it has not given a rating for the top level projects but has for the individual sections.
- The Panel questioned how the funding for this project was split across the three sub-sections and was provided with the following information:

*The funding split is for £129,000 per annum for the ante-natal support for the term of the government plan with the remainder split across the other two areas of complex needs and mental health and wellbeing. This is to ensure that where possible we use the funds as flexibly as possible to ensure the best value and most cost-effective use of funds. We understand that importance of early support in support families where children and young people have a range of needs rather than one need, this allows a holistic approach to be taken to support.<sup>582</sup>*

- It was also confirmed that CYPES would be leading on all three aspects of the programme.<sup>583</sup>

4.11 Support to Children with complex needs			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan</li> <li>➤ Begin the implementation of new care pathways for Child and Adolescent Mental Health Services (CAHMS)</li> </ul>		Minister for Children and Housing	

<sup>582</sup> [Written questions – Minister for Children and Housing.](#)

<sup>583</sup> [Written questions – Minister for Children and Housing.](#)

Business case summary

- **Complex Needs:** Investment to support children with complex needs at home and through the Child Development and Therapies Centre with additional therapists.

Panel Analysis

- The Panel questioned what current support was in place to meet the requirements of children with complex needs and noted there are a number of initiatives in place.<sup>584</sup> It also questioned how this additional funding would increase and strengthen support available and received the following information:

*The investment in this area considers the increasing numbers of children and the fact that some children have to wait too long for assessment and treatment. The investment will focus on recruiting staff who can offer specialist support to children to enhance their quality of life and potential such as more therapists and therapy assistants along with family support workers. We will also continue to expand the community short break service and options to provide respite for parents. We will also use the funding for these very small numbers of children who require a large individual bespoke package of care to support them at home with their families.<sup>585</sup>*

- The Panel has rated this project as ‘amber’ at this stage as evidence of the anticipated outcomes is required before any further funding requirements can be identified.



**FINDING 7.18**

The Panel cannot comment on the proposed funding levels for the project to support children with complex needs until such time as evidence of the outcomes of the project are available.

4.12 – Mental Health and Wellbeing			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children’s Services Improvement Plan</li> <li>➤ Begin the implementation of new care pathways for Child and Adolescent Mental Health Services (CAHMS)</li> </ul>		Minister for Children and Housing	

Business case summary

- **Mental Health:** To ensure Child and Adolescent Mental Health Services are fit for the future and strengthening approaches through schools and parish communities.

<sup>584</sup> [Written questions – Minister for Children and Housing.](#)

<sup>585</sup> [Written questions – Minister for Children and Housing.](#)

### Panel Analysis

- The Panel again questioned how the funding would be utilised in order to improve the service. It should be noted that the funding split between this section and the previous section will be needs led and therefore it is not possible to state exactly how much will relate to it at this stage. The Panel received the following information about how funding in this area would be utilised:

*The funding will support the redesign of the CAMHS service which has recently started. This redesign will consider support across the whole system not only specialist CAMHS, the focus will be on getting support upstream, in an effort to identify children and young people who begin to struggle with their emotional wellbeing and get support in place for them and their families at an early stage. Work is taking place to determine the most appropriate types of roles to deliver this support – this is likely to include: parent partnership workers, counsellors, coaches, therapists such as family therapists and psychologists.<sup>586</sup>*

- The Panel notes the process being undertaken to redesign CAHMS and the work being undertaken to identify the roles to achieve this aim. Further clarity is required as to exactly how this funding will be utilised once this redesign is completed. For that reason, the Panel has rated this project as ‘amber’ at this stage.

#### FINDING 7.19



The funding allocated to support the redesign of CAHMS relates to roles that will support children, young people and their families at an early stage. The roles are currently in the process of being identified. To that end, the Panel cannot comment on whether the funding level is appropriate at this stage.

4.13 – Antenatal Support			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Continue to implement the Children’s Services Improvement Plan		Minister for Children and Housing	

#### Business case summary

- This is to fund a Perinatal parent education programme which was run for a 4-year period by NSPCC as a targeted programme and is now offered universally by FNHC. Other antenatal programmes previously in place have stopped.

#### Panel Analysis

- The Panel reviewed the business case set out in R.91/2019 and noted the similarities with the funding request in 2.2 (p.11 R.91/2019). It questioned exactly how the funding identified in this business case was different and received the following response:

<sup>586</sup> [Written questions – Minister for Children and Housing.](#)

*This funding is linked to that in 2.2 as the programme moves from a targeted programme as previously delivered to that of a universal programme. We also aim to supplement the programme by delivering addition to targeted groups.<sup>587</sup>*

- Considering the strong link between this project and that in 2.2 (which the Panel has previously reviewed), it is satisfied for the need for the funding and will therefore be supporting it.

4.2 Support to Looked After Children			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan</li> <li>➤ Focus on ensuring sufficient high-quality placements for children</li> <li>➤ Introduce the new 'entitlement' for children in care of the Government and those leaving care</li> <li>➤ Begin the implementation of new care pathways for Child and Adolescent Mental Health Services (CAHMS)</li> </ul>	We will work in partnership with Parishes, churches, faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	n/a

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Support to Looked After Children.

#### Additional Investment Required (£000)

2020	2021	2022	2023
2033	3315	3235	3349

### Panel Analysis

- The Panel questioned what the funding breakdown between the five projects outlined in the business case was and received the following information:


Workstream	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Small therapeutic unit/house	750	1,300	1,300	1,300
Intensive fostering service	575	973	973	973

<sup>587</sup> [Written questions – Minister for Children and Housing.](#)



Transition to adulthood/Care leavers permanence team	257	405	405	405
Corporate Parenting	301	437	357	471
Small item replacement/refurbishment children's units	150	200	200	200
Total <sup>588</sup>	2,033,000	3,315,000	3,235,000	3,349,000

- It was also explained that the funding was lower in 2020 as some of the posts are not expected to be filled for 12 months.<sup>589</sup> It is also noted that this work stands alone from the projects identified in 1.2 (p.8 R.91/2019) as it relates to children in the care of the Minister and not care leavers.<sup>590</sup>

4.21 Therapeutic Unit CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan</li> <li>➤ Begin the implementation of new care pathways for Child and Adolescent Mental Health Services (CAHMS)</li> </ul>		Minister for Children and Housing	

#### Business case summary

- Therapeutic Unit:** To develop a small therapeutic unit on Island to provide bespoke intensive care on Island for those children and young people with significant needs.

#### Panel Analysis

- The Panel questioned whether this particular work was linked to the review of Greenfields. It was confirmed that there was a possibility for this work to link in with the ongoing role of Greenfields but was not linked to any redevelopment of the site.<sup>591</sup>
- The Panel requested further details on the nature of the services that this proposed unit would be delivering and received the following information:

*Children and young people who require the services of a small therapeutic unit will be those who have experienced the most traumatic of experiences in their life this may include severe neglect, abuse or other trauma which requires*

<sup>588</sup> [Written questions – Minister for Children and Housing.](#)

<sup>589</sup> [Written questions – Minister for Children and Housing.](#)

<sup>590</sup> [Written questions – Minister for Children and Housing.](#)

<sup>591</sup> [Written questions – Minister for Children and Housing.](#)

*careful, sustained, specialist care in an order to assist them to understand their experiences, deal with them and go on to thrive in the future. This is something that to date no service in Jersey has been able to provide. It is likely that the maximum number of children in such a unit at any one time will be three but may be less depending on the needs of the children. Staff will require to be resilient and well trained and understand and be skilled at working with the effects of trauma. Children are likely to require medium to long term specialist support in the form of therapy perhaps with a counsellor, or psychologist, psychiatrist or play therapist and the funding allows for a budget for this support. Children may have gaps in their education and require support before they go to school or during their school day to help them participate as fully as possible. Children may also have particular gaps in the development or health issues which will need to be addressed and supported.*<sup>592</sup>

- It is noted that the first tranche of work around this service will be undertaken in 2020 with a view to specifying the service and staff complement in detail and identify the premises. After that the children who will live in the house will be identified based on need.<sup>593</sup>
- Until such time as the initial development work has been completed the Panel cannot give assurance over the required funding level. It has therefore rated this project as 'amber' at this stage.



**FINDING 7.20**

The proposal to create a new therapeutic unit for Looked After Children with complex needs is due to be developed over the course of 2020. To that end, the Panel cannot comment on whether the proposed funding level will meet the service requirements at this stage.

4.22 – Intensive Fostering Scheme			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Focus on ensuring sufficient high-quality placements for children</li> <li>➤ Introduce the new 'entitlement' for children in care of the Government and those leaving care</li> </ul>		Minister for Children and Housing	

**Business case summary**

- **Intensive Fostering:** To fund an intensive fostering scheme to enable family-based placements for children as alternative to being placed off Island. A carer and support staff will support the child with therapeutic services and to support the carers.

<sup>592</sup> [Written questions – Minister for Children and Housing.](#)

<sup>593</sup> [Written questions – Minister for Children and Housing.](#)

## Panel Analysis

- The Panel understands the need and rationale to redesign the current fostering service, especially in light of recent comments by the IJCI Panel in its two-year report about the difficulties experienced by foster carers.<sup>594</sup> Within the business case in R.91/2019 it refers to a salary for foster carers based on the Jersey Average Salary. It was confirmed that this salary was based on the figures in Statistics Jersey's most recent publication on average salaries in Jersey.<sup>595</sup> The Panel notes that as of the June 2019 publication, the median salary for full time employees is £610 per week (£31,720 per annum) and the mean salary for full time employees is £770 (£40,040 per annum).<sup>596</sup> It was not confirmed which figure was intended to be used.
- The Panel questioned whether this would be a sufficient salary to provide the required support for a child in foster care:

**Deputy R.J. Ward:**

*Is this sufficient to provide the support required for a child in foster care?*

**The Minister for Children and Housing:**

*The point is that this is to be for people who will not have other work; this will be their full-time job essentially and that they will be available whenever to go into school or to do whatever, so that is the reason that we have gone for this.<sup>597</sup>*

- Noting the comments from the IJCI Panel in its two-year report, the Panel questioned how this funding would begin to address the issues that the current fostering system was facing. The Minister provided the following response:

**The Minister for Children and Housing:**

*It is obviously not all about funding, but I keep saying to people, when they challenge us on this point, the funding is really important because it does enable us to do more to provide support out of hours, which is part of what this is about, which I am sure will be invaluable from time to time. With that extra support provided, we are looking at fixing some issues there are with tax and fees that foster carers get paid for. We are providing a decent salary essentially to people who do this, and I hope that will be a clear sign that we value our foster carers, want to provide them with support, and meet their needs for them to be able to do the brilliant work that they do.<sup>598</sup>*

- The Panel is supportive of the need to improve the offer for foster carers and therefore supports the additional revenue request for this project.

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<sup>594</sup> [R.123/2019 - Independent Jersey Care Inquiry: Two-Year Report p.18](#)

<sup>595</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.51](#)

<sup>596</sup> [Statistics Jersey: Index of average earnings June 2019](#)

<sup>597</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.51](#)

<sup>598</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.52](#)

4.23 – Transition to adulthood/throughcare/care leavers			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Introduce the new 'entitlement' for children in care of the Government and those leaving care		Minister for Children and Housing	

#### Business case summary


- **Transition to adulthood/throughcare/Care Leavers:** Establishment of Permanence and throughcare team of a manager, social worker and personal assistance to support care leavers with pathway plans, practical support and coaching/encouragement up to 25 years.

#### Panel Analysis

- The Panel notes the requirement for a team to manage the transition for young people in care in to adulthood and supports the arrangements based on previous discussion with the Minister for Children and Housing and external groups (such as Jersey Cares). The Panel requested further details on the proposed semi-supported independent living accommodation as set out within the business case in R.91/2019 and received the following information:

*Accommodation to support children leaving care is currently limited in terms of numbers available and range of provision. This resource is to develop the range and number of options for young people making the transition from care to independence living. It is anticipated that we will work with social housing providers, consider existing accommodation and work with partner providers to develop services, it is not anticipated that capital funding is required.<sup>599</sup>*

- Based on previous discussions and the additional information provided, the Panel supports the need for this new team and also supports the work being undertaken to develop living arrangements for young people leaving care.

4.24 – Corporate Parenting			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Focus on ensuring sufficient high-quality placements for children ➤ Introduce the new 'entitlement' for children in		Minister for Children and Housing	

<sup>599</sup> [Written questions – Minister for Children and Housing.](#)

care of the Government and those leaving care			
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### Business case summary

- **Corporate Parenting:** Funding calculated at £2000 per child to ensure corporate parenting provided is comparable with other jurisdictions and items such as school uniforms and support for hobbies and leisure activities is provided.

