STATES OF JERSEY

GOVERNMENT PLAN REVIEW: 2021-2024 (S.R.15/2020) – RESPONSE OF THE CHIEF MINISTER

Presented to the States on 1st February 2021
by the Chief Minister

STATES GREFFE

GOVERNMENT PLAN REVIEW: 2021-2024 (S.R.15/2020) – RESPONSE OF THE CHIEF MINISTER

Ministerial Response to:	S.R.15/2020
Ministerial Response required by:	18th January 2021
Review title:	Government Plan Review: 2021-2024
Scrutiny Panel:	Corporate Services Scrutiny Panel

INTRODUCTION

The Minister welcomes the Panel's report and is grateful for the work undertaken by the Panel. Where possible, the Panel's comments will be taken into consideration during the course of this year and during the development of the next Government Plan. The Panel's findings and recommendations have been noted by Ministers and responses provided below.

FINDINGS

	Findings	Comments
1	The Government Plan 2021-24 adopts the central scenario of the Income Forecasting Group's (IFG) predictions after accepting the economic assumptions of the Fiscal Policy Panel (FPP). This means that there is a risk that income in 2020 might be lower than the forecasts that the Government Plan is based upon.	An update to the IFG spring forecast was presented as an "R" in October last year, to inform the discussions on the Government Plan. This forecast reduced income expectations by £96 million and was include in the Government Plan. Whilst there is a downside scenario calculated, there is also an upside scenario calculated and as it is not possible to gauge the probability of which of the 3 scenarios is the most likely outcome using the central scenario is appropriate.
2	The IFG report highlights a number of significant risks to the economy in the short and medium term yet the changes to the economic forecast metrics such as GVA and average earnings are relatively marginal, and the prolonged impact of the pandemic seems to entrench further.	The FPP forecast was significantly reduced in March 2020, from a 'prepandemic' forecast of 1% real GVA growth in 2020 to a forecast contraction of 6.3%. This forecast has since been revised further with GVA now forecast to contract by 7.6%. This would represent the sharpest contraction in GVA during the period for which consistent data are available (at least since 1999). The FPP's significant downgrade in March was somewhat ahead of its time, with many forecasts for other jurisdictions only gradually being downgraded over the course of 2020. The FPP's further downgrade to the forecast was therefore smaller than might have been seen in other jurisdictions, but still significant. The FPP have

	Findings	Comments
		been clear that this forecast remains subject to a greater than usual degree of uncertainty. There is clearly a difference between there being a range of uncertainty around a central forecast, as compared with there being evidence to justify downgrading that central forecast. The FPP forecast for earnings in 2020 reflects the outturn figure from Statistics Jersey – growth of 1.1%
3	Revenue Jersey is unable to provide detailed information for personal taxation figures which accounts for 60.3% of overall general revenue. The Income Forecasting Group autumn report confirms operational challenges within that department.	There were a number of issues in providing data for the 2018 Year of Assessment. At the time of preparing the spring forecast there remained a material number of 2018 assessments that had not been completed following the extraordinary levels of additional work in Revenue Jersey at that time. This did not therefore provide a sufficiently robust dataset. The annual assessing cycle is now operating within normal parameters. Transitional issues arising from data being deposited both in the old ITAX system and the new Revenue Management System. These issues are now being overcome.
4	Within the 2019 Government of Jersey Annual Report and Accounts the Independent Auditor report highlighted under ‘key audit matters’ that the estimation of personal tax revenue in advance of submission of tax returns and completion of individual tax assessments required significant judgement and that deriving income by this type of approach incorporated an element of risk.	It should be noted that the comments from the independent auditor, on page 173 of the accounts, show the key observation following audit was: “The income tax revenue recognised is overall appropriate in the circumstances of the States of Jersey.” The 2019 move to recognise all taxpayers on a current year basis follows the decision in 2015 which accelerated the recognition of the tax arising from taxpayers who were paying ITIS on a current year basis, i.e. the tax arising on the income earned by a CYB taxpayer in 2017 was recognised in the States accounts in 2017. Following the decision in 2015 this complex recognition of tax, depending upon whether a taxpayer paid on a previous or current year basis, also necessitated a “CYB adjustment” in the IFG forecast which was becoming increasingly difficult to determine. The 2019 move is consistent with international accounting standards to recognise all taxpayers on the same basis, and for the tax on their income to be accounted for in the period in which they earn that income. The estimation of this tax uses the

