

2021.10.05

9 Deputy G.P. Southern of the Chief Minister regarding the efficiencies and other rebalancing measures proposed in the Draft Government Plan 2022-2025 (OQ.209/2021):

With reference to the Rebalancing Government Finances section of the draft Government Plan 2022-2025, will the Chief Minister provide Members with a breakdown of how the efficiencies and other rebalancing measures under Delivery Plans A to D will be implemented without a reduction in the public services previously provided and will he state how any fees and charges received will be used?

Senator J.A.N. Le Fondré (The Chief Minister):

As far as I am aware we already have done and if the Deputy wants to look at, I think it is page 134 of the annexe, that gives a huge amount of information of the breakdowns of the proposals on the rebalancing. Obviously if he has got any further queries I am sure he will come back to me.

4.9.1 Deputy G.P. Southern:

I thank the Chief Minister for that information, would that all Ministers were as plainly speaking. But I refer to page 16 of the mid-year review on section 2 Rebalancing Programme, where it refers to 2 bullet points: "Increasing the Government's revenue through further recovery of existing costs moving towards full cost recovery of services where appropriate; the extension and increase of existing charges or the introduction of new charges as revenue-raising measures." This sounds to me like saving for money's sake and that services will be cut. Can he indicate, what are appropriate services that require charging for?

Senator J.A.N. Le Fondré:

I am sorry, I cannot give a specific example. I am just flicking through to the relevant page, which I cannot find at the moment in the annexe, which I do know gives some indications. For example, I did see the Judicial Greffe, I think it is, is increasing charges by, I think, approximately £50 for a particular service they provide. I shall find that in a second but that is in the page references that I referred to. The general framework that Ministers approved quite some time ago around costs is recognising that we do need to look at the generic principle, is that full-cost recovery should be down on the same costs and that might, for example, be where we are competing directly with the private sector. If we are not recognising the full costs there then we are subsidising that competition against the private sector and that would be unfair. I hope that gives a kind of flavour on the income side. On the overall principle of reduction in services, I would again point out, which I have said on a number of occasions, that what was efficiencies and then was rebalancing, and will continue to be rebalancing proposals, the Deputy will recall that we were originally setting out a target, I think it was for 2020, of £40 million. In that first time we achieved, again from memory, around £25 million and the £15 million was carried forward and is achieved as well, and then the point was that the departments would have to go away and find that recurring saving again. Where we are now, which is what we have said to Members, as an additional £20 million target, so it is an overall target of £60 million, and, as we have said, we are aiming to achieve roughly - keeping the numbers as simple as I can - £55 million of that £60 million as recurring. To me that is really clear, so it has demonstrated that we have achieved that quantity that everybody was quite challenging around, it has taken slightly longer. We have achieved on a recurring basis but we have not cut services, so there have not been, certainly from the Deputy's party shall we say, wild outpourings of anger from services that have been cut. But it is, therefore, a demonstration that we can make efficiencies and

obviously that the money that goes through is being reinvested into the areas that are identified in the Government Plan, and I will stop there.

4.9.2 Deputy R.J. Ward:

It is quite difficult to know what to ask now because I am not entirely sure I got most of that answer. Can I ask the Chief Minister to commit that any cost recovery will not be targeted towards services for children, such as, for example, the school music service? Charges will not go up that give access to music to children from low-income families, so that it does not become a cost-recovery service, for example.

Senator J.A.N. Le Fondré:

I do not have the level of detail in front of me to say ... because obviously it is being done very much down at a departmental level. It will be a matter for all relevant Ministers I am sure, as and when that comes through. If there are issues, that the Deputy will take those up with the individual Minister.

4.9.3 Deputy R.J. Ward:

Can I ask the Chief Minister if it was brought to his attention a cost-recovery service from a department had been introduced that directly affects children, given that we are putting children first, would the Chief Minister commit to stepping in and stopping such a service charge that may be detrimental to the well-being of children in the long term?

Senator J.A.N. Le Fondré:

I think we have always got to be very careful about absolutes there because it will always depend on the circumstances. As I said, depending on what the service is and if it is in direct competition with the private sector and we were subsidising it against that private sector, then one would always have to consider the circumstances that we are looking at. The point being is that it is a framework, it is not going to happen immediately, it is a principle there that is saying we have not been particularly good at recognising what full costs are and providing certain services, and that is the framework we are operating in. I know the Deputy has obviously views about whether services should be free or not and where they should lie. Sometimes, not always, I have slightly different views to that.

4.9.4 Deputy G.P. Southern:

Would the Chief Minister agree to circulate a list of services for 2020 and 2021 where fees have been charged for the first time after being initiated or have increased over that time period?

Senator J.A.N. Le Fondré:

I am really looking slightly puzzled, I am not entirely sure I quite understand the question. As I said, I think the Deputy needs to look at the annexe and see if the information, as I said, in the annexe is sufficient to answer those questions.