### Panel Analysis

- The Panel noted in the business case that the proposed entitlement has been calculated at £2,000 per child. It questioned how this figure was arrived at and received the following information:

*The figure of £2,000 is based on benchmarking elsewhere and on professional judgement based on experience of the need of looked after children elsewhere. This sets out the government's responsibilities and removes the reliance on charities to appropriately provide for its children.*<sup>600</sup>

- The Panel also questioned how this compared with other jurisdictions. The Department for CYPES confirmed that it is difficult to identify how much is spent on looked after children as the resource may be spread across a range of areas often linked to legislative provision (which Jersey does not have). However, where information was available, amounts have varied from £500 to £3,000.<sup>601</sup>
- It was also noted in the business case that this funding would be utilised to offer therapeutic support. The Panel questioned how this support would be different to that identified in project 4.21 above:

*This is further funding to provide therapeutic support to the wider range of looked after children, there are approximately 90 children looked after at any one time many of whom would benefit from a level of therapeutic support to support them to thrive and achieve positive outcomes. Professional therapeutic support can be required for a sustained period of time for some children at significant cost.*<sup>602</sup>

- The Panel is in full agreement with the need to provide better support to children and young people within the care system. It does however note that this particular work does require a legislative platform before coming in to effect. For that reason, it has rated the project as 'amber' until this legislation is in place.



#### FINDING 7.21

The Panel is fully supportive of the improved Corporate Parenting offer contained within these proposals. It does, however, note that legislation is required before any proposals can be fully implemented.


<sup>600</sup> [Written questions – Minister for Children and Housing.](#)

<sup>601</sup> [Written questions – Minister for Children and Housing.](#)

<sup>602</sup> [Written questions – Minister for Children and Housing.](#)

**RECOMMENDATION 7.7**

Further to the Review Panel's recommendation within its most recent update report, the Minister for Children and Housing should fast track legislation that defines the role of Corporate Parent in Jersey, to be completed by the end of Q4 2020.

4.25 – Small item replacement and refurbishment/redecoration for children's homes			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Focus on ensuring sufficient high-quality placements for children</li> <li>➤ Introduce the new 'entitlement' for children in care of the Government and those leaving care</li> </ul>		Minister for Children and Housing	

## Business case summary

- **Maintenance of Children's Homes:** To fund item replacement and refurbishment and redecoration of Children's Homes.

## Panel Analysis

- Given the commitment by the Government to properly fund and support looked after children (including the development of the entitlement for children in care), the Panel is satisfied that this should be extended to providing replacement and refurbishment of items within Children's Homes. It therefore supports this additional funding.

4.3 Workforce Development			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Continue to implement the Children's Services Improvement Plan</li> <li>➤ Focus on ensuring sufficient high-quality placements for children</li> <li>➤ Introduce the new 'entitlement' for children in care of the Government and those leaving care</li> <li>➤ Begin the implementation of new care pathways for Child and Adolescent Mental Health Services (CAHMS)</li> </ul>	We will work in partnership with Parishes, churches faith groups, the third sector, volunteers, businesses, trade unions and key stakeholders	Minister for Children and Housing	n/a

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) has requested the following funds in respect of Workforce Development.


#### Additional Investment Required (£000)

2020	2021	2022	2023
250	541	460	440

### Panel Analysis

- The Panel questioned what the funding breakdown between the three projects in the outline business case was and received the following information:

Workstream	2020	2021	2022	2023
Workforce Development	81,980	40,990	0	0
Case Management System	68,020	400,010	400,000	400,000
Recruitment and Retention	100,000	100,000	60,000	40,000
Total <sup>603</sup>	250,000	541,000	460,000	440,000

4.31 – Workforce Development			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Continue to implement the Children's Services Improvement Plan		Minister for Children and Housing	

### Business case summary

- Workforce Development:** Roll out training and implementation of the Jersey Practice Framework end ensure present co-ordinator and administrative support for 18 months.

### Panel Analysis

- The Panel questioned the difference between this funding as set out in the business case and the funding requested in 1.1 (p.7 R.91/2019) and 3.3 (p.15 R.91/2019) and received the following information:

*This funding is to continue the posts associated with the training and implementation roll out across all the children's workforce and appropriate parts of those working with adults of the Jersey practice framework – Jersey Children First.*

<sup>603</sup> [Written questions – Minister for Children and Housing.](#)


*This provides an additional 18 months to the programme and should ensure that there is total coverage.*<sup>604</sup>

- The Panel notes the difference between the funding cases, but again raises its concern over the investment in oversight roles as opposed to frontline services. For that reason, it has rated this project as ‘amber’ at this stage.



#### FINDING 7.22

The funding identified within the workforce development project (4.31) is to support the roll out of the Jersey Practice framework (Jersey Children First) for an additional 18 months. The Panel maintains its view that investment in oversight roles should not overshadow investment in frontline services.

4.32 – Case Management System			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Continue to implement the Children’s Services Improvement Plan		Minister for Children and Housing	

#### Business case summary

- **Case Management System:** Ongoing development and support of MOSAIC (case management and performance management system) to ensure children’s case records are up to date and compliant with data protection requirements.

#### Panel Analysis

- The Panel has discussed the issues that existed within the previous case management system for Children’s Services on a number of occasions and supports the move to a new system to improve the collection and recording of data within the service. It was noted in the accompanying business case in R.91/2019 that the system can be further developed to support effective management of performance and quality assurance. The Panel questioned exactly what this statement meant and received the following information:

*The case management system has significant potential for business and performance reporting and requires additional funding to ensure the ongoing maintenance and development of the system along with ensuring its reporting functionality. This funding allows for development capacity and an appropriate level of application staff to be in place. Good data and analysis are an important component of the quality assurance process.*<sup>605</sup>

- The Panel has received anecdotal evidence in hearings in the past over the benefit of the new system and further questioned what feedback had been received by staff in relation to the new system and its capacity:

<sup>604</sup> [Written questions – Minister for Children and Housing.](#)

<sup>605</sup> [Written questions – Minister for Children and Housing.](#)



*Feedback by staff about the system has been overwhelmingly positive both from longer serving staff (who had to endure the difficulties of the previous poor system) and more recent staff. Managers are keen to see the development of the business and performance reporting facility along with the development of the portal which will allow a level of integration.<sup>606</sup>*

- As stated previously, the Panel is supportive of the new system in order to provide better record keeping for the service. It also notes the supportive feedback from staff. It would, however, reiterate its stance that support for frontline staff is vital to ensuring improvement in services and this should be the main focus of this system and additional capacity of the system should only be developed once staff are fully compliant with the system.

**FINDING 7.23**



The development of the case management system (MOSAIC) will assist frontline services in carrying out their duties. It is hoped by managers that the system could be further developed to allow for business and performance reporting.



**RECOMMENDATION 7.8**

The Minister for Children and Housing (as chair of the Children’s Services Improvement Board) should ensure that the MOSAIC system is being utilised to enable best practice in record keeping and consistent reporting prior to any additional business and performance reporting facilities being introduced. This in turn should enable more effective data to be produced.

4.32 – Recruitment and Retention / HR Support			
CSP 1.1.04			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Continue to implement the Children’s Services Improvement Plan		Minister for Children and Housing	

**Business case summary**

- **Recruitment and Retention:** To fund a temporary HR co-ordinator to carry out recruitment work to reduce overtime as vacancies are filled and social work degree students graduate.

**Panel Analysis**

- The Panel reviewed the business case in R.91/2019 and questioned the similarity with the funding request to that set out in 3.3 (p.15 R.91/2019). It received the following information in response:

*This is to support the recruitment and retention of social work staff including the additional post that is associated with the Let’s be Honest campaign, along*

<sup>606</sup> [Written questions – Minister for Children and Housing.](#)

*with funding to attend and participate in recruitment events and fund advertising. The post of dedicated HR support mentioned earlier is to support the service in HR operational business.<sup>607</sup>*

- It also received additional information about the nature of the role and how it was different to the HR role as set out in 3.3 (p.15 R.91/2019):

*This post is to support recruitment co-ordinating practical arrangements and provides a single point for candidates to establish a relationship with the service and answer any queries and provide information and advice. The officer is also a single point of contact for internal stakeholders such as managers within the service and the people hub.<sup>608</sup>*

- It is noted that this post will provide more operational support to recruitment and retention as opposed to operational support to the service. The Panel understands the need for the post but would again reiterate its stance that frontline services should be prioritised over back office support roles.



#### FINDING 7.24

The funding identified within business case 4.33 provides a role to support the recruitment of social workers and co-ordinating practical arrangements (such as onboarding) and attend recruitment fairs. The Panel again highlights its view that investment in frontline services is required more so than back office roles.

## Redress Scheme

Redress Scheme			
CSP 1.1.05			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
n/a		Chief Minister	

### Summary Report

The Department for Strategic Policy, Planning and Performance (SPPP) has requested the following funds in respect of a new financial redress scheme for people who suffered abuse at Les Chenes and residential care post 1994.

#### Additional Investment Required (£000)

2020	2021	2022	2023
2,230	1,180	320	0

<sup>607</sup> [Written questions – Minister for Children and Housing.](#)

<sup>608</sup> [Written questions – Minister for Children and Housing.](#)

## Business Case summary

- The funding is to extend compensation to those who suffered abuse in Government of Jersey Children's Homes, Government of Jersey foster care and those who were accommodated at Les Chênes secure residential unit. The quoted figures are based on an estimated number of claims and legal advice to quantify the cost of those claims.

## Panel Analysis

- The Panel has discussed the redress scheme in previous hearings with the Minister for Children and Housing and is supportive of the need to bring it forward. It notes that no business plan is included within R.91/2019 as the scheme is already operational until 30<sup>th</sup> June 2020.<sup>609</sup>
- The Panel sought clarification over the funding requirement in 2021 and 2022 given the scheme itself is due to end in June 2020. It received the following information from the Director of Social Policy:

*The scheme closes to new applications in July 2020, however there are multiple factors which will extend the timeframe. These include:*

- a. *(With schemes of this nature) it is simply not possible to predict the number of applications that will be received or, more pertinently, the complexity of those applications. Our experience from the first Historic Abuse Redress scheme (HARS 1) tells us that a small number of applications could take 18 to 24 months to determine because of gaps in evidence or potentially contradictory evidence. Those applications will, by their nature, usually attract a high rate of payment.*
- b. *Where an offer is made some applicants:*
  - *may appeal that offer, and the appeal process will take time*
  - *may initially reject the offer for payment, but then change their mind in the six months grace period allowed under the terms of the scheme*
  - *may take a significant period of time to either reject or accept the offer (there will be a number of applicants who live chaotic lives and our experience of HARS 1 tells us that some applicants may simply dropped off the radar for months at a time before resurfacing)*
- c. *Therapy monies; Part 2 applicants may be awarded up to £3,000 to enable them to pay for therapeutic or medical treatment for the psychiatric or psychological effects of the abuse they have suffered (plus, in exceptional circumstances upon, the Minister may authorise therapy monies over and above £3,000). Under the terms of the scheme applicants have until 30 June 2022 to draw down these monies.<sup>610</sup>*

- The Panel understands the additional funding requirement in the latter years of the plan, however, given the uncertainty over the number of applications that may, or may

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<sup>609</sup> [Redress scheme details](#)

<sup>610</sup> [Submission – Director of Social Policy re Redress Scheme](#)

not be made, it cannot give assurance over the allocation provided above. For that reason, it has rated the project as ‘amber’ at this stage.



#### FINDING 7.25

The Panel supports the redress scheme, however, as there is no certainty over the number and type of applications that will be made to the scheme, it cannot be certain at this stage whether the funding identified is appropriate.

## Putting Children First – Involving and Engaging Children (made up of 4 projects)

### Summary Report

The Department for Children, Young People, Education and Skills (CYPES) and Strategic Policy, Performance and Population (SPPP) has requested the following funds in respect of Putting children First, involving and engaging young people:

Additional Investment Required (£000)

2020	2021	2022	2023
1,095	1,095	1,045	1,025

This business plan is broken down between the following projects:

Youth Voice CSP 1.3.01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Implement the Youth Connects Project		Minister for Children and Housing	

2020	2021	2022	2023
120	120	120	120

### Business case summary

- This project is to create a framework and mechanisms to engage with young people to understand their rights and the processes of challenging decision making to enable them to work in partnership with the States Assembly.


