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# STATES OF JERSEY



## **GOVERNMENT PLAN 2024-27 REVIEW (S.R.4/2023): RESPONSE OF THE CHIEF MINISTER**

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**Presented to the States on 22nd May 2024  
by the Chief Minister**

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**STATES GREFFE**

**GOVERNMENT PLAN 2024-27 REVIEW (S.R.4/2023): RESPONSE OF THE CHIEF MINISTER**

<b>Ministerial Response to:</b>	S.R.4/2023
<b>Ministerial Response required by:</b>	17th January 2024
<b>Review title:</b>	Government Plan 2024-27 Review
<b>Scrutiny Panel:</b>	Corporate Services Scrutiny Panel

**INTRODUCTION**

The response to the previous Panel’s findings were made by the previous Chief Minister and Minister for Treasury and Resources and were presented to the Panel on 23rd January 2024.

**FINDINGS**

	<b>Findings</b>	<b>Comments</b>
1	The view of the Council of Ministers is that the new Government Programme model for presenting the Government’s budget is working well, however, focus is now being placed on how to improve the refinement of ministerial priorities to ensure their effective delivery.	Noted.
2	The summary document – Government Plan in Brief – provided alongside the Government Plan sets out the themes and their deliverables to provide a more helpful, easy to follow and digest summary of the Government’s aims and actions for delivery through the Government Plan.	The Government Plan in-brief was designed to help improve the accessibility of the Government Plan.
3	The utilisation of the Performance Framework in the creation of the Government Plan was unchanged from how it was used to develop the previous Government Plan. However, further work is being undertaken to	The finding that Statistics Jersey are working to develop and improve the Island Outcome Indicators is correct, as is the comment on the Service Performance Measures.

	<b>Findings</b>	<b>Comments</b>
	refine and improve the core outcome measures and indicators of the Framework. Alongside work to support departments to improve service performance measures, it is anticipated that collectively these improvements will deliver more focus and precision when designing future Government Plans.	
4	Through the Revenue Growth Allocation – Statistics Jersey – Administrative Data Linkage Team - it may be possible to produce statistics on the patterns to determine duration related data for individual and household low income including by sex, ethnicity and/or nationality. This could be used for assessing progress related to poverty in Jersey.	Statistics Jersey will use the GP24 funds for admin data linkage to improve a range of statistics, including exploring improvements to data on low incomes.
5	A ministerial mapping table is included within the Financial Annex to the Government Plan to better align head of expenditures to ministers and to strengthen ministerial lines of accountability. However, narrative for ongoing expenditure and business- as-usual workstreams is not available in the Government Plan.	Noted.
6	The 2023 funding figures are not displayed against each item in the tables within the Government Plan. This diminishes transparency and makes it challenging to compare budgets across the years for the Government term.	Noted. Figures for 2023 are included for comparative purposes against expenditure tables where appropriate, this will continue to be kept under review.
7	The rationale for presenting the Delivery Plans subsequent to the debate and approval of the Government Plan is an operational decision. It is the view of the Council of Ministers that proceeding in this way is the most respectful of the democratic process.	Noted.
8	The annual progress reports are provided in confidence to each	The former Chief Minister committed to provide annual progress reports to Scrutiny Panels in

	<b>Findings</b>	<b>Comments</b>
	Scrutiny Panel in December of each year. These reports are not provided in the public domain. The provision of these in December provides no benefit to the Scrutiny process for the Government Plan which is undertaken prior to December each year.	<p>December each year. These were provided to Scrutiny Panels in line with the usual process for correspondence between ministers and scrutiny, with the full expectation that they will be published by scrutiny panels.</p> <p>This process respects the parliamentary process and enables Scrutiny Panels to hold ministers to account for progress on implementing their delivery plans.</p>
9	Although progress has been made to enhance the accessibility of the Government Plan through the production of the summary document – Government Plan in Brief - and work is being undertaken to develop a child-friendly version (not published at the time of presenting this report), the Government Plan remains inaccessible to members of the public, including children and young people. The Government has not successfully communicated and promoted the Government Plan, therefore, any progress made through the production of the summary document, has not achieved its intended aim to improve accessibility.	<p>In addition to the areas highlighted by the Panel, a full HTML version of the Government Plan has been published on gov.je. This will improve accessibility of the plan.</p> <p>Creating youth friendly versions of the proposed Government Plan was a recommendation from the Corporate Services Scrutiny Panel.</p> <p>This was expanded to include youth friendly versions of all Ministerial Plans to ensure children and young people can understand the plans and priorities of each Minister.</p> <p>In November 2023, engagement on the Youth Friendly Government Plan took place with fourteen primary schools and six secondary schools.</p> <p>The final youth-friendly versions of the Government Plan and Ministerial Plans were then published on 11<sup>th</sup> December 2023 to coincide with the start of the debate: <a href="#">Youth Friendly Government Money Plan</a></p>
10	Timely engagement with Jersey's youths to inform them of the Government Plan process and to provide an opportunity to hear their views did not occur.	Engagement with children and young people was undertaken and youth-friendly versions of the Government Plan (and Ministerial Plans) were published.
11	The term Government Plan and its purpose is not widely understood by the public. The term Government Budget appears to be a more familiar and recognisable term.	Noted.