	Findings	Comments
		personal tax income forecast produced by the Economics Unit using a model developed over a number of years, and which has been subject to external review.
5	The Panel advisor recommends that practices which permit income adjustments to be treated in the balance sheet within future years should be avoided as it does not include the required precision needed to enable strategic decisions to be made on the largest component of income. The advisor highlights that in such circumstances there is a risk that key decisions on overall borrowing and affordability might be made based upon potentially unreliable forecasts.	It is understood that the Panel's advisor was drawing attention to the change in accounting policy regarding the treatment of income from prior-year basis taxpayers and highlighting that income data in the accounts and the Government Plan is based on forecasts. The change in accounting policy is fully compliant with relevant accounting standards on recognition of income. Responses to Findings 1 and 2 explain why it is appropriate to use the Central Scenario for income forecasts, which in turn forms the basis of strategic decisions in the Government Plan. As would be expected, ministers' in-year decisions on strategic matters such as borrowing are informed by the most up to date information available, including outturn data and cash flow forecasts.
6	Further evidence is required in relation to the proposed increase in revenue due to greater domestic compliance. Last year the amount collected through this measure fell short of predictions. Given the greater economic uncertainty this year the panel does not understand how such income will be generated through improved compliance.	It is incorrect to say that "Last year [2020] the amount collected through this measure fell short of predictions". The original target set for 2020 was £7.35 million but it was subsequently adjusted to £6.35 million on account of reduced compliance activity being undertaken during the Pandemic/Lockdown. Obviously, final outturn can only be assessed after the end of the year, early in 2021; and is then subject to validation and audit. Provisional figures indicate that the original target of £7.35 million has been exceeded.
7	There is a cumulative borrowing requirement of £385 million in 2021 due to COVID-19. No published borrowing policy or debt management strategy has been provided by the Minister for Treasury and Resources to underpin the £385 million borrowing requirement for 2021 due to Covid-19.	The Government Plan document contains supporting information in relation to the proposed borrowing, including a summary of the draft borrowing policy that is under development. Furthermore, a medium-term debt strategy is being prepared for inclusion in the Government Plan 2022.
8	The Revolving Credit Facility will be utilised as the main form of borrowing. Information has not been provided to Panel as to the professional advice provided to the Council of Ministers in relation to their borrowing strategy.	The Fiscal Policy Panel ("FPP") in its advice of March 2020 advised that the government should "consider flexibility in all of the financing options it has available, including borrowing". In their annual report in October 2020, the FPP commented that "The plan to borrow to fund the

	Findings	Comments
		health and economic costs of the pandemic is appropriate under the fiscal framework...” Working with advisors (EY), and the Treasury Advisory Panel, work progressed to secure a revolving credit facility with a club of local banks. This facility ensures that government retains liquidity and flexibility over the short term and also provides an opportunity for investment values to recover, for longer term plans to be developed and agreed.
9	Detail has not been provided in the Government Plan 2021-24 on provision for public sector pay awards.	It is the responsibility of the States Employment Board to determine a negotiating mandate in respect of pay reviews due on 1 st January each year. SEB typically review a range of circumstances including government finances, economic context, recruitment marketplace and other benchmarking data, and other relevant considerations, just ahead of the review dates each year. For financial planning purposes, inflation forecasts from the Fiscal Policy Panel are referenced in the Government Plan, and actual inflation as at September each year is considered by SEB alongside all other relevant factors
10	Trade Unions have raised concerns in relation to public sector workers employed on zero hours contracts and has advised of the negative impact on mental health and lack of adequate protection that this will have exacerbated during the pandemic situation.	Zero hours contracts and their use are reviewed monthly as part of our resourcing requirements. Where individuals accrued entitlements, regularity or permanency these are automatically applied to avoid any unfairness. Almost half of all zero-hour contracts are those in other employment. During the pandemic response, we have sought to engage zero-hours contracts first before redeployment of staff and external recruitment.
11	There is an assumption that core levels of the Common Investment Fund will not be duly impacted by any significant downturn from year 3.	The consensus view from economic forecasters and investment managers is that the economic recovery from the Covid-19 pandemic is likely to continue at pace through 2021 and beyond. Forecasts for global economic growth are being revised upwards on the view that fiscal stimulus, easy monetary policy and the vaccine rollout will support consumption and investment and ultimately portfolio growth will continue over the medium-term.
12	The Government Plan outlines a significant policy change with redirection of the Social Security fund.	The Government Plan proposes that the planned transfers to the Social Security Fund between 2021 to 2023 are reduced to nil. This is a temporary measure that will release additional