### Panel Analysis

- It is explained within the business case in R.91/2019 that the purpose of this project (and funding) is to create a world class youth voice project. The Panel questioned how the funding identified would be used in order to meet this objective:

*It will provide adequate face to face & admin staff to support young people to be recruited, trained and run their own inclusive, representative and*

*independent youth assembly modelled on the current adult assembly – incorporating the existing areas of good practice into the new Assembly structure - it will also provide the resources for a fit-for-purpose social media presence for the new assembly, the training of Youth Assembly members to fulfil their duties and the ongoing costs of running the assembly meetings and business<sup>611</sup>*

- The Panel also received a list of objectives that the staff employed to deliver this would aim to meet.<sup>612</sup> It was explained that the work links in with the indirect incorporation of the United Nations Convention on the Rights of the Child (UNCRC) and focusses directly on Article 12 rights to give young people an identifiable forum to express their views and opinions.<sup>613</sup>
- The Panel explored what had been achieved within the pilot funding in 2019 and found that a project manager had been employed to begin work on some of the background and governance of the project.<sup>614</sup> It was noted within the written response from the Minister for Children and Housing that a number of objectives were due to be completed by the end of 2019 including, research and visit to the Welsh Youth Assembly, an agreed communication process between the States Assembly and Youth Assembly and an agreed initial structure/representation model for the ‘first’ Youth Assembly’s term of office.<sup>615</sup>
- The Panel is satisfied with the information it has been provided in respect of this project and will be supporting it.

Participation and advocacy for Looked After Children and Care Leavers			
CSP 1.3.01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Enhance the availability of advocacy support to key groups		Minister for Children and Housing	

2020	2021	2022	2023
150	150	150	150

### Business case summary

- This funding is for an independent organisation, Jersey Cares, that will be a participation and advocacy organisation for looked after children and care leavers. It will seek to attract funding from private, corporate and charitable sectors, resulting in a reduction of the funding over the four-year period.

<sup>611</sup> [Written questions – Minister for Children and Housing.](#)

<sup>612</sup> [Written questions – Minister for Children and Housing.](#)

<sup>613</sup> [Written questions – Minister for Children and Housing.](#)

<sup>614</sup> [Written questions – Minister for Children and Housing.](#)

<sup>615</sup> [Written questions – Minister for Children and Housing.](#)

## Panel Analysis

- The Panel noted within the business plan in R.91/2019 that the funding for Jersey Cares decreases over the four years on the proviso that it attracts private investment. Having previously met with representatives of Jersey Cares, this was highlighted as a potential concern over the Government's commitment to fund the service. The Panel questioned this stance at a public hearing with the Minister for Children and Housing:

**Deputy R.J. Ward:**

*Yes, how do you see them attracting that private funding because their funding decreases, 150, 150, significantly down to 100 and then in 2023 it is £80,000?*

**The Minister for Children and Housing:**

*How they seek to do that will ultimately be a matter for them. From what I have seen of their work so far, they seem to be establishing very good relationships and are already doing excellent work. It is a matter for them how they seek to do that. This proposed way of doing things was worked on with them. I do not speak on their behalf, but I presume that they would want to be in a situation where their funding is private, so they can have a greater independence from Government. But what you can see from this is that in those first 2 years we are providing that amount before it then starts to decrease so, if problems arise or things do not go as are foreseen, we have the flexibility to deal with that rather than see the scope of the work they are trying to do decrease.<sup>616</sup>*

- The Panel is pleased to note that there is flexibility to support the organisation if it does not attract the private funding over the latter years of the Government Plan. The Panel did question the accountability arrangements that would exist with the new organisation. It was explained by the Director General for CYPES that a contract would be established between the Government and Jersey Cares which would set out the objectives and policy requirements in respect of the funding.<sup>617</sup> The Panel also questioned whether this contract stipulated requirements for pay and terms and conditions of employment for the organisation:

**Director General, Children, Young People, Education and Skills:**

*We do not determine the terms and conditions because it is an independently constituted body, but in our contractual arrangements, as a Government that supports living wage, our expectation in any contract is that those minimum standards are met in terms of pay.<sup>618</sup>*

- It was explained during the hearing that funding for Jersey Cares came from multiple sources and advocacy support for Looked After Children and Care Leavers is provided by additional posts and agencies (e.g. the Children's Rights Officer and previously Barnardos).<sup>619</sup>
- The Panel requested a breakdown of the funding across these areas and was provided with the following table:

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<sup>616</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.43](#)


<sup>617</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.45](#)

<sup>618</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.45](#)

<sup>619</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.47](#)

<b>Involving and Engaging Children</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>Total</b>
Youth Voice	120	120	120	120	480
Participation and advocacy for Looked After Children and Care Leavers	150	150	100	80	480
Advocacy for children in need and children in the child protection system	100	100	100	100	400
<b>Supporting and Protecting Children</b>					
Develop a Looked After Children's Advocacy Worker	60	62	64	66	252
Develop a new Children's Rights service plus MOMO app	208	214	220	227	869

- The Panel highly values Jersey Cares and the work it is being commissioned to undertake, and fully supports this additional funding requested to assist with this work.

<b>Advocacy for children in need and children in the child protection system</b>			
<b>CSP 1.3.01</b>			
<b>Link to Government Plan Action(s)</b>	<b>Link to Common Theme(s)</b>	<b>Minister(s)</b>	<b>Scrutiny RAG Status</b>
➤ Enhance the availability of advocacy support to key groups		Minister for Children and Housing	

<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
100	100	100	100

### Business case summary

- The provision of an independent advocacy system will enable children to be involved with and heard in decision making meetings, and to talk over their thoughts and wishes with an independent supporter.


### Panel Analysis

- The Panel questioned how this funding was different to that identified in project 3.8 (p.17 R.91/2019) and also the service offered by Jersey Cares. It was confirmed that the focus of Jersey Cares was on advocacy for young people in care and those leaving care, whereas the funding identified within this business plan was to provide advocacy support to children in need or those going through the child protection system. The rationale for increasing this support was explained by the Director General for CYPES during a public hearing:

**Director General, Children, Young People, Education and Skills:**

*So, for children in need and children who have a child protection plan, we need to make more investment in advocacy for them because presently there is an ad hoc arrangement really with Barnardos that they will do some of that work for us. That needs to be formalised. Equally, we want to sustain and grow, within the Children’s Service, the Children’s Rights Officer role and make sure that, within the service, there is the challenge to the service on the quality of its practise and that is initially again around children who are being looked after by the Government who are in its care now.<sup>620</sup>*

- It was also explained that the skill sets for the roles were not fundamentally different, but both were based on common principles of good advocacy, including an understanding of the impact of trauma.<sup>621</sup>
- The Panel questioned whether this funding would allow for advocacy support to the family as a whole. It was confirmed that, at this stage, it was not intended to extend this offer to families as support for children needed increasing first.<sup>622</sup> It was also explained that the interests of children do not always marry up with those of their parents or carers, and care would need to be taken so as not to perpetuate a two-tier system of advocacy support.<sup>623</sup>
- The Panel understands the need for this additional form of advocacy and is supportive of its introduction.

Children’s Commissioner: Strategic Policy, Performance and Population			
CSP 1.3.01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Support and respond to the work of the Children’s Commissioner		Minister for Children and Housing	

2020	2021	2022	2023
725	725	725	725

**Business case summary**

- This funding is to provide sufficient financial, human and other resources to enable the Children’s Commissioner to carry out her mandate ensuring independence and effectiveness.

<sup>620</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.48](#)

<sup>621</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.49](#)

<sup>622</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.49](#)

<sup>623</sup> [Public Hearing – Minister for Children and Housing re Government Plan – 3<sup>rd</sup> October 2019 p.49](#)



## Panel Analysis

- From the outset, the Panel has been fully supportive of the role of Children's Commissioner, and agrees with the important role she plays in representing the rights of children and young people. The Panel questioned exactly how the funding for the office would be split between staffing and additional costs and received the following information:

*The total number of individuals employed to work for the office of the Children's Commissioner currently stands at 4 full time and 3 part time staff. This is the equivalent of 5.8 FTE (full time equivalent). Additionally, there is one secondment for 0.2 FTE for a time limited period. There is currently a vacant post.*


**Total Annual Cost** £426,980.00

*The total annual cost of office accommodation for the Children's commissioner and the staff working in the Commissioner's office;*

**Cost of Office Accommodation** £ 40,644.60<sup>624</sup>

- The Panel also notes that in August 2018 the Commissioner submitted a summary business case for additional funding for £189,000 in 2019, which would allow her to deliver on her strategic priorities and deliver mandate and functions.<sup>625</sup>
- The Panel is satisfied with the current arrangement and will monitor the funding level to ensure the Commissioner is able to fulfil her remit, especially now that the supporting legislation is in force.

## Public Services Ombudsman

Public Services Ombudsman			
CSP 1.3.01			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
n/a		Chief Minister	

### Summary Report

The Department for Strategic Policy, Performance and Population (SPPP) has requested the following funds in order to establish the Office of a Public Services Ombudsman.

Additional Investment Required (£000)

2020	2021	2022	2023
0	378	397	401

<sup>624</sup> [Written questions – Minister for Children and Housing.](#)

<sup>625</sup> [Written questions – Minister for Children and Housing.](#)

### Business case summary

- To establish a Public Services Ombudsman in accordance with the decision of the Council of Ministers in May 2019 as the current Complaints Panel service is unsatisfactory and the adoption of best practice will promote Jersey's reputation and increase public trust and confidence.

### Panel Analysis

- The Panel questioned why no funding had been identified for this project in 2020. It was explained that the policy and legislative development for the proposed service would be undertaken throughout 2020, and therefore no costs would be incurred before 2021.<sup>626</sup> Noting the previous States Assembly's decision to appoint an Ombudsman subject to further research, it was also explained that a consultation had been undertaken, closing on 11<sup>th</sup> October 2019.<sup>627</sup>
- The Panel raised the concern of the IJCI Panel that effective complaints systems were not in place and in turn questioned why this policy was not being progressed faster. It was explained that there were complex issues to work through and a number of views that required examining.<sup>628</sup> It was also provided with an extensive list of the matters that were considered by the consultation process as well as the proposed manner in which the service would increase confidence in the work of Government.<sup>629</sup>
- The Panel is pleased to note that the new Government of Jersey complaints system has been introduced as 30<sup>th</sup> September 2019, which allows comments or complaints to be submitted online in addition to face to face.<sup>630</sup> It is also noted that further engagement will be undertaken with the public to consider other forms of redress are explored as well.<sup>631</sup>
- The Panel supports the introduction of this role and will continue to hold the relevant Ministers to account for its delivery. For that reason, the Panel supports this additional funding request.

#### **FINDING 7.26**



The Panel is highly supportive of the need to introduce a Public Services Ombudsman service. Until such time as the policy and accompanying legislation is developed, the Panel cannot comment on the proposed expenditure at present.

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<sup>626</sup> [Written questions – Chief Minister](#)

<sup>627</sup> [Written questions – Chief Minister](#)


<sup>628</sup> [Written questions – Chief Minister](#)

<sup>629</sup> [Written questions – Chief Minister](#)

<sup>630</sup> [Written questions – Chief Minister](#)

<sup>631</sup> [Written questions – Chief Minister](#)

*Business Cases for Capital Expenditure*

Children's Residential Homes			
R.91/2019 - Page 135			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> <li>➤ Protecting and supporting children through investment in safe-guarding and regulation of care, investment in schools, children's residential homes, youth centre/community hubs, and investment in site improvements</li> </ul>		Minister for Children and Housing  Minister for Education	

**Business case summary**

- This business case relates to a number of capital requests to bring Children's Homes in line with the expectations of the Discrimination Law, safeguarding best practice arrangements and regulation of care expectations. It is noted that no funding is provided in the standalone business case, however, an overall budget for improvements of £2.5 million in 2020 has been committed to by the Government in order to implement changes required by the Discrimination Law, Safeguarding and Regulation of Care Law. This will be allocated between the projects as required.

**Panel Analysis**

- The Panel questioned exactly what the funding for this project would be used for and received the following information:

*The 150k pa is required to carry out feasibility studies (e.g. **Architects** fees, planning and bylaws etc) and initiate improvements/projects (e.g. new kitchens, internal refurbishment and external play areas) to the residential care provision across the property portfolio, which includes respite care at Oakwell and Eden House. These works will include recommended improvements following external inspections to ensure we are registered and meet all mandatory and statutory requirements (e.g. fire regulation and certification). The continued investment is vital to assist with the review of the properties to ensure the services provided for looked after children are fit for purpose. It is essential to ensure facilities are able to meet the needs of those children who are unable to live in family settings and it is envisaged that these properties will require significant maintenance, upkeep and improvements over the next three to five years in order to sustain the required standards.<sup>632</sup>*

<sup>632</sup> [Written questions – Minister for Children and Housing](#)

- The Panel notes that the projects within the business plan will be prioritised for improvements under this capital project bid in order to comply with set objectives. There is a lack of clarity over how funding will be apportioned between the projects, and a lack of certainty that they will receive the necessary amount. Whilst the need for the improvements is required, the Panel cannot give assurances over how the funding will be spent. It has therefore rated the project as ‘amber’ at this stage.

**FINDING 7.27**

Capital improvements to Children’s Residential Homes will be prioritised to meet set objectives in order to comply with the Discrimination Law, safeguarding and Regulation of Care requirements. At present there is no clarity over how funding will be apportioned between these improvements.