	<b>Findings</b>	<b>Comments</b>
12	The Minister for Treasury and Resources presented the first Classification of Functions of Government (COFOG) report on 21st November 2023, covering the spending in 2021 and 2022. This highlights resource allocation trends and Government expenditure to provide enhanced financial transparency and accountability. This delivers on the previous States Assembly's adoption of P.94/2029 – States' Expenditure Classification in Accordance with International Best Practice.	Noted.
13	The statutory factual requirements of the Government Plan in respect of the Public Finances (Jersey) Law 2019 appear to be appropriately included. Narrative is included on pages 17-23 of the Government Plan to articulate the Government's approach to sustainable wellbeing, which is an improvement on how this information was delivered in the previous Government Plan. The information provided this year aims to demonstrate a broader perspective of how sustainable wellbeing cascades through the Government Plan.	Noted.
14	The Minister for Children and Education has presented report 174/2023 – Childs Rights Impact Assessments – Proposed Government Plan 2024-2027. The report addresses the areas identified within the Government Plan for which a CRIA should be completed. The Minister emphasises her commitment to the progressive realisation of children's rights as required by the United Nations Convention on the Rights of the Child.	Noted.
15	The outlook for global growth over the next few years has weakened slightly with ongoing geopolitical tensions	Noted.

	<b>Findings</b>	<b>Comments</b>
	<p>creating risk and uncertainty. Global inflation is declining more slowly than previously expected and rising interest rates have subdued global growth but have had a positive effect on profits and growth for Jersey's banks.</p> <p>Elevated inflation is an ongoing risk for Jersey. Low productivity growth and an ageing population (looking to be addressed by the Future Economy Programme) will continue to place pressure on Jersey's fiscal position. High cost of housing continues to inhibit economic growth and productivity and is contributing to the challenges for recruiting and retaining workers in Jersey.</p>	<p>The Delivery Framework for Sustainable Economic Development (as part of the Future Economy Programme) has been published <a href="https://www.gov.je/DeliveryFrameworkforSustainableEconomicDevelopment2023to2026">Delivery Framework for Sustainable Economic Development 2023 to 2026 (gov.je)</a></p>
16	<p>On the basis of the Government's current spending commitments and forecast tax revenues, there will be a primary budget deficit in 2024 and 2025. Jersey's net asset position as a percentage of Gross Value Added (GVA) has declined since the previous Government Plan and is expected to fall further by 2027. The Reserves (Stabilisation Fund and the Strategic Reserve Fund) are not at sufficient levels despite the current and recent past strength of the Government revenues. The Social Security Fund appears to be in a good position. However, the Long-term Care Funds are likely to be exhausted by 2040.</p>	<p>The proposed Government Plan shows a modest operating deficit in 2024 of £8m, created by temporary baseline funding for Health and Community Services. The primary budget deficit as measured by the Fiscal Policy Panel differs to the operating balance, with the primary balance including capital spending, excluding depreciation, investment returns and borrowing costs. Any changes to key metrics used would be as part of the continual monitoring of the fiscal framework.</p> <p>GVA growth in Jersey is strongly correlated with the performance of the financial services sector as the predominant driver of Economic Growth. With the rise in interested rates driving higher net interest income margins and overall financial services performance, GVA growth has increased significantly by 6.7% in 2022. This disproportionately affects Jersey's net assets as a percentage of GVA, whilst net assets are forecast to grow over the period of the plan, growth is at a lower rate than GVA.</p>
17	<p>Global and United Kingdom inflationary pressures continue to affect the Jersey economy and are particularly impacting the most disadvantaged in society. This is a principal risk that the Government is</p>	<p>Inflation/Cost of Living is a risk on the Corporate Risk Register and is reviewed/updated regularly.</p>