	Findings	Comments
		funds to support other areas of Government expenditure. There are no changes to the operation of the Social Security Fund itself. The Social Security Reserve Fund held assets equivalent to seven years of fund expenditure at the end of 2019. By the end of 2024, it is forecast to hold six years of fund expenditure.
13	The change towards a rebalancing narrative suggests an acceptance that the required quantum of effective savings may not be achievable.	The change in governance and terminology reflects the increased financial challenge to Government expenditure created by Covid and the consequent requirement for greater flexibility in developing and delivering measures. The magnitude of recurring reduction in costs and/or increase in income remains unchanged.
14	A target of £10 million per annum has been set in the Government Plan 2021-24 for future taxation measures. This will be delivered through tax measures, broadening the tax base, the taxation of medicinal cannabis growing and production and Stamp Duty.	Noted. (factually correct)
15	Combined capital and revenue spend will exceed £1.05 billion in 2021.	Noted and agreed.
16	In 2021 Modernising Government received a 6% increase in funding. Protecting the environment receives a 26% reduction in funding. Reducing inequality receives a 15% reduction in funding.	Noted. The Government Plan includes also increases in spending for "Put Children First" (7%), "Improve Wellbeing" (33%) and Vibrant Economy (37%). The increase in spending on 'Modernising Government' largely relates to increases in the capital budget, including IT projects and funding for work on Fort Regent. The reduction in spending on 'Protecting our Environment' is partly due to changes to the profile of large infrastructure capital projects as a result of the impact of Covid-19. In many cases (for example the planned £4m on the Sewage treatment works project), the spending on the capital project will still take place but in a later year. The changes highlighted by the Panel also include the £5m one-off grant to the Climate Emergency Fund included in GP20. The planned expenditure from the Fund in 2021 is not included in the Panel's calculations but amounts to £4.7m in 2021. The reduction in spending on 'Reducing Inequality' primarily relates to the removal of the States Grant to the Social Security Fund from

	Findings	Comments
		Revenue budgets in 2021. As highlighted in the Government Plan, this funding will be replaced by drawdowns from the Social Security Reserve Fund to maintain regular Social Security payments.
17	There is no published strategy covering all IT spending in the Government Plan although this was mentioned as an action by Government following the recommendations put forward by the Panel in the previous Government Plan 2020-23.	This remains an objective for future Government Plans. The overall planning process was constrained in 2020 due to pandemic response and we are working across government to improve the compilation of the Government Plan in a way that makes the creation of a consistent and coordinated IT spending plan possible in a timely fashion.
18	The IT spend in the Government Plan continues to be based on the minimum period in which it can be delivered. Some IT business cases are illustrative only with no timescales for delivery included and outcomes lacking definition.	The Government Plan sets out the best current thinking at the time of publication and all Modernisation & Digital IT business cases are completed and reviewed in line with the programme and project timelines.
19	There is no increase to the child relief allowance or additional child relief allowance in the Government Plan. These allowances have not been increased since 2011	Notwithstanding Recommendation 6 of this Report, the Government accepted CSSP amendments to uprate allowances and reliefs. The position of childrelated allowances and reliefs remains under review in the context of the proposed move to Independent Taxation.
20	The only change to Stamp Duty is that first time buyers who purchased through an assisted ownership scheme will only pay stamp duty on the affordable price element.	Notwithstanding Recommendation 6 of this Report, the Government accepted a CSSP amendment to increase the rate of stamp duty on higher-value properties. A more fundamental review of stamp duty will be conducted in due course.
21	Duty increases are intended to promote changing behaviour around health and the environment. It is not apparent if the Government have given consideration to impacts on the economy, environment or local industries.	The Government takes all factors into account when determining increases on alcohol, tobacco and fuel. Representations are invited from affected sectors and other stakeholders annually, in the spring.
22	The programme "Building Revenue Jersey team" funding has been reduced, potentially reducing aspirations for the team's improvement.	This reduction was predicated on savings arising from anticipated reductions in other cost centres in Revenue Jersey which are now looking increasingly unlikely. The Treasury Minister therefore has agreed in principle to additional temporary funding to support improvements in Revenue Jersey's overall performance over the next 2 years while it continues to implement some