## 7.7 Final Panel Comments

- It is clear from the projects that the Panel has reviewed that there is considerable emphasis being placed on achieving the first strategic priority of putting children first. This important work is being championed, and the Panel is generally supportive of what is being proposed within the Government Plan. It is also pleased to see that the work that was undertaken in response to the Independent Jersey Care Inquiry is continuing in earnest within these proposals. Indeed, it is crucial that improvements are made to the services supporting Jersey's children and their families in order to deal with the failures of the past.
- Whilst the Panel is supportive of the agenda for change and proposals within this plan, it would draw attention to the fact that the investments being made must have productive outcomes that show tangible improvements to services for children. This work will need to be imbedded to ensure that there are positive outcomes well in to the future and not just over the next four years of the proposed Government Plan.
- One particular area that the Review Panel would comment upon is that clarity must be provided over the role of Government, the States Assembly, and all public services as Corporate Parents. The Panel has recommended that the legislation to define the role of corporate parent is progressed swiftly in order to give this clarity.
- The Review Panel will continue to hold the relevant Minister's to account for delivery of this important work and would like to thank all those who contributed to its review. Having concluded its review, the Panel feels that the following quote is fitting:

*"Although children may be the victims of fate, they will not be the victims of our neglect."*

*John F. Kennedy*

## 7.8 Witnesses and Evidence Gathered

### Public Hearings

- [Minister for Children and Housing – Thursday 3<sup>rd</sup> October 2019](#)

### Evidence Gathered

- The Panel reviewed detailed business cases on each project and capital project
- Responses to written questions were received from the Minister for Children and Housing

### Submissions

The Panel received the following submissions from stakeholders

- [Family Nursing and Home Care](#)
- [Safeguarding Partnership Board](#)

## **Appendix 1: Terms of Reference for the Government Plan Review Panel**

To coordinate detailed scrutiny of the 2019 Government Plan.

This will include responsibility for:

1. Coordinating scrutiny of all parts of the Government Plan (projects, sections, etc.) by the standing Panels, based on a 'best fit' approach.
2. Consolidation of standing Panels' reports into a single report.
3. Consolidation of standing Panels' amendments into a single set of amendments.
4. Tracking of Government Plan items and scrutiny progress to ensure timely delivery of 2 and 3 above.
5. Ensuring consistency of approach across standing Panels.
6. Ensuring that the report and amendments are consistent with the requirements of the Public Finances (Jersey) Law 2019

## Appendix 2: Terms of Reference for the Corporate Services Scrutiny Panel

1. Note that sections/projects of the [Government Plan](#) will be allocated to Panels by the Government Plan Review Panel (GPRP) on a 'best fit' basis.
2. Undertake an in-depth review of the allocated sections/projects of the Government Plan 2020, considering:
  - a) Whether funded projects meet the Ongoing Initiatives, Common Themes and, ultimately, Common Strategic Priorities?
  - b) Ensuring that the projects and amendments to be lodged are consistent with the requirements of the [Public Finances \(Jersey\) Law 2019](#).
  - c) The level of resourcing, of all forms, allocated to projects and whether this is sufficient or excessive to enable the project meet its stated aims.
  - d) If project resource allocation is appropriate in relation to overall departmental budgets?
  - e) Whether funded projects align with Departmental objectives? [NB: if and where they exist]
  - f) Whether or not there are clear lines of accountability for each project?
  - g) The ongoing sustainability of projects.
3. Provide the GPRP with a report and any amendments by the date agreed.
4. Budget:
  - a) To examine income raising proposals
  - b) To look at how spending will be funded
  - c) To clarify how States expenditure has materially evolved
  - d) To look at individual departmental budgets and their feasibility based on future spending
  - e) To look at the deliverability of capital projects
5. Financial, economic and growth forecasts:
  - a) To examine the levels of income against expenditure
  - b) To examine the assumptions made for the economic forecasts
  - c) To look at the impact of the financial and economic forecasts in Government Plan 2020 on the Stabilisation Fund and more widely
  - d) To consider the economic sustainability of Government Plan 2020
6. Design and implementation of the Government Plan 2020:



- a) To consider what allowance is made for the possible structural deficit in 2020 and beyond the period of the Government Plan
- b) To look at reserves; their use, and how they are allocated
- c) To consider, in the light of the [2016-2019 MTFP](#) and [Transition Report](#), how the treatment of contingencies/reserves, or any other areas of non-routine proposals have evolved in respect of the Government Plan 2020
- d) To identify the variances from budget of the MTFP 2016-2019/Transition Report, and any lessons learnt and to consider any effect upon the Government Plan 2020
- e) To consider the overall fiscal soundness of the Government Plan 2020

## **Appendix 3: Terms of Reference for the Economic and International Affairs Scrutiny Panel**

1. Note that sections/projects of the Government Plan will be allocated to Panels by the Government Plan Review Panel (GPRP) on a 'best fit' basis.
2. Undertake an in-depth review of the allocated sections/projects of the Government Plan 2020, considering:
  - Whether funded projects meet the Ongoing Initiatives, Common Themes and, ultimately, Common Strategic Priorities?
  - Ensuring that the projects and amendments to be lodged are consistent with the requirements of the Public Finances (Jersey) Law 201-
  - The level of resourcing, of all forms, allocated to projects and whether this is sufficient or excessive in enabling the project to meet its stated aims.
  - If project resource allocation is appropriate in relation to overall departmental budgets?
  - Whether funded projects align with Departmental objectives? [NB: if and where they exist]
  - Whether or not there are clear lines of accountability for each project?
  - The ongoing sustainability of projects.
3. Provide the GPRP with a report and any amendments by the date agreed.

## **Appendix 4: Terms of Reference for the Environment, Housing and Infrastructure Scrutiny Panel**

1. Note that sections/projects of the Government Plan will be allocated to Panels by the Government Plan Review Panel (GPRP) on a 'best fit' basis.
2. Undertake an in-depth review of the allocated sections/projects of the Government Plan 2020, considering:
  - Whether funded projects meet the Ongoing Initiatives, Common Themes and, ultimately, Common Strategic Priorities?
  - Ensuring that the projects and amendments to be lodged are consistent with the requirements of the Public Finances (Jersey) Law 201-.
  - The level of resourcing, of all forms, allocated to projects and whether this is sufficient to enable the project meet its stated aims.
  - If project resource allocation is appropriate in relation to overall departmental budgets?
  - Whether funded projects align with Departmental objectives? [NB: if and where they exist]
  - Whether or not there are clear lines of accountability for each project?
  - The ongoing sustainability of projects.
3. Provide the GPRP with a report and any amendments by the date agreed.

## **Appendix 5: Terms of Reference for the Health and Social Security Scrutiny Panel**

1. Note that sections/projects of the Government Plan will be allocated to Panels by the Government Plan Review Panel (GPRP) on a 'best fit' basis.
2. Undertake an in-depth review of the allocated sections/projects of the Government Plan 2020, considering:
  - Whether funded projects meet the Ongoing Initiatives, Common Themes and, ultimately, Common Strategic Priorities?
  - Ensuring that the projects and amendments to be lodged are consistent with the requirements of the Public Finances (Jersey) Law 2019.
  - The level of resourcing, of all forms, allocated to projects and whether this is sufficient to enable the project to meet its stated aims.
  - If project resource allocation is appropriate in relation to overall departmental budgets?
  - Whether funded projects align with Departmental objectives? [NB: if and where they exist]
  - Whether or not there are clear lines of accountability for each project?
  - The ongoing sustainability of projects.
3. Provide the GPRP with a report and any amendments by the date agreed.

## **Appendix 6: Terms of Reference for the Education and Home Affairs Scrutiny Panel**

1. Note that sections/projects of the Government Plan will be allocated to Panels by the Government Plan Review Panel (GPRP) on a 'best fit' basis.
2. Undertake an in-depth review of the allocated sections/projects of the Government Plan 2020, considering:
  - Whether funded projects meet the Ongoing Initiatives, Common Themes and, ultimately, Common Strategic Priorities?
  - Ensuring that the projects and amendments to be lodged are consistent with the requirements of the Public Finances (Jersey) Law 2019.
  - The level of resourcing, of all forms, allocated to projects and whether this is sufficient or excessive in enabling the project to meet its stated aims.
  - If project resource allocation is appropriate in relation to overall departmental budgets?
  - Whether funded projects align with Departmental objectives? [NB: if and where they exist]
  - Whether or not there are clear lines of accountability for each project?
  - The ongoing sustainability of projects.
3. Provide the GPRP with a report and any amendments by the date agreed.

## **Appendix 7: Terms of Reference for Care of Children Review Panel**

1. Note that sections/projects of the Government Plan will be allocated to Panels by the Government Plan Review Panel (GPRP) on a 'best fit' basis.
2. Undertake an in-depth review of the allocated sections/projects of the Government Plan 2020, considering:
  - Whether funded projects meet the Ongoing Initiatives, Common Themes and, ultimately, Common Strategic Priorities?
  - Ensuring that the projects and amendments to be lodged are consistent with the requirements of the Public Finances (Jersey) Law 2019.
  - The level of resourcing, of all forms, allocated to projects and whether this is sufficient or excessive in enabling the project to meet its stated aims.
  - If project resource allocation is appropriate in relation to overall departmental budgets?
  - Whether funded projects align with Departmental objectives? [NB: if and where they exist]
  - Whether or not there are clear lines of accountability for each project?
  - The ongoing sustainability of projects.
3. Provide the GPRP with a report and any amendments by the date agreed.

## **Appendix 8: Chartered Institute of Public Finance and Accountancy – Government Plan 2020-2023 Report**

See overleaf

States of Jersey  
States Assembly



États de Jersey  
Assemblée des États

**CORPORATE SERVICES SCRUTINY PANEL**

**GOVERNMENT PLAN 2020-2023**

**18 October 2019**

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### APPENDICES

Appendix 1	CIPFA FM Model – Relevant Statements of Good Practice
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## 1. Background

- 1.1 In September 2019, the States of Jersey commissioned CIPFA Business - Finance Advisory (the commercial arm of the Chartered Institute of Public Finance and Accountancy) to support the work of the Corporate Services Scrutiny Panel in the assessment of the Government Plan 2020-2023. This report outlines CIPFA's position on this work to 18 October 2019.

### Context

- 1.2 The scope of our review covered the proposed Government Plan which was lodged au Greffe on 23 July 2019 by the Council of Ministers in pursuant of Article 9(1) of the Public Finances (Jersey) Law 2019.

### Evidence

- 1.3 Primary sources of evidence collected included:-

- Document Review – Government Plan submission and supporting documents
- Attendance at Scrutiny Panel Meeting
- Reports received from Treasury & Exchequer
- Meetings with Senior Finance Staff in Treasury & Exchequer and Strategic Policy Performance and Population
- CIPFA data

- 1.4 It should be recognised that this assessment work is carried out on a restricted set of evidence and we are awaiting as at 18 October 2019 key background data on:

- Staffing numbers and analysis
- Subjective analysis
- Departmental Business Plans including CYP detail
- Personal Income Tax yield for 2019

### Application

- 1.5 The Government Plan 2020-2023 sets out a high level operational and fiscal strategy and the proposition in receiving this plan requires the approval of the appropriations from the Consolidated Fund, the appropriate income raising (income tax and impots) and the appropriate parameters around income and expenditure estimates. From 2020 the Government Plan proposes a variation in tax and this will be enacted<sup>1</sup> subject to States approval. The Plan also proposes to vary Social Security funding arrangements. The proposition includes the approved establishment of a Climate Emergency Fund.
- 1.6 The Government Plan seeks to adopt a detailed one year plan within a rolling four year cycle covering relevant income and expenditure. Unlike previous Medium Term Financial Plans (MTFP) this rolling 4 yearly approach allows for a significantly greater degree of agility/flexibility in recalibrating approaches to developing fiscal issues.

<sup>1</sup> Articles 11 and 12 of the Public Finances (Jersey) Law 2019 requires separate legislation to be lodged

## **2. Assessing the Government Plan 2020-2023**

- 2.1 We assessed the Government Plan against specific aspects of relevant components of the Five Star CIPFA Financial Management Model. 'The Five Star' CIPFA Financial Management Model (FM) Model is the "gold standard" globally for best practice on Financial Management in the Public Services and is used extensively in North America, the Middle East, Australasia and throughout the United Kingdom.
- 2.2 The Five Star Financial Management Model is based on the core elements of the CIPFA Financial Management Model. The Model is recognised by HM Treasury as setting out the fundamentals of best practice financial management within a public sector organisation. It has been chosen by the Finance Leadership Group of HM Treasury (FLG) as the framework to be used for financial management self-assessments. The Model uses a scoring system to provide an objective measure of financial management capability including the identification of strengths, weaknesses and areas for improvement.
- 2.3 The Five Star CIPFA Financial Management Model is based on 30 statements of best practice. Each of these statements is supported by a series of up to 18 questions which both explain the scope of the statement and help evaluate the extent to which the statement applies to the organisation. Each statement is scored on a scale from 0-4 (in increments of 0.25) based on the strength of evidence that supports the extent that the attributes of best practice actually exist and are being applied.
- 2.4 Our assessment is based on a mix of evidence obtained through document review and meetings with Government staff. However, it should be noted that our assessment has been limited by the lack of the availability of key information as set out in paragraph 1.4 above. Any conclusion drawn from our work should be assessed in the context of the unavailability/absence of key evidence.