	<b>Findings</b>	<b>Comments</b>
	aware of, thus ensuring that it remains on the Corporate Risk Register.	
18	Significant uncertainty remains in relation to the increasing levels of inflation. In contrast to what was reflected in the previous Government Plan, the Government now expects higher levels of inflation to persist for longer which will result in additional improvement in forecasts for Government income, however, will also place pressures on Government expenditure and Islanders' finances. It appears that due regard has been given to the potential risk of prolonged high inflation and the impact thereof on Government, through the additional £70 million allocated to address inflationary pressures during 2024.	The uncertainty around inflation is unchanged. Forecasts have changed in response to changes in outturn and forecasts globally.
19	The Covid-19 debt was repaid in 2022 and the Fiscal Policy Panel has recommended that any unspent balances could be allocated to the Stabilisation Fund at the year end. There is estimated to be an £18 million underspend and considerations for how this underspend will be used will take place at the end of the year. Further, no funding allocation has been made in the Revenue Heads of Expenditure for 2024 for Covid-19 Response and Recovery. However, the forecast for emergency incidents-including operation Spire and Nectar - is forecast to exceed £16 million, which will need to be considered when reallocating any Covid-19 unspent balances.	Noted.
20	The financial and resourcing implications remain unclear in respect of the major emergency incidents that have occurred in Jersey in the past 11 months.	Estimates of the financial implications in 2024 have been drafted and will continue to be refined.
21	Jersey's current economic position is impacting the most disadvantaged of our society.	Jersey's current economic situation – high but falling inflation, high (relative to recent past) interest rates, low falling productivity and little/no growth in real earnings – affects everyone.

	<b>Findings</b>	<b>Comments</b>
		Ministers have helped Islanders via increases in personal tax thresholds and allowances and via increases in benefits and through the Cost of Living Group have been monitoring and taking decisive action. The Future Economy Programme was set up to tackle low productivity.
22	The decision taken by the Council of Ministers to not halt the phased removal of mortgage interest tax relief to provide targeted support to Islanders was resultant of the view that mortgage tax relief fosters inflation in the housing market and runs contrary to equitable treatment of the tax system between homeowners and those renting homes.	Ministers instead focused on increasing personal income tax thresholds and allowances which financially benefited all taxpayers regardless of whether they have a mortgage or pay rent.
23	Although Inflation has peaked and is forecast to fall steadily, higher prices are affecting households who face an elevated cost of living. With many mortgage holders protected by fixed rates the full effect of the interest rate rises has not been felt yet but will materialise as these fixed deals come to an end.	Minister for Social Services, in her capacity as an Assistant Chief Minister with responsibility for Financial Services, wrote to all mortgage lenders earlier this year and has been reassured that all lenders are proactively working with mortgage holders that face higher mortgage rates and that mortgage arrears are low.
24	The Treasury and Exchequer department will undertake a formal policy evaluation of the rent-a-room tax relief in 2024, however, it requires data to be gathered which is not currently taking place.	It is unlikely that a formal policy evaluation could take place in 2024 due to the absence of data – as outlined by the Comptroller at a public hearing. Some data has been gathered in the latest JOLS. This indicates that 1% of households currently rent out one or more spare bedrooms. 92% of households which do rent out a spare bedroom lived in a house and 77% of households who rent out a spare room lived in owner-occupied property.
25	Appraisals, in the main, are not undertaken on the budget measures. This includes how allowance thresholds are implemented in the previous year to identify their impact in that year or to inform the budget proposals to take forward in the subsequent Government Plan.	Many of the annual budget measures are subject to standing policies regarding how to uprate them annually in order to maintain their real value to Islanders; or to the Exchequer; and to maintain their real impact on consumption (to help meet health or environmental objectives). Periodic reviews should be undertaken, but annual reviews would be of little benefit.