	Findings	Comments
		major policy changes both in respect of Jersey's international treaty commitments and our own domestic tax agenda.
23	Funding allocated to enhance People and Corporate services continue, however, there has been a shift from stabilising the initiatives to sustaining them.	Despite the delays in recruitment and the implementation of the target operating model, People and Corporate Services have developed a plan for improving and sustaining improvements in services, many online for the foreseeable future. This includes improved data management and reporting, team development support, induction and implementation of People Strategy activities. The work undertaken to date is ''sustained' in part by the security of permanent funding which had previously not been in place from year to year.
24	A further £252,000 investment into the Supporting One Gov project, for Team Jersey partner TDP, is requested in 2021 to meet contract agreements lasting to 31st March 2021. An extension of this contract is expected although there is no visible funding stream.	This funding is in place to meet existing contractual obligations for the TDP contract in place until March 2021. Due to Covid the majority of the delivery plan for Team Jersey was suspended for 6 months in 2020 and programme resources were reallocated to pandemic response. In order to complete the programme and build internal sustainability the Team Jersey programme will be extended to March 2022 and will be resourced by an internal team working alongside TDP. The TDP contract has been extended for the same period to allow the programme delivery to be completed. The programme including the contract extension will be funded through Chief Operating Office agreed budgets
25	The business case and supporting information for the "Delivering Effective Financial Management" project lacked the level of detail we would expect and there has been little tangible evidence of the benefits of this programme.	The project aimed to deliver more effective financial management across the government. Part of the project aimed to improve non-finance managers understanding of financial budgetary control and their responsibilities as budget holders and thereby increase value for money in all Government services and improved compliance with public financial management best practise. During 2020, an online module for all new starters aiming to improve financial awareness and a module for all managers with financial responsibilities to help them manage their budgets were rolled out. In addition, a virtual training course on the current Government financial reporting system was provided to enable budget holders to access and better understand their financial reports.

	Findings	Comments
		Progress has been made with the roll out of zero-based budgeting with exercises having been run in 3 departments – Treasury and Exchequer, Health and Community Services and Justice and Home Affairs. In HCS the exercise has identified opportunities to deliver £5m of efficiencies, supporting the wider re-balancing of Government Finances. This is a new way of working and supports a greater understanding and ownership of budgets by Budget Holders. In addition, there is now a much faster annual report and accounts process and publication. Further improvements have been made to the in-year reporting process and the development of a standard budget holder report (currently being rolled out). This paves the way for a move to self-service – a modern practice that the implementation of the Integrated Technology Solution will support. ITS will be a catalyst for further transformation, removing technological barriers to change. A large amount of effort has been put into supporting the ITS programme, both in terms of the evaluation of solutions and carrying out "Business Readiness" work in advance of implementation beginning in 2021. An update of the Financial Maturity Assessment will be carried out during 2021 to more formally demonstrate progress on this project.
26	There is little explanation or business case provided for the capital programme central risk and inflation funding, and individual projects may include their own contingency funding.	Page 135 of the Government Plan explains the purpose of the reserve for risk and inflation funding. This enables the aggregate amount of funding allocated for risk to be reduced. Larger projects, such as the Our Hospital project, may hold separate allocations for risk and inflation funding.
27	Migration Policy Implementation will request an additional £108,000 from 2022 with an additional request for capital allocation of £1 million to meet the costs of IT development for migration in 2021.	Noted – correct.
28	Additional funding for Commercial Services is requested as those predicted in the previous Government Plan did not meet the full aspirations of the service.	Historically, the Procurement Team did not have sufficient budget to cover its standard operating costs, with the deficit covered through Government underspend. The additional funding provided in the Government Plan 2020- 2023 addressed this position and allowed key improvement activities to begin.