### **Approach taken in assessing the strength of the Government Plan 2020-2023**

- 2.5 In developing a valid assessment methodology we applied an approach using the most relevant statements and supporting questions from the CIPFA FM Model to the Government Plan 2020-2022 (GP). Our approach focussed on the attributes of the:-
- Architecture and construction of the GP
  - Assessment of key foundational assumptions used within the GP including departmental/service business plans and business case workings
  - Arrangements set out in the GP for securing delivery and performance management
- 2.6 In terms of our approach in testing the GP, we modified our standard methodology to test only those relevant statements (using supporting questions) that would cover this restricted assessment. We identified five statements that we considered to be relevant and appropriate in the assessment of the GP where we would expect the fundamental attributes of good practice to be evident within the GP. Each statement is supported by questions which seek to cover a range of relevant evidence which assists with statement scoring – these are outlined

in Appendix 1. Scoring rises from 0 to 4 in increments of 0.25. Scoring is represented at a high level with a “traffic light” (RAG Rating) approach associated with the following ranges:-

Rating	Qualifying Scoring	
*****	4.0	World Class
	3.75	Totally evidenced
	3.50	Strong
****	3.25	Highly evident
	3.0	Highly evident
***	2.75	Evident
	2.50	Mostly
**	2.25	Competent
	2.0	Basic
*	1.75	Lower than basic
	1.5	Minimal
	1.25	Weak
	1.0	Weak
	0.75	Inadequate
	0.5	Inadequate
	0	Not at all

### Evidence and statement scoring

- 2.7 It should be recognised that this assessment work is carried out on a significantly limited set of evidence and should be seen as specific to the GP as submitted rather than an indicator of the overall strength of financial management capability at the Government of Jersey. Having carefully considered all the relevant available evidence, our scoring for each of our relevant statements in relation to the GP is as follows:

Statement	Statement narrative	Gov. Plan 2020-23 Indicative scoring	Global Average scoring
L3 Delivering Accountability	Within an annual budget setting process the organisation’s leadership sets income requirements including tax and allocates resources to different activities in order to achieve its objectives. The organisation monitors the organisation’s financial and activity performance in delivering planned outcomes.	2.75	3.00
L4 Supporting Performance	The organisation has a developed financial strategy to underpin medium and longer term financial health. The organisation integrates its business and financial planning so that it aligns resources to meet current and future outcome focussed business objectives and priorities.	2.25	2.50
L6 Enabling Transformation	The organisation’s leadership integrates financial management into its strategies to meet future business needs. Its financial management approach supports the change agenda and a culture of customer focus, innovation, improvement and development.	2.75	2.25
PR1 Delivering Accountability	Budgets are accrual-based and robustly calculated	2.00	2.50
PR10 Supporting Performance	The organisation’s medium-term financial planning process underpins fiscal discipline, is focussed upon	2.75	2.50

	<b>the achievement of strategic priorities and delivers a dynamic and effective business plan.</b>		
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- 2.8 The statements within the FM Model are configured to fit a matrix on Financial Management styles and management dimensions. On Financial Management styles the FM Model has three – Delivering Accountability, Supporting Performance and Enabling Transformation. The model has four Financial Management Dimensions of Leadership, People, Processes and Stakeholders.
- 2.9 In our experience Delivering Accountability style of financial management scores best. This is an area that is heavily regulated and prescribed by HM Treasury and Cabinet Office best practice. Delivering Accountability is also most closely related to the traditional role of financial capability. Typically there should be a pattern of progression in scoring with the highest being Delivering Accountability style and the lowest being Enabling Transformation with a stepped progression between the financial management styles. However the above indicative scoring is slightly different in that elements of Enabling Transformation and Supporting Performance appearing to be comparable with some core Delivering Accountability attributes – albeit that this exercise has significant limitations. This is typically a feature of those organisations who have prioritised transformational change.

**Leadership – Delivering Accountability/Supporting Performance/Enabling Transformation**

- 2.10 Based on the evidence presented to date our high level comments underpinning our scoring are outlined below.

<b>Delivering Accountability</b>	<b>L3</b>	Within an annual budget setting process the organisation’s leadership sets income requirements including tax and allocates resources to different activities in order to achieve its objectives. The organisation monitors the organisation’s financial and activity performance in delivering planned outcomes.	<b>2.75</b>
	<b>L4</b>	The organisation has a developed financial strategy to underpin medium and longer term financial health. The organisation integrates its business and financial planning so that it aligns resources to meet current and future outcome focussed business objectives and priorities.	<b>2.25</b>
<b>Enabling Transformation</b>	<b>L6</b>	The organisation’s leadership integrates financial management into its strategies to meet future business needs. Its financial management approach supports the change agenda and a culture of customer focus, innovation, improvement and development.	<b>2.75</b>

- 2.11 Statement L3 has 3 strands, bringing together the matching of resources to organisational priorities, monitoring to ensure those priorities are achieved and the establishment and review of financial management policies. In this respect our evidence derived from the GP, supporting documents and oral evidence from our meetings suggest that, at a high level, (and for perhaps the first time) corporate priorities have been identified and incorporated within a financial strategy in a way that seeks to determine clarity of objectives and secure the accountability of the services to deliver required outcomes through an allocation process. The

GP is well set out and appears to be comprehensible to the non-financially aware reader – minimising technical terms where possible.

- 2.12 For L4 the FM Model expects there to be a clear integrated strategy with appropriate linkage between business plans, workforce strategy, and underpinning financial strategies (including procurement strategy, asset management strategy etc.), i.e. a medium-term financial strategy, that demonstrates that resources are in place to deliver the planned actions. Whilst high level direction of priorities are well set out and a delivery approach is core to the GP, there is no evidence that the financial model is built from operational service planning and the allocation of resources appears driven by a top down approach rather than bottom up in the formulation of budgets and allocations. The allocation and detail relating to the figures for current year priority revenue investment (CYP), efficiency savings, capital investment and core base estimates appear to be aspirational rather than formulated at a granular level. The degree to which efficiency savings are deliverable as well as the containment of expected budget pressures will significantly determine the extent that outturn will come within the expected budgetary position. This will include the deliverability of CYP and capital investment.
- 2.13 A key supporting question is “Does the medium-term financial plan draw together realistic estimates of funding to support the achievement of strategic objectives?” We have requested information on Income Tax yields as we envisage that tax generation will be significantly influenced by the prevailing macro-economic position as well as potential transformational change impacts to the public services in Jersey itself. At present we are unsighted on the detail behind tax yields. The latest Fiscal Policy Panel’s key economic metrics (September 2019) forecast a downward trend and income estimates were formulated by the Income Forecasting Group (IFG) using the FPP’s spring indicators. Such spring indicators reflected a more buoyant position. We are also unsighted on the current year’s overall actual income tax position. This lack of evidence on the robustness of income estimates is problematic and our scoring is reflective of that position.
- 2.14 Whilst the GP is well constructed, the lack of alignment with service planning and its lack of granularity in terms of the lack of supporting workings is its principal weakness. A significant contributing factor may be the lack of operational financial strategies that should integrate with operational activities i.e. Service Plans without adequate financial information. The fact that the financial estimates appear to be embryonic and are being developed using a ‘top down’ vision approach may well be contributing factors.
- 2.15 For the transformation style, statement L6 covers the integration of financial management approach and resources driving the change agenda. This statement considers issues such as performance and cost measures or risk. It is recognised that for some organisations with robust internal controls and entrenched cultural barriers to change, the ability to stimulate transformational capacity can be difficult due to the inherent inflexibility of internal controls which restricts transformational capability. A feature of transformational capability is the ability to look at alternative (often radically different) delivery models. The GP is strong on setting out the change agenda at a high level and tries to provide a balance between the required investment and financing that additionality. The lack of granularity is certainly a challenge to meeting the attributes associated with this statement and our scoring is lower than it would have been had a basic level of detail had been available. That said, scoring specifically on the GP within this exercise is markedly higher than our global average.

## Processes – Delivering Accountability/Supporting Performance

<b>Delivering Accountability (PR1)</b>	<b>PR1</b>	Budgets are accrual-based and robustly calculated	<b>2.00</b>
<b>Supporting Performance (PR10)</b>	<b>PR10</b>	The organisation’s medium-term financial planning process underpins fiscal discipline, is focussed upon the achievement of strategic priorities and delivers a dynamic and effective business plan.	<b>2.75</b>

2.16 Statement PR1 covers with the mechanics of Budget Setting in depth, however our evidence, or the lack of it, does suggest the deployment of a largely incremental budget setting process with savings plans being largely formulated using a ‘salami sliced’ approach. There appears to be a lack of a ‘bottom up approach to base budget setting. During the course of our meetings we were advised that some elements of zero based budgeting and outcomes based budgeting were being used – however we have not received any evidence on the deployment of these techniques or even a hybrid approach.

2.17 Efficiency savings and CYP investment have been allocated to the services. However, it is difficult to determine the level of detail behind the sums involved and the robustness/efficacy of the figures. Key supporting questions include:

*“Are forecast or actual budget variances and trends reflected in the budget setting process?”*

*“Are cost reductions, growth and savings options identified and reliably costed as part of the budget process?”*

*“Does a risk assessment of material items of income and expenditure inform budget setting, and their reporting to the board with financial implications, mitigating actions and contingency provisions?”*

*“Are managers fully involved in setting their budgets, working with finance staff, so that they take ownership?”*

2.18 We had some difficulty in positively identify attributes that adequately answer these questions in the affirmative. In the absence of supporting evidence the figures presented within the financial modelling component of the GP suggest that the foundational budgets and allocations are more aspirational than being formulated on a stress tested and challenged business cases for service change.

2.19 PR10 addresses the critical area of medium term financial planning and how financial strategy is underpinned by key funding assumptions, strategic service planning and analysis. PR10 can be linked to statement L4, however the focus on PR10 is more about the actual processes used in crafting in Medium Term Financial Plan component within the wider GP. Whilst we have scored this at 2.75 we are largely basing our scoring upon the ‘strapline’ of the statement in the absence of key evidence. There is some significant evidential issues to be addressed so

our scoring should be treated with some caution. For example, the link between investment led service changes and required staffing implications remains unclear. Financial strategy does not appear to be fully informed by a bottom up analysis of costs and income. We are not sighted on any service business planning. The CYP and Efficiency Savings components of the financial modelling appears to set more indicative/aspirational targets rather than developing a step by step guide on how re-engineering is going to be achieved. There is the sense that there is difficulty in establishing, with any precision, an optimal staffing structure for any planned level of service reengineering and eventual service delivery. In this respect the GP as a Medium Term Financial Plan appears to be more conceptual than founded upon a fully integrated and detailed approach. However, whilst formulated on a 'top down' high level approach, the GP is comprehensive and the plan appears to allow some agility in recalibrating activity.

2.20 The absence of real connectivity with supporting strategies on the detailed numbers is problematic (referred to in L4 comments) and suggests that significant elements of detail are still to be 'worked up'. A major challenge will be overcoming negative perceptions on the ability to deliver savings and related service change against the backdrop of previous difficulties encountered across MTFP I and MTFP II. However, a real improvement over the approaches used in the construction of previous MTFPs is the attempt to model corporate priorities alongside their financing with a focus on the delivery of outcomes. Such an improvement is reflected within our scoring.



### 3 Strengths and specific areas of concern

#### Strengths - summary

3.1 The Government Plan 2020-2023 is a bold and ambitious plan. It is essentially a fiscal framework which incorporates unparalleled levels (in respect of Jersey) of transformational change. High level strengths which include the following:

- Architecture/structure of the Government Plan is comprehensive and well presented
- In context the information is presented in a user friendly format, is intelligible and accessible to non-expert users
- The Government Plan clearly outlines service priorities in a way that previous MTFPs have not and attempts to integrate priorities with estimated/planned financial exposure – this is not commonly evident within UK equivalents
- On financial strategy formulation there is clear strategic direction, strong corporate co-ordination and for the first time real direction on performance management delivery and officer accountability
- Concentration on cross cutting approaches to efficiencies
- Elimination of the reservation of funds for Capital Project approval
- Incorporation of Balance Sheet management within the Plan (we had been previously critical of the absence of this within previous MTFP reviews)

#### Specific areas of concern

3.2 From an interim assessment of the available evidence we would draw the Panel's attention to the following five areas of concern –some of which may be dealt with by additional evidence.