	<b>Findings</b>	<b>Comments</b>
26	Significant concerns have been highlighted by the hospitality industry regarding the impact of the alcohol duties proposals on the industry. Particularly as the industry is expecting further significant cost increases in 2024 as a result of utility price increases, wage increases and increasing costs to recruit and retain staff.	The Government lodged an amendment to the E&IA Panel's amendment to reduce the proposed increase in alcohol duties; the amended amendment was agreed by the States Assembly. Taken together with the freeze in fuel duties, this provides further assistance to the hospitality sector. The increase in beer duty agreed by the States Assembly increases the price of a locally-brewed pint by 1 penny and the price of an imported pint by up to 2 pennies per pint, contrary to the claims made by the JHA.
27	It is the view of health professionals that increasing the cost of alcohol and tobacco products will help to advance the public health goals in reducing their consumption. Therefore, fiscal measures are being used to advance public health outcomes.	In recent times, it has become increasingly common for Governments to use excise-duty increases to influence consumption for health or environmental reasons, particularly in respect of alcoholic drinks; tobacco; and fuel.
28	There appears to be stakeholder support for the proposal to include hybrid and electric vehicles that emit emissions within the Vehicle Emissions Duties framework.	Noted.
29	The causal relationship between the rising Vehicle Emissions Duties and the electric car shift is complicated by price and income factors. However, there appears to be an overwhelming shift toward smaller engine sizes and more fuel-efficient vehicles registered in Jersey.	Data is readily collected on each car first registered on-Island. This data will be analysed on a periodic basis to understand the population of vehicle fleet in Jersey with regard to engine sizes and emissions.
30	Stakeholder engagement by Government was undertaken on the Regulatory Technology proposal. The adoption of Regulatory Technology is a priority for the financial services industry, however, several barriers to adoption exist (including cost). The industry is supportive of initiatives that seek to remove the barriers to adoption to support efforts in maintaining compliance, reducing and mitigating	Noted.

	<b>Findings</b>	<b>Comments</b>
	risk and improving operational efficiency.	
31	Some modelling has been undertaken to inform the Income Forecasting Group in identifying the stamp duty forecasts within the Government Plan. However, the forecasts for stamp duty are suppressed currently and the major changes being proposed for 2024 are for first-time buyers. The stamp duty review is very delayed. It will now include consideration for the wider Housing Strategy to identify any fiscal levers which could assist in achieving the aims of that strategy.	Noted.
32	The review process to identify the taxation levels and changes for High Value Residents is not sufficiently evidenced and fails to convincingly substantiate the proposals. Neither does it measure the impact of the proposals, in particular their impact on the property markets and property price distortion, which remains unclear.	<p>The policy relating to 2(1)(e) permissions has to balance the maximisation of benefits to the Island, including tax rates, while ensuring the Island remains competitive and attractive as a destination. It also needs to consider the dynamics of the housing market, and the potential impacts of a very small number of large transactions on the overall housing market (it was concluded that the market impact is limited given the small number of transactions, but that an increase in the minimum property price was sensible to maintain this position).</p> <p>These decisions inevitably involve a level of judgement considering the sensitivity of applicants to different parameters in the policy and the dynamic behaviour of the housing market. In this context, engagement and evaluation work was done to justify the changes (without the expense of external consultants as has often been the case in past reviews) which were accepted by the States Assembly.</p>
33	The hospitality industry is concerned about the potential significant impact of any future liquid waste charges on the industry, should the proposals not be appropriately modelled and evidenced, with regard to their impact on the economy and businesses.	As part of the policy development process, stakeholders including the hospitality industry and businesses will be consulted to best inform the design of any future liquid waste charges to minimise any negative impacts of a charge.