	Findings	Comments
		As part of those key improvements, a full strategic review was undertaken, which demonstrated that Commercial Services was not set up or structured to support the current demands of the wider organisation or growing demands of future operations and unforeseen events. Recent strategic issues such as Brexit and Covid-19 have shown, beyond doubt, the need for professional commercial and procurement service and the pivotal part they play to the wider Government delivery. The maturity model developed, demonstrated that the maturity gap was greater than anticipated and the demand from across the organisation for Commercial Services support was increasing. Therefore, additional funding was requested to enhance Commercial Services maturity by increasing capacity and capability and support the Government in meeting its ambition as laid out within the Government Plan 2021-2024.
29	Employment funding for the Ministerial Support Unit is not properly in place even though staff are employed to fulfil the roles and the unit's structure has been in existence following the new Machinery of Government changes in 2018, necessitating a growth bid in this financially challenging year. This should have been a higher priority for the Chief Executive.	Funding for the Ministerial Support Unit (MSU) has always been provided in order to meet the necessary employment of staff albeit initially through temporary one- off funding sources, whilst a settled structure was established. As was explained in the Government Plan, the need to establish permanent funding through the Government Plan was first acknowledged in 2018 and was discussed with the Chief Minister and the Council of Ministers as part of the preparation of the 2020/2023 Government Plan. However, it was also recognised that additional resources were required to support Assembly members via a proposal from the Greffe in that year. As a consequence, it was agreed that the additional support for Assembly members would be prioritised in the Government for 2020/23 and that a revised bid for 2021/2024 would be prepared. In the intervening period of 2020 'one off' monies would be used from in year underspends to support the MSU costs until the Government Plan was approved. Therefore, at no time was support not seen as anything other than a priority. There was a clear plan as to how the necessary funding would be achieved alongside securing the equally important additional support for States Members.
30	Employment funding for the Communications Directorate is not	Funding was partially provided through Machinery of Government changes and through

	Findings	Comments
	properly in place even though staff are employed to fulfil the roles and the increase in size of the Directorate primarily followed a review in 2018, necessitating a growth bid in this financially challenging year.	existing budget in the short-term. Budget is now provided on a sustainable basis through the Government Plan 2021.
31	The Office Strategy, or Office Modernisation project, will cost £650,000 in 2021 for legal, procurement and project management costs. No business case is provided for £5,000,000 potential allocation in 2024, it is ascertained that this is for potential lease costs.	Full business case is pending final revisions on completion of procurement. Documents (including the procurement report, the first version of the Full Business Case {as at November 2020}, re-generation report and details from both bidders) were discussed and agreed by OGPOG (One Gov Political Oversight Group) and the Council of Ministers. Both OGPOG and CoM agreed that a 25-year lease with an option to purchase the building after 3 years was the preferred option for funding. The £5 million is the estimated lease costs for the new One Gov HQ from 2024 onwards.

RECOMMENDATIONS

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
1	To build public confidence and allow for public scrutiny, the Minister for Treasury and Resources should publish agreed performance targets for Revenue Jersey in 2021 which are aligned to strategic objectives. This should clarify, amongst other things, when the Minister has agreed that Revenue Jersey will deliver accurate information from its management information systems on income yields for personal taxation, the customer delivery expectations and complaint reporting	MTR	Partially Accepted	As part of the Treasury & Exchequer, Revenue Jersey's current performance metrics are published in the annual Departmental Plan and reported in the normal way. Metrics currently focus on delivery of additional revenues arising from the domestic tax-compliance programme (general revenues being reported in the Government's annual accounts); cost to collect revenues; and Jersey's compliance with international tax agreements. These are clearly aligned with the strategic objectives of Revenue Jersey. Current customer service levels have, periodically, been reported on Revenue Jersey's website during 2019 to assist taxpayers with timing their enquiries - along with additional help for businesses available during the Pandemic & lockdown; and	