- Budget construction
- Income estimates – optimism bias
- Delivering required savings – lack of detail
- Investment capability – Capital as well as CYP Revenue
- Corporate Finance Strategy

#### Budget construction

3.3 We were unable to obtain service business plans or specific service budgets formatted within a subjective analysis. For example:

##### **Expenditure**

Employee Costs

Property Costs

Supplies and Services

Transport Costs

Administrative Costs and other overhead

Financing costs

##### **Income**

Service Income  
Recharges  
Grants etc.  
Other income

- 3.4 Best practice advocates a ‘bottom up’ approach to budget construction including aspects of zero based and outcome based budget methodologies. The Government Plan 2020-2023 appears to be predominately constructed using a ‘top down’ approach. This type of approach is commonly used when organisations find themselves constrained by time and capacity issues. The main concern with this approach is that budgets are not constructed with an acceptable level of precision and that final positions are aspirational rather than founded on actual commitments. Key assumptions may lack validity and not be adequately stress tested. A key problem within UK Local Government Budget setting is a lack of robustness in setting of the ‘balanced’ annual budget. In some cases there has been an undue reliance on the achievement of unrealistic efficiency savings and income growth. Whilst the Government Plan has obvious strengths there are aspects that bear some similarities to the challenges currently faced within the UK local authority environment.
- 3.5 Overall we would expect the Plan to provide evidence that departmental operational plans are ‘welded’ to financial planning in a way that ensures that operational planning and financial planning synchronise and are both realistic and achievable. At this stage, we did not get sense that the Government Plan has been constructed in this way. The risks on the potential lack of precision cannot be overstated.

#### **Income Estimates**

- 3.6 Incorporated within our previous review work on MTFP 1 and 2 we raised concerns about the formulation of income estimates in the context of prevailing economic trends and suggested that there may have been an element of optimism bias in the budget setting process. We recognise the work of the Income Forecasting Group (IFG) including the robust advice provided by the Fiscal Policy Panel (FPP), shapes and influences the determination of key income forecasts and estimates. However, at this point in time we are of the view that there may be significant risks in running with current income tax yield estimates embedded within the Government Plan. The IFG based income forecasts were influenced by the FPP’s spring economic assumptions. The table below highlights the expected movements and revised forecasts for taxation and duty for spring 2019 together with a comparison with the Budget 2019 (September 2018) forecast per r107-2019 <sup>2</sup>.

<sup>2</sup> IFG - Income Forecast Group (“IFG”) Report on the Revised Forecast of States Income from Taxation and Duty for Spring 2019 Page 3

States Income from Taxation and Duty	Actual	Spring 2019 forecast				
	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000
- Income Tax	544,444	586,000	614,000	645,000	675,000	707,000
- GST	92,937	93,443	95,519	97,554	99,750	101,888
- Impôt Duties	62,463	65,756	65,741	65,686	65,694	65,764
- Stamp Duty	34,502	35,891	37,118	38,105	39,770	41,020
<i>Higher Scenario</i>	<i>734,346</i>	<i>804,886</i>	<i>847,129</i>	<i>898,441</i>	<i>951,000</i>	<i>1,007,430</i>
<b>Central Scenario</b>	<b>734,346</b>	<b>781,090</b>	<b>812,378</b>	<b>846,345</b>	<b>880,214</b>	<b>915,672</b>
<i>Lower Scenario</i>	<i>734,346</i>	<i>757,276</i>	<i>777,783</i>	<i>794,907</i>	<i>810,896</i>	<i>826,503</i>
<b>Annual Growth %</b>		<b>6.4%</b>	<b>4.0%</b>	<b>4.2%</b>	<b>4.0%</b>	<b>4.0%</b>
Budget 2019 (Sept 2018) Forecast	716,362	756,509	788,169	818,000	850,101	885,159
<i>Budget 2019 measures adopted</i>	-	1,303	1,176	1,176	1,176	1,176
Budget 2019 Forecast incl adopted Budget measures	716,362	757,812	789,345	819,176	851,277	886,335
<i>Variation to Budget 2019 (Sept 2018) Forecast incl adopted Budget measures</i>	<i>17,984</i>	<i>23,278</i>	<i>23,033</i>	<i>27,169</i>	<i>28,937</i>	<i>29,337</i>

3.7 Using a central scenario approach there was an expected overall upward shift of 6.4% from 2018 to 2019 outturns then a further 4% upward movement from 2019 to 2020.

3.8 As we are currently unsighted as to current 2019 income yield performance it is difficult to validate the base transition from 2019 to 2020 and beyond. In previous scrutiny work we have been previously critical of what we saw as a failure to adjust financial strategy in line with the very latest intelligence. This had particular resonance with the projected deteriorating Income Tax yield position at the time.

3.9 We note that a change in accounting treatment of personal income tax to recognise all personal income tax in the year it arises is incorporated within the income estimates – effectively a move to current year assessment tax yield for the purposes of states income. This accords with the matching principle embedded within prevailing Internal Financial Reporting Standards (IFRS) and we note that it transfers the impact of income tax liability into current year income with current year liability being assumed to be higher than the previous years. The impact of this acceleration has been quantified as being £11 million in 2020 rising to £13 million. Whilst we would welcome improved alignment with accounting standards it is important that the estimate formulation methodology for Personal Tax figures within the Budget and GP accurately reflect the actual impact. Arguably, using previous year liability figures should have provided more certainty with Personal Income Tax yield estimates. In this context it will be interesting to assess the accuracy of the assumptions behind the revised tax estimate bases set going forward.

3.10 The Government Plan makes some modifications to the IFG presented figures and page 153 outlines the finalised figures:

2019 Forecast (£000)	Tax/duty	2020 Estimate (£000)	2021 Estimate (£000)	2022 Estimate (£000)	2023 Estimate (£000)
586,000	Income Tax	614,000	645,000	675,000	706,000
93,443	GST	95,919	98,353	100,551	102,689
65,756	Impôt duties	70,365	72,806	75,313	77,025
35,891	Stamp duty	37,118	38,105	39,769	41,020
781,090	Central scenario	817,402	854,264	890,633	926,734
4.70%	Annual growth %	4.60%	4.50%	4.30%	4.10%
2,000	Domestic Compliance	7,000	9,600	11,900	13,000
783,090	General Tax Revenue	824,402	863,864	902,533	939,734

3.11 An obvious area of concern is the expected 7.6% growth in Income Tax between the 2018 actual of £544,444 and £586,000 base for 2019 (the current year) particularly in the context of the FPP's latest September economic metrics forecasts. This is approximately £42 million of growth. The latest key metrics taken from the FPP's latest September Bulletin are outlined below together with the relative shifting from the March position used to construct the Government Plan's income assumptions by the IFG:

1. **Updated base case forecast**

<i>% change unless otherwise specified</i>	2017	2018	2019	2020	2021	2022	Trend 2023+
Real GVA	0.4	2.5	0.9	1.0	1.3	0.8	0.6
RPI	3.1	3.9	2.8	2.4	2.6	2.7	2.6
RPIY	3.2	3.5	2.6	2.3	2.5	2.6	2.5
Nominal GVA	3.6	6.0	3.5	3.3	3.8	3.4	3.1
GOS (including rental)	-0.7	7.7	3.3	3.0	3.5	3.2	3.2
Financial services profits	-6.6	8.3	2.0	2.0	3.1	3.3	3.4
Compensation of employees	7.6	4.7	3.6	3.5	4.0	3.5	3.1
Employment	2.3	1.4	1.0	0.2	0.8	0.5	0.4
Average earnings	2.6	3.5	2.6	3.3	3.2	3.0	2.7
Interest rates (%)	0.3	0.6	0.7	0.6	0.5	0.5	0.5*
House prices	2.9	7.1	6.3	5.4	4.5	3.6	2.7
Housing transactions	6.7	7.2	7.0	3.0	3.2	2.3	1.5

2. **Change since March 2019**

	2017	2018	2019	2020	2021	2022	Trend 2023+
Real GVA	0.0	+0.9	-0.1	-0.4	0.0	0.0	0.0
RPI	0.0	0.0	-0.3	-0.2	+0.1	+0.1	0.0
RPIY	0.0	0.0	-0.3	-0.2	+0.1	+0.1	0.0
Nominal GVA	0.0	+0.9	-0.4	-0.6	+0.1	+0.1	0.0
GOS (including rental)	0.0	+1.9	+0.1	-0.6	0.0	0.0	0.0
Financial services profits	0.0	+4.3	0.0	-0.9	0.0	0.0	0.0
Compensation of employees	0.0	+0.2	-0.9	-0.7	+0.1	+0.1	0.0
Employment	0.0	+0.4	+0.5	-0.5	0.0	0.0	0.0
Average earnings	0.0	0.0	-1.4	-0.2	0.0	+0.1	0.0
Interest rates (%)	0.0	0.0	-0.1	-0.3	-0.5	-0.6	-0.6*
House prices	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Housing transactions	0.0	0.0	+4.0	-1.0	0.0	0.0	0.0

\*Interest rate assumption for 2023 only

3.12 Whilst GVA has shifted down a marginal 0.1 to 0.9%, it is significant that Average Earnings retrenches by 1.4% to 2.6% from 4.0%.

3.13 Income Tax (Personal and Corporate) accounts for approximately 74.5% of all General Tax Revenue. The expected Income Tax achievement of £586 million this year (2019) from £544 million in 2018 is expected to grow further to £614 million for 2020. This appears accelerated increase appears to be extremely optimistic – particularly in a climate of significant uncertainty. The FPP state that “Growth in average earnings slowed markedly in 2019 to 2.6%. In real terms, after inflation, earnings fell for a second consecutive year.” Similarly, due to increasingly challenging trading conditions it is not certain that previous tax measures on large Corporate Retailers<sup>3</sup> will deliver expected yields. The impact of widening the definition of a Financial Services company to enhance a 10% capture on profits was also geared at generating additional tax income. It is not clear at this point in time if both these measures, which were estimated as bringing in an additional £8.7 million in 2019 will deliver such income expectations.

3.14 It should also be noted that if public sector reform produces a significant reduction in public sector staffing numbers this may have a material impact on future tax yields covered by the plan as well as the impact on pension fund contributions.

3.15 Whilst we acknowledge that the IFG have taken a central scenario we would, at the time of writing, suggest that it may have been more prudent to take a midpoint position between the Lower and the Central Scenario in order to formulate the base income estimates. Given the overall level of economic uncertainty it would be our view that the current income tax revenues estimates within the plan are optimistic and there will be downside risks of expected income tax levels not being fully achieved. We would recommend that in light of the latest FPP metrics the income figures should be subject to downward revision.

<sup>3</sup> Large Corporate Retailers are subject to tax at a higher rate from Year of Assessment 2018 if they have taxable profits of at least £500,000 per annum. Where taxable profits are more than £500,000 but less than £750,000 per annum, tapering relief is applicable with the effective rate of tax will increase on a sliding scale from 0% to 20%. Where the taxable profits are £750,000 or more per annum, the applicable tax rate will be 20%. A larger corporate retailer is a company where 60% of its trading turnover is from retail sales to customers in Jersey; and retail sales to customers in Jersey are equal to or greater than £2m per annum. Retail sales will not include wholesale supplies or the provision of services.

## Delivering required savings

- 3.16 The Government Plan sets out some high level detail of £19.7m of efficiency savings which has recently been increased to £32.78m as part of an overall target of £40m to be delivered for 2020. These savings are within an expected achievement of an overall objective of £100m over the duration of the plan to 2023. We understand that there is further work underway to identify the remaining £7m of the £40m savings but at this point in time there is no available evidenced based outcome of such work.
- 3.17 We are advised that the planned efficiencies comprise a range of proposals at both departmental and cross cutting level. The introduction and identification of cross-cutting initiatives is a marked improvement from change proposals incorporated within previous MTFPs and suggests a strong corporate drive to eliminate duplication and provide more effective outcomes for public service users.
- 3.18 The 2020 Efficiencies update highlights the spread of efficiency savings across departments. Undoubtedly there has been significant background work in trying to assess the extent of efficiencies and how these can be delivered/achieved.
- 3.19 Our concerns in this area focus on the lack of detailed information to support each strand of efficiency saving measure. Whilst there has been a good breakdown of source between spend reduction, cost recovery and income, there is an absence of detail which we would expect to see that would provide some indication as to the maturity of the approach used to 'work up' each efficiency measure. Given that the financial modelling with the overall Government Plan expects the realisation of the planned sums in efficiency savings, we are assuming that such efficiency savings are fully cashable savings rather than counter-factual saving. For example, detailed workings on the proposed Hospital efficiencies of £3.53m and other Health efficiencies of £2.47m would be extremely helpful. Given unrelenting service demand it is difficult to conceive that such level of cashable efficiencies can be delivered in one year 2020.
- 3.20 Overall we simply do not have any detail that would allow a robust assessment on the efficacy of the critical assumptions underpinning each strand of the efficiency savings programme and the relative risks attached to such assumptions. Historically there has not been a great track record of achievement of cashable savings in Jersey relative to the expectations around achievement.
- 3.21 Whilst we fully appreciate that some of the efficiencies will arise through the investment programme, (for example the utilisation of digital/new technologies, service integration and a revised Target Operating Model (TOM)), the detail should be embedded within the investment proposals. In the cross-over between investment and efficiency savings through transformational change we would expect to see a sufficiency of detail on both capital/investment outcomes and investment related efficiency savings that will be realised. Unfortunately, there does not appear to be the detail on either within the Government Plan or supporting documentation.