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	practices, how Revenue Jersey intend to deliver personal taxation changes in agreed timeframes and what reports will be prepared to confirm domestic compliance tax income generation.			advice for customers generally on how to access services during lockdown. This has included, for example, Online Forms to allow islanders to apply for tax deferments and to have ITIS Effective Rates reviewed and, where appropriate, temporarily reduced - to help those in financial distress. This has inevitably increased volumes of customer contact while numbers of tax officers available has remained broadly constant, so increasing waiting times. Revenue Jersey customer service levels will be routinely reported on the website by the end of February 2021. These relate to waiting times for contacts by telephone and correspondence (now mainly e-mails). **[BY 28/2/2021]** Revenue Jersey, as part of the Treasury & Exchequer department, reports complainshandling statistics in the normal way. Additional performance metrics will be set and published once general-administration modules implementing later phases of the new Revenue Management System are implemented, over the next year or so. **[BY 30/5/2022]** Income-tax data exchanges between the Revenue Management System and other departmental systems, to inform the work of the Income Forecasting Group, will continue to develop with the new systems and new practices, assisted by the removal of the prioryear basis of paying taxes. As part of the Revenue Transformation Programme, the Comptroller has proposed to the tax agent community that Revenue Jersey and the community begin to work to the principles of the European Taxpayers' Code, with a	

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				view, probably in 2023, to setting relevant customer-service standards within a Jersey Taxpayers' Charter. This would involve work with the tax-representative bodies (JSCCA and CIOT) and with focus groups of islanders who are not represented by tax agents. **[BY 31/12/2022]** Delivery of important transformation and tax-policy projects is set out in the annual Government Plan, including dates for live implementation. Where appropriate, Government remains happy to share implementation plans with Scrutiny as it does now. All major tax-policy projects are project managed in line with Government standards. Additionally, the Treasury Minister is content to keep sharing her current view on the relative priorities of the various tax-policy reviews and remains mindful of the concern that CSSP expressed during its scrutiny of the first part of new Revenue Administration Law 2019 about the needs of our tax-agent community for tax-technical changes to support the health of our finance sector. It remains the case that Revenue Jersey – like many other Government departments - is currently facing very high volumes of customer enquiries arising from the Covid lockdown (but also from its own transformation programme): and waiting times are inevitably higher than usual. The Treasury Minister has approved additional funding to help restore service to an "even keel".	
2	To meet the principles of openness, predictability and transparency the Minister for Treasury and Resources should provide a detailed borrowing policy and debt strategy	MTR	Reject	The Government Plan 2021-24 already makes it clear that the Council of Ministers intends to finalise its medium-term debt strategy once the States Assembly has agreed a budget for Our Hospital. This is likely to require consideration of the long-term	

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	in Q1 2021 to ensure clear direction and leadership is delivered. The debt strategy must clarify the modelling adopted by Government against best practice guidance, the Government's attitude and structure to risk and include alignment to theoretical literature on public debt management to provide assurance.			investment strategy of our reserves and will also show how borrowing is planned to be repaid.	
3	A debt management report should be produced annually by the Minister for Treasury and Resources to include the debt management policy, debt portfolio information and provide context for decisions and clarify the agents remit. The first of these reports should be published before the end of 2021.	MTR	Partially Accept	The Minister for Treasury and Resources already produces a semi-annual report to States members on a number of matters relating to Public Finances, the Minister can include in this report a summary of the level of borrowing.	
4	The States Employment Board should immediately clarify the strategy in relation to the use of zero hours contracts in order that transparency is provided in relation to policy and the States Employment Board should confirm to the States Assembly that no public sector workers have been negatively affected due to this employment status during the pandemic.	SEB	Reject	Reject as a recommendation as this is in place already. Zero hours contracts and their use are reviewed monthly as part of our resourcing requirements. Where individuals accrued entitlements, regularity or permanency these are automatically applied to avoid any unfairness.	

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5	The Council of Ministers should ensure that fund supplementation principles are reviewed and agreed in Q1 2021. To ensure transparency when considering the principles an annex of analytical and advisory information should also be published.	CoM	Partially accept	The Government Plan 2021-24 already makes it clear that the Council of Ministers intends to review the various components of the Social Security scheme ahead of the next Government Plan to ensure the future balance is maintained at a fully sustainable level. This will also include a review of the future balance of funding between the States Grant, employer contributions and employee contributions as well as considering the burden of overall Government levies (taxes and contributions) on individuals, workers, businesses and employers. Proposals will be brought to the States Assembly during 2021 or incorporated into the next Government Plan. This project cannot be completed in Q1 2021 but full details will be published for debate during the course of 2021.	
6	Future taxation measures need to be considered in a structured format with consideration on the potential impact for islanders and businesses. Research papers should be prepared by the Minister for Treasury and Resources to consider the impact of possible taxation measures and these should be published at least six months in advance of them being lodged for debate to promote public consultation and scrutiny.	MTR	Reject	This recommendation appears to refer to the recent work to remove the Prior Year Basis of paying taxes, which was an exceptional circumstance in an unprecedented year. Significant new taxation measures are almost always proposed at least one year in advance in the Government Plan and involve appropriate levels of engagement with stakeholders (according to the nature of the measure). This will include engagement with the general public through island-wide consultation, where appropriate. For example, the Review of Personal Tax, which has had 2 phases, commenced in 2016 and remains underway in respect of phase-2 proposals for aspects of Independent Taxation. It has involved island-wide consultation in 2019 on the principles of moving to Independent Taxation.	

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				Policy Review Reports are usually published. In some cases, it is simply not practical nor expedient to conduct prolonged discussions, especially where Jersey is acting in support of OECD work or an international-treaty commitment. An obvious current example is the Brexit negotiation with the UK. Officials always strive to engage the key stakeholders as early as possible and believe that key stakeholders would broadly support that view, for example, in respect of the significant changes relating to the Economic Substance Law. The Minister endorses the view that tax policy measures should not generally be implemented "on the hoof" either by Government or through amendments lodged by scrutiny panels or back-benchers. This recommendation, if accepted, could oblige the Minister to perform such review work before lodging law to enact amendments, for example, to the annual draft Finance Law which implements annual "Government Plan Budget measures. As such, the accepting this recommendation could hamper the ability of States Members – including Scrutiny Panels – to adjust Government measures quickly or to propose new tax measures in their own right. If there had been insufficient consultation or consideration of impact by a States Member or Panel, then the Treasury Minister might well be obliged to undertake that before presenting the relevant tax draft to the States Assembly. In this regard, the Minister does not consider the recommendation viable.	
7	In order to build public confidence and allow for public scrutiny the	Assis-tant CM	Accept	Modernisation & Digital currently do not have sight of all IT Business Cases across Government; however, work	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	Assistant Chief Minister with responsibility for digital technology should give priority to publishing a strategy that clearly sets out how technology investment will support and impact services for the next four years and beyond. The strategy should be completed in 2021 and include a timeframe for delivery.			will commence in Quarter 1 of 2021 to prepare a Technology Investment Strategy for the forthcoming coming years that will be available to the public. It will include details of the principles under which IT investment is supported and the anticipated timeframe for major initiatives. This will be delivered in line with the Government Plan timescales	
8	At a time of uncertain Government revenue, in which unprecedented borrowing is taking place, actions must be taken to build further contingency into the Government's balance sheet. As such Stamp Duty rates at the top end of the market should be increased, at a rate of 1% or 0.5%. Those purchasing properties at this value will likely be in a financially strong position and that increased revenue can be used against the COVID-19 debt.	CoM	Accept	The Treasury Minister supported a CSSP Amendment to the Government Plan and the Finance (Budget 2021) (Jersey) Law to allow this but notes the conflict between this recommendation and Recommendation 6.	
9	The Council of Ministers should prioritise measures such as an increase to child and childcare relief allowances in order to help families meet the rising cost of living. The child relief allowance has not been reviewed for 10 years and this has created a significant misalignment to the	CoM	Partially Accept	The Finance (Budget 2021) (Jersey) Law was amended to uprate child-related allowances and reliefs. This does not help lower-income families that do not pay tax. The role of childrelated tax allowances and reliefs within the proposed system of Independent Taxation is under review.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	Council of Ministers priority of putting children first.				
10	The Minister for Treasury and Resources should prioritise the inequality changes required to the personal tax system in 2021 as this was not delivered in 2020 as promised. A timeline for delivery should be provided by the Minister to the States Assembly in Q1 2021.	MTR	Reject	Independent Taxation remains on track for delivery in 2022 as planned which represents the principal change to bring equality into the personal tax system. The Finance (2021 Budget) (Jersey) Law 2020 gave wives and other Spouses B and Civil Partners B equal access to tax information, as promised. Potential changes to the arrangements for "joint and several liability" (which CSSP challenged as unnecessary) within the system of "married-people's taxation" have been deferred deliberately to be considered alongside policy development of Independent Taxation and as an opportunity cost of accelerating work on the removal of the Prior-Year Basis of paying taxes as a Covid-support measure.	
11	Although the funding for TDP (£252,000) in relation to Team Jersey (Supporting One Gov Programme) should be removed from the Government Plan in 2021 there may be contractual obligations necessitating the funding. However, no further funding should be given to extend the TDP contract as they have had ample opportunity to fulfil their objectives of Team Jersey; although the latest staff survey has not yet been published, anecdotal evidence indicates that the project has not successfully	CoM	Reject	Team Jersey remains a priority project for the organisation, a key enabler of organisational change and have become even more important as departments recover and rebuild post Covid. Team Jersey is delivered by an internal team supported by TDP. The programme delivery plan was hampered in 2020 following a 6 month suspension of face to face delivery and difficulty in releasing staff from some areas to attend workshops due to the ongoing demands faced by department's response to Covid. However, Team Jersey played a key part in the Government's response to the pandemic through the direct support of emergency response areas and by providing crucial 1:1 support for frontline leaders during the response period.	