## Investment capability

3.22 Over the course of the Plan it is anticipated that some £349 million of capital investment will be achieved. This is outlined within the overall modelling below with some £90.6 million of capital investment planned for 2020 and £80.7 million of revenue investment CYP:

	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
Opening base budget	734,845	823,775	858,695	895,584
<b>New investment in CSP priorities</b>	<b>80,693</b>	<b>27,753</b>	<b>20,712</b>	<b>6,357</b>
<b>Inflation and Legislative Decisions</b>	<b>41,237</b>	<b>24,567</b>	<b>33,877</b>	<b>40,810</b>
<b>Efficiencies<sup>4</sup></b>	<b>(33,000)</b>	<b>(17,400)</b>	<b>(17,700)</b>	<b>(18,900)</b>
<b>Total net departmental expenditure</b>	<b>823,775</b>	<b>858,695</b>	<b>895,584</b>	<b>923,851</b>
<b>Capital programme</b>	<b>90,640</b>	<b>91,801</b>	<b>87,478</b>	<b>78,868</b>
<b>Total Government Net Expenditure</b>	<b>914,415</b>	<b>950,496</b>	<b>983,062</b>	<b>1,002,719</b>

3.23 We do not have sight of the current 2019 Capital expenditure (CapEx) outturn but the 2018 equivalent was approximately £18 million excluding trading funds and the 2017 figure was £47.6 million with £40.9 million in 2016. Expected levels of investment over the plan of £349 million have never been higher. Given the level of natural slippage across most capital programmes and the extent that departments will need to 'gear up' for such increased levels, it is difficult to envisage that this level of investment will be delivered to plan. Unlike the proposed level of efficiency savings there is some (but variable) granularity on the individual programme workstreams. These are included as appendix 4 of R.91/2019 - further information in respect of the additional revenue and capital expenditure referred to in the Government Plan.

3.24 In terms of Capital Investment activity the following table summarises the main investment activities<sup>4</sup>:

Capital Programme area	2020 £0	2021 £0	2022 £0	2023 £0	Totals £0
Pre feasibility vote	11,200.00	1,700.00	250.00	0.00	13,150.00
Discrimination law, safeguarding and regulation of care	2,500.00	2,600.00	2,600.00	2,000.00	9,700.00
Schools extensions and improvements	2,000.00	5,701.00	5,650.00	1,750.00	15,101.00
Infrastructure including the Rolling Vote	24,050.00	22,370.00	20,650.00	23,150.00	90,220.00
Information Technology	25,461.00	31,393.00	23,871.00	10,100.00	90,825.00
Replacement Assets	10,085.00	8,360.00	5,884.00	8,627.00	32,956.00
Estates including New Schools	14,344.00	18,177.00	26,773.00	31,241.00	90,535.00
Central Risk and Inflation Funding	1,000.00	1,500.00	1,800.00	2,000.00	6,300.00
<b>Totals</b>	<b>90,640.00</b>	<b>91,801.00</b>	<b>87,478.00</b>	<b>78,868.00</b>	<b>348,787.00</b>
Jersey Fleet Management	1,000.00	1,000.00	1,000.00	1,000.00	4,000.00
Jersey Car Parking	553.00	22.00	6,040.00	3,058.00	9,673.00
<b>Total Trading Funds</b>	<b>1,553.00</b>	<b>1,022.00</b>	<b>7,040.00</b>	<b>4,058.00</b>	<b>13,673.00</b>

<sup>4</sup> R91 – 2019 – Appendix 3 Summary –Pages 126 to 129

3.25 Key projects reflect Government priorities. Notable investments include:

Investment	£,000
Integrated Technology Solutions	28,000
Cyber	13,800
Sewage Treatment Works	11,850
Health Service Improvements	20,000
Rouge Bouillon Site review outcome	14,000

3.26 The management of capital contracts across the UK public services has been historically difficult with optimism bias and failure to manage complex projects with specialist contractors being consistent contributing factors. There is a real risk that with the level of expected staffing change that there will be difficulties in finalising robust project costed specifications, applying optimal procurement and applying efficient performance management awarding to ensure projects are effectively delivered. For example, should a number of key people leave the service as a result of workforce planning change measures through planned public sector reform, it may be possible that there will be a loss of experience and corporate memory that could potentially impair optimal investment specification formulation. Such enhanced levels of capital programme delivery require additional capacity in terms of skilling and availability of suitable/contractors/suppliers. We remain to be convinced that such attributes will be fully available to deliver the size and complexity of the investment programmes included within the Government Plan. For example, there does not appear to be a realistic overall appreciation of programme slippage/optimism bias.

3.27 We are advised that Departments spent £30.7 million on net CapEx in the first 6 months of 2019 and are forecasting to spend £70.9 million by the end of the current year<sup>5</sup>. This includes significant projects which have been running over a number of years including the new Les Quennevais School and the Sewage Treatment Works. Expanding total capital expenditure from approximately £18 million to £71 million in successive years is a considerable achievement although we are unsighted on the detail behind the key assumptions that underpin the 2019 forecasted outturn of £70.9 million. Despite the significant increase in planned 2019 CapEx we would still have concerns around the available capacity and capabilities to deliver the capital investment of £349 million over the relevant four year plan in addition to any scope to move forward on the Our Hospital Project<sup>6</sup>.

## CYP

3.28 In relation to CYP, the additional £80.693 million has been allocated and incorporated within the objective analysis contained within the GP. However, we are unsighted on how this revenue expenditure is being spent on a subjective analysis basis. As a consequence it is extremely difficult to categorise this additional investment into revenue type staffing, property and supplies inputs etc. In respect of budget construction we have already highlighted that there is a lack of evidence that points to a bottom up approach being taken in the construction of revenue estimates and this would include CYP investment. We would naturally expect that the £80.693 million CYP investment is capable of being broken down into

<sup>5</sup> <https://statesassembly.gov.je/assemblyreports/2019/r.115-2019.pdf>

<sup>6</sup> £349 million includes some £6.6 million of Pre-feasibility Vote capital expenditure on 'Our Hospital'



a subjective analysis and that key staffing and supplies expenditure resources can be readily identified.

- 3.29 If there is sufficient maturity in the investment concept that has been established for each CYP, such investment expenditure components should be capable of identification and analysis by Subjective headings. Generally, the nature of Capital expenditure is substantially related to asset creation and the utilisation or economic payback of that asset for periods in excess of one year. The nature of this type of expenditure is usually very different to CYP revenue exposure. The size of the CYP revenue type expenditure investment is highly significant and clearly mapped to corporate priorities. However, the nature of it is such that we don't get a sense of how such CYP investment will translate into outcomes. Best practice would require departmental service plans to detail the construction of this additional revenue expenditure by investment type and by subjective analysis. This information should be wholly embedded within service plans – welding operational and financial plans together. If this information is being currently 'worked up' and lacks maturity it may weaken the level of reliability and assurance which the plan seeks to achieve. Incorporating aspirational and embryonic estimates into the Plan without the detail and challenge is inconsistent with the high level messaging that the GP seeks to achieve.
- 3.30 On the wider economic prospects for Jersey the FFP's September report highlights an increased vulnerability from both a global slowdown and uncertainties linked to the UK's position within the EU. The downward revision reflects an element of pessimism and that is factored into the downward adjustment on key economic metrics- "With the prospects for Jersey's economy looking somewhat weaker in the short term<sup>7</sup>." Outwith external factors there is also the impact on Jersey as a result of the implementation of the investment programme and in many ways the plan points to investment which should stimulate an element of economic growth. However, we are uncertain about the degree to which the dependency on the 'size' public sector changes in Jersey as a result of the impacts of various strands of the GP including a radical redesign of the workforce to accommodate transformational change. This would include the stimulus effect of investment or indeed potential inhibitors arising from negative impacts on GVA and revenues. Indeed, questions may arise about the availability of market capacity within the island itself and extent of potential 'leakage' of investment outwith the island where external contractors are being deployed for larger projects.
- 3.31 In summary there is not enough precision and sense of capacity to assess whether the GP will act as a stimulus or otherwise. Indeed, in reality it may have a largely neutral effect if major transformational change is not achieved in the short to medium term.

### **Corporate Finance Strategy**

- 3.32 The overall interaction of funds and the movement on these key funds is outlined with the Plan, with a marked overall trajectory of growth:

<sup>7</sup> Jersey's Fiscal Policy Panel –Updated Economic Assumptions -23 September 219 – Page 3

Special funds balances	2020 (£000)	2021 (£000)	2022 (£000)	2023 (£000)
<b>Strategic Reserve Fund</b>	<b>887,200</b>	<b>927,200</b>	<b>969,800</b>	<b>1,014,400</b>
<b>Stabilisation Fund</b>	<b>86,500</b>	<b>103,400</b>	<b>120,600</b>	<b>138,000</b>
<b>The Health Insurance Fund</b>	<b>107,300</b>	<b>116,900</b>	<b>126,100</b>	<b>135,300</b>
<b>The Long-Term Care Fund</b>	<b>44,400</b>	<b>63,200</b>	<b>79,600</b>	<b>93,900</b>
<b>The Social Security Fund</b>	<b>101,350</b>	<b>100,436</b>	<b>102,794</b>	<b>113,734</b>
<b>The Social Security (Reserve) Fund</b>	<b>1,923,300</b>	<b>2,029,000</b>	<b>2,142,700</b>	<b>2,262,800</b>
<b>The Currency and Coinage Funds</b>	<b>115,400</b>	<b>115,400</b>	<b>115,400</b>	<b>115,400</b>
<b>The Jersey Reclaim Fund</b>	<b>16,500</b>	<b>16,500</b>	<b>16,500</b>	<b>16,500</b>
<b>Housing Development Fund</b>	<b>226,200</b>	<b>227,400</b>	<b>228,700</b>	<b>229,800</b>
<b>Climate Emergency Fund</b>	<b>4,455</b>	<b>4,005</b>	<b>4,705</b>	<b>5,405</b>
<b>Other Special Funds</b>	<b>24,186</b>	<b>18,396</b>	<b>18,396</b>	<b>18,396</b>
<b>Total</b>	<b>3,536,791</b>	<b>3,721,837</b>	<b>3,925,295</b>	<b>4,143,635</b>

- 3.33 Historically Jersey has done exceptionally well with in the management of investments but there now exists a level of uncertainty relative to Brexit, consistently low interest rates and instability within the wider world economies that potentially threaten the size of investment returns. We understand that headroom will be required for 'Our Hospital' and there may be a future requirement to provide finance or underwrite borrowing for public sector housing (Andium Homes). The above extrapolation of the above growth in funds is contingent on the Government Plan 2020-2023 financial model being delivered. Where investment return expectations are not realised in reality there will be the need to consider additional measures such as increasing taxes although we do understand that the Plan restates and expands upon Tax Policy
- 3.34 Whilst the aggregate year on year increases in the above funds reflect expectations on performance in the delivery of the Government Plan, there will need to be some realism and agility applied to recalibrate expectations on the balances. The current Plan does not readily expand on how that will be achieved in practice.
- 3.35 On financial strategy and the corporate management of assets we do not see any linkage narrated on how asset replacement investment decisions and the depreciation figures imported within the final accounts are taken into account within the GP.