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	improved the culture of the organisation.			The latest staff survey evidences that despite the pressures of 2020 employee engagement has increased. Employees who have engaged in the programme report positively about the programme and its aims. The extension of the programme will ensure we are able to build on this success and continue to support departments to build a positive workplace culture and embed positive behaviours in line with the agreed organisational values. This will in turn have a positive impact on employee engagement and staff wellbeing. The extension of the programme will allow us to build internal capability and will be funded through existing Chief Operating office budgets.	
12	The benefits of the programme OI4-01 Delivering effective financial management must be clearly evidenced. As such the Chief Minister should introduce performance measurements to be shared publicly on a bi-annual basis.	CM		Performance Measures for the 2020 Business Plans are being published as part of the Departmental Annual Report in March 2021.	
13	The benefits of the new programme OI3-17 Reorganisation Ministerial Support Unit must be clearly evidenced to justify the new additional expenditure within the Office of The Chief Executive. As such the Chief Minister should introduce performance measurements to be	CM		Performance Measures are included in the Departmental business plan 2021 and will be reviewed regularly through the year	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	shared publicly on a bi-annual basis.				
14	The benefits of the new programme OI3-18 Reorganisation Communication must be clearly evidenced to justify the new additional expenditure within the Office of The Chief Executive. As such the Chief Minister should introduce performance measurements to be shared publicly on a bi-annual basis. The income to the Communications Directorate of charging departments for their services, and what this has been spent on should also be shared with Scrutiny on a bi-annual basis.	CM		Performance Measures are included in the Departmental business plan 2021 and will be reviewed regularly through the year	
15	Quality Assurance practices for business cases must be a priority for the Council of Ministers in 2021. Standardised and clear information will significantly aid transparency. Any professional judgements used to supplement business case information must be clearly highlighted. Outcomes should be clearly defined and developed prior to the adoption of a business case to support investment benefits. The quality assurance practices should be highlighted in the	CoM	Partially accept	The production of high-quality business cases to support investment decision-making is a priority for the Government of Jersey. To support this objective, Treasury and Exchequer (T&E) has established an Investment Appraisal Team and implemented standardised requirements for all business cases, which include the need to document the intended objectives and outcomes of an investment. Given the nature of business cases there will always by a degree of variation between funding applications so quality assurance is focused on ensuring that business cases provide the necessary information for Ministers to make informed decisions.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	Government Plan six-month report in 2021 and inconsistency reviews completed and flagged.			To provide quality assurance, officials from the Investment Appraisal Team provide support to the authors of business cases to ensure that those business cases that are presented to Ministers meet the standard requirements established by the investment appraisal framework. This will not involve the performance of inconsistency reviews though will involve periodic peer review. The results of these reviews are intended to support continuous improvement and on-going professional development so are not considered appropriate for publication. T&E will commit to publishing more information about the investment appraisal framework including the quality assurance processes that are in place and the procedures for documenting professional judgements applied by the Investment Appraisal Team to supplement business case content.	

CONCLUSION

The Minister thanks the Panel and its officers for its work in scrutinising the Government Plan, particularly under the time constraints brought about by Covid-19. The Council of Ministers was pleased to be able to accept the Panel's proposed amendment to Stamp Duty rates. The Minister looks forward to working constructively with the Panel on Government Plan 2022 later this year.