## 4 Concluding comments

- 4.1 Overall the Government Plan 2020-2023 clearly attempts to provide balance between resilience and financial stability over the longer term whilst delivering unparalleled levels of investment and transformational change. The GP is highly ambitious and is, in our opinion, significantly stronger than the previous MTFP versions on bringing together corporate policy delivery within an overall financial model. There is a bringing together of financial and expected operational policy performance in a way that was not evident within MTFP I and MTFP II. Our assessment against CIPFA's Five Star Financial Management Model highlighted some strengths but a number of deficiencies against best practice.
- 4.2 In terms of strengths the GP is well constructed and we would commend the articulation and incorporation of explicit corporate objectives within a financial plan. The GP seeks to provide the stability to enable such objectives to be delivered over the four year period whilst enabling agility to recalibrate for any unforeseen events or over/underperformance. We are pleased that the Plan incorporates a number of our recommendations relating to previous MTFP scrutiny work including :
- The flexibility derived from adopting a rolling' four year approach
  - Elimination of ring fencing of capital investment resources at project approval stage
  - Arrangements for improve accountability for the delivery of financial performance at the services – e.g. CYP investment as well as base service budgets
  - Improved articulation of service outcomes against departmental/service budgets
  - More explicit balance sheet management
- 4.3 However, there is a marked lack of transparency on the detail behind a number of key components of the GP that should be foundational to a robust Government Plan that includes an embedded MTFP. This lack of transparency covers:
- Detail behind basic departmental service plans (including demographic and economic service demand expectations) including staffing structures
  - Base budget construction and how this is integrated within service planning
  - Efficiency savings – absence of detail and workforce implications and the extent that such efficiency savings are cashable rather than counter-factual
  - Detail behind CYP investment including required additional staffing, consultancy and service enhancement and in-year change costs
  - Capital investment –particularly the detail behind significant IT and service change re-engineering investment
  - Capital and CYP investment performance management - there does not appear to be a realistic overall appreciation of slippage or optimism bias and how that would impact carry forwards to successive financial years
- 4.4 In essence, the acute lack of detail and associated levels of assurance on basic departmental service plans and staffing structures cast some doubt on the robustness of the overall GP. As highlighted within our Five Star assessment, the lack of alignment with underpinning service planning and a lack of granularity in terms of the lack of supporting workings are the principal weaknesses. The foundational budgets and investment allocations appear to be more aspirational than being formulated on detailed stress tested business case change plans.

- 4.5 The absence of core detailed workings, core assumption risk testing and service plan information is disappointing as the GP has the potential to be an exemplar in the approach being taken to assimilate financial strategy with corporate objectives. We accept that the GP tries to provide stability over the rolling four year period with only the first year of detail. However, we would be of the view that there is a lack of evidenced based detail for even year one (2020) notwithstanding years 2 to 4 (2021-2023).
- 4.6 Whilst the available supporting documentation aims to achieve a comprehensive approach, such documentation does not provide the appropriate level of assurance that there is consistently available detailed workings behind investment and savings proposals. However, such is the level of transformational change it is appreciated that it may not be possible at this time to provide detailed financial estimates of change and efficiency programmes. However we were expecting more detail to be available. It may well be the case that in reality Capital and CYP investment forecasts and cost exposure will prove to be significantly over optimistic and this may be matched or 'balanced' by reductions in actual outturns achieved on Tax Yield and other revenues.
- 4.7 In respect to embedded Income Tax Estimates, given the latest downward revision of economic metrics by the FPP we would advocate a more prudent approach be taken in the formulation of Income Tax Estimates. For example, as highlighted in paragraph 3.15 it may be more prudent to take a midpoint position between the Lower and the Central Scenario in the establishment of the relevant base income figures.
- 4.8 There is no doubt that the GP strategy keenly focusses on delivering transformational change and value for money. Together with the attributes listed above, the GP as currently constituted highlights a significant change of direction on financial strategy formulation and should be commended on a number of levels.
- 4.9 The GP should provide high level assurance on financial stability and in many ways it appears to do that, especially through its inherent level of flexibility and visibility on movements on reserves. It should help inform future tax and spend decisions but at this time, the GP may not provide the appropriate level of detailed transparency and level of detail on the impacts of the high levels of transformational change that will allow an accurate appreciation and full consideration of all risks relevant to future tax and spend decisions. It is hoped that any subsequent revisions/modifications of the GP going forward through 2021 and beyond include significantly more granularity.
- 4.10 Finally we would wish to take this opportunity to record our sincere gratitude to Members of the States Assembly, Management and Staff at the Government of Jersey for the provision of extremely valuable support in the course of our work.

## CIPFA Financial Management Model – Extract of Relevant Statements and Supporting Questions

<b>Delivering Accountability – Leadership</b>
<b>L3 Within an annual budget setting process the organisation’s leadership sets income requirements including tax and allocates resources to different activities in order to achieve its objectives. The organisation monitors the organisation’s financial and activity performance in delivering planned outcomes.</b>
1. The annual budget setting and allocation process is based on sound evidence of costs and income together with an assessment of sensitivities to external and internal influencing drivers of change?
2. Are taxes, fees, charges and other sources of income including transfers set in accordance with a robust fiscal/ financial strategy in full alignment with the delivery of strategic objectives and outcomes?
3. Does the budget process demonstrate that resources are allocated in alignment with strategic objectives and facilitates the conversion of strategy into the operational delivery of outcomes?
4. Does the board review activity levels, actual spend, balance sheet items, and forecast outturn against the budget, at a minimum quarterly, to ensure the organisation will not overspend and that income and expenditure are in line with budgets and agreed policy, and is achieving planned outcomes?
5. Do the management team review activity levels, key performance indicators, actual spend, balance sheet items, and forecast outturn against the budget monthly, to ensure the organisation will not overspend and that income and expenditure are in line with budgets and agreed policy, and is achieving planned outcomes?
6. Does the organisation have arrangements which allow the budget and financial strategy to be recalibrated in response to unforeseen fiscal events – eg unfavourable tax yields, reduced external funding, etc?
7. Are there appropriate arrangements in place for reporting and managing the financial performance of each of the organisation’s delivery partnerships and collaborative arrangements?
8. Does the board/leadership team pack contain a financial summary which transparently highlights performance?
9. Is financial information relevant, clearly presented, timely and comprehensible to the non-financial reader? Does this apply to board member reports as well as management team reports?
10. Are there processes to adjust budgets in year and to seek board or management team level approval if activities major programmes are varied by more than pre-set tolerances and are such decisions transparent, justified and made in accordance with the organisation’s rules?
11. Is the board/management team responsive to changes in financial assumptions impacting performance and adapt decision making to deliver corrective action?

12. Has the organisation a declared policy on treatment of over- and under-spending, including end of year flexibility?
13. Are financial management policies reviewed regularly and updated?
14. Are financial management policies communicated to managers and the management team, widely understood and consistently applied?

<b>Supporting Performance – Leadership</b>
<b>L4 The organisation has a developed financial strategy to underpin medium and longer term financial health. The organisation integrates its business and financial planning so that it aligns resources to meet current and future outcome focused business objectives and priorities.</b>
1. Does the medium-term financial plan project forward the financial position for at least three years and based upon based on analysis of cost and income implications of policy choices?
2. Is the medium-term/longer-term financial plan embedded within the organisation’s corporate business plan?
3. Does the corporate business plan demonstrate how resources are allocated strategically to deliver the organisation’s aims, objectives and priorities?
4. Are operational plans fully aligned with the medium-term/longer-term financial plan?
5. Does the medium-term financial plan draw together realistic estimates of funding to support the achievement of strategic objectives?
6. Is the corporate business plan developed in collaboration and align with delivery partners and stakeholders?
7. Are outcome focussed targets and performance indicators clearly set out in corporate business plan and related operational plans?
8. Does the medium-term financial plan examine scenarios to develop financial flexibility, adequate contingency and reserves, based on a risk assessment and sensitivity analysis?
9. Does the leadership team approve and understand the demand management strategies for demand led services and activities?
10. Does the board and management team regularly review priorities to enable resources to be redirected from areas of lesser priority, not relying principally on pro rata cuts to generate savings?
11. Are individual delivery partnerships and related financial impacts evaluated to ensure they are linked clearly to policy objectives and organisational goals/outcomes?
12. Does the leadership team consider alternative arrangements where performance of a partnership is not meeting expected levels?
13. Are there clear financial management policies that together underpin sound and sustainable long term finances?

14. Do financial management policies support strategic business aims, resilience and financial standing?
15. Does the organisation prepare a workforce strategy and is this aligned and embedded with the corporate plan?
16. Are workforce related performance, costs and liabilities incorporated within strategic planning formulation e.g. pension liabilities, sickness and absence?

<b>Enabling Transformation – Leadership</b>
<b>L6: The organisation’s leadership integrates financial management into its strategies to meet future business needs. Its financial management approach supports the change agenda and a culture of customer focus, innovation, improvement and development.</b>
1. Does the board and the management team rethink and reformulate its business model to respond to a changing environment incorporating future financial scenarios?
2. Is an understanding of financial implications, opportunities and risks integral to developing new business models and alternative service delivery mechanisms?
3. Are performance and cost measures, including comparative and ‘best in class’ information, used by the board and senior managers to indicate business areas where radical rethinking of delivery is needed?
4. Does the leadership team actively develop mechanisms to secure new capacity and resources for the organisation?
5. Are funds earmarked to facilitate innovative or invest to save projects?
6. Are financial and service benefits clearly defined and integral to the realisation of benefits from change programmes and drawn up, before embarking on such programmes?
7. Does the board reporting strike an appropriate balance between ‘business as usual’ and development/change activities?
8. Is a joined-up/cross-cutting approach adopted in change plans and reflected in budgets and accountability?
9. Are affordability, value for money and risk transfer/management calculations an integral part of project appraisal and business plans?
10. Has the organisation a track record in change management, including delivering planned outcomes within budget and realising required service benefits?
11. Is the organisation prepared to stop projects that lose sight of planned benefits for planned resource inputs?

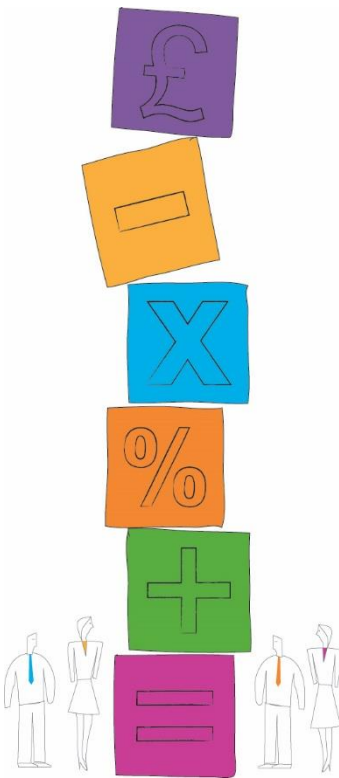
**Delivering Accountability - Processes****PR1 Budgets are accrual based and robustly calculated**

1. Is the budget setting process accrual based and formulated upon a 'bottom up approach'?
2. Does the budget setting process incorporate aspects of outcomes based budgeting, targeted zero based budgeting and/or activity based costing approaches?
3. Does the organisation prepare its budget in accordance with its corporate objectives, strategies and medium-term financial plan?
4. Are forecast or actual budget variances and trends reflected in the budget setting process?
5. Are revenue and capital budgets based on plans and projections about resource needs, pay and inflation, productivity levels, and income?
6. Are cost reductions, growth and savings options identified and reliably costed as part of the budget process?
7. Does a risk assessment of material items of income and expenditure inform budget setting, and their reporting to the board with financial implications, mitigating actions and contingency provisions?
8. Are fees, charges and concessions, including new options, related to policy objectives and reviewed annually?
9. Are the revenue consequences of the capital programme and other expenditure commitments, including the consumption of capital (e.g. depreciation) fully reflected in revenue budgets?
10. Is the reporting of cashable efficiency gains reconciled with and fully reflected in the budget setting process?
11. Are managers fully involved in setting their budgets, working with finance staff, so that they take ownership?



**Supporting Performance - Processes****PR10 The organisation's medium-term financial planning process underpins fiscal discipline, is focussed upon the achievement of strategic priorities and delivers a dynamic and effective Business Plan.**

1. Does the organisation produce a medium-term financial plan covering a minimum period of three years?
2. Is the medium-term financial plan consistent with the organisation's aims and objectives and is reflective of a business plan for the organisation?
3. Does the organisation use formal processes to link the medium-term financial plan to other organisational plans (e.g. IT strategies, workforce strategy, asset management plans and service development plans)?
4. Does the organisation use formal processes to link the medium-term financial plan to the annual operational budgets?
5. Does the medium-term financial plan fully reflect the implementation of new technology to workflow processes and impacts on the workforce and overheads?
6. Does the medium-term financial plan consider options for new sources of income, new ways of reducing costs and of attracting additional sources of funding?
7. Does the medium-term financial plan incorporate the organisation's asset management planning including an assessment of the condition, sufficiency and suitability of assets in the light of business needs?
8. Does the organisation automatically recalibrate its medium-term financial plan for any changes arising from budget setting, forecasting or actual performance monitoring processes?
9. Does the medium-term financial plan take account of local and national priorities, changing legal requirements, demographic trends and demand levels and national standards?
10. Does the organisation's medium-term financial plan reflect joint planning with partners and other stakeholders - do delivery partners' financial plans link with the medium-term financial plan?
11. Is the medium-term financial plan regularly reviewed and approved by the board?



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