	<b>Findings</b>	<b>Comments</b>
34	A continued focus of the States Employment Board (SEB) will be strategic workforce planning, which will consider how any headcount implications of growth should be managed to reduce the impact on the wider labour market and to rationalise the number of funded posts that continue to remain vacant.	Departments are now finalising their Strategic Workforce Plans to identify actions to address workforce gaps and to ensure a sustainable skilled workforce for the future. Plans can therefore include actions covering many areas, for example recruitment and retention, learning and skills, talent development, youth engagement, wellbeing and diversity, equity, and inclusion.
35	Any unspent reserve budgets at the end of 2023 will likely be allocated to cover the overspends to the department for Health and Community Services of up to £29 million.	Noted.
36	As part of the Value for Money Programme, the Government Plan includes speculative savings amounts for 2025 and 2026 without any information on how these will be achieved, which directly contradicts the recommendations made by the Fiscal Policy Panel. The Panel has lodged an amendment to remedy this in future Government Plans.	Noted.  In practice the Government plan is currently revisited each year to reassess the assumptions upon which future years spending plans have been agreed and an opportunity to confirm the feasibility of the plan including cashable savings targets. A budget by its nature is a plan and circumstances and context at a macro/ global, local and operational level can change.  Ministers committed to ensure taxpayer's money is well spent and has sought to embed a culture that drives value for money and continuous improvement in everything Government does.
37	Although the business cases were provided to Scrutiny in confidence for the Revenue Growth Allocations, very limited detail on these is provided within the Government Plan.	The amount of information included is appropriate for the Government Plan, providing a succinct summary of each area of growth. The Government Plan is not the appropriate place for excessively detailed and technical information, which would make the plan less accessible and understandable.
38	The Records Transformation Programme (formally known as Electronic Document Management Solution) is in the early stages of procurement, and whilst the estimated funds should be sufficient to complete the programme, the overall funding for the project was set prior to recent	There is sufficient flexibility to allow for inflation but given this has been significantly higher than in recent years, and the budget was set prior to the increases seen in 2022 and 2023.

	<b>Findings</b>	<b>Comments</b>
	increases in inflation and so the programme is managing a risk that funding may be insufficient and determining mitigating actions. Furthermore, a risk of delay has been identified for this Programme, should the procurement process take longer than anticipated.	
39	The detailed planning for Replacement Assets and Minor Capital for the Cabinet Office will commence in January 2024 as the budget is tight and prioritisation will need to take place.	Replacement networking equipment for HCS and Education assets was procured in 2023. Work is underway to plan the project and resourcing to implement the change in 2024.
40	Given that the renewal dates for the insurance premiums for 2024 are after the Government Plan approval there is a risk that adverse changes in market conditions may further affect the insurance premiums. It is highlighted that those currently unknown risks are difficult to quantify at this time. It is expected that insurance premiums will continue to have pressure applied to them during 2024.	Insurance costs remain under pressure, predominantly due to a significant increase in claims across the Government's insurance programme with premiums and self-insured retention levels expected to continue to increase in 2024. The implementation of the updated Insurance Strategy (following a full review of GoJ's central insurance function) over the next 3-4 years will assist Government in addressing current challenges and finding the optimal balance between risk transfer and risk retention as well as supporting targeted risk management initiatives.
41	Staffing and resourcing challenges across Government departments give rise to a level of uncertainty in the delivery of projects and programmes within the specified timeframes and within the agreed funds. These pressures are further exacerbated by the continuing cost-of-living and high inflationary pressures which require increased pay costs to recruit and retain the skills and expertise required also in a competitive labour market.	Recruitment remains challenging in some areas and the HR Business Partners are working to address critical roles across HCS and CYPES. There has been significant success in certain areas, including recruitment in education with the development of the education microsite <a href="https://www.gov.je/education">Education Jersey   Home (gov.je)</a> .  Cost of living and property prices will continue to present a challenge for recruitment into some front line roles including nursing and social work, however there are now a number of support packages available including a comprehensive relocation package and landing accommodation.
42	Short term debt has been repaid, as recommended by the Fiscal Policy Panel, and the debt for the New Healthcare Facilities project will be classified as a long-term debt. The FPP	Noted.

	<b>Findings</b>	<b>Comments</b>
	highlights that although it is anticipated that the project will not cost more than £710 million, the funding strategy is due to be developed in 2024 and is not accounted for in the forecast for Jersey's debt-to-GDP ratio.	
43	The Government is undertaking work to ensure Funds' objectives are clear and that policies are adjusted in line with the objectives.	Noted.
44	The Stabilisation Fund and Strategic Reserve are depleted and require urgent replenishing. The Government has not observed the recommendations made by the Fiscal Policy Panel in the 2021 and 2022 Annual Reports to build reserves through transfers to the Stabilisation Fund and Strategic Reserve. The Fiscal Policy Panel has emphasised its disappointment that a stronger commitment was not taken to replenish the reserves during the current recent strength of the Government's revenues. Although the Government Plan seeks approval for up to £25 million in 2024 to be transferred to the Stabilisation Fund, subject to the availability of funds, it does not commit to any transfers. The FPP strongly recommends that this commitment is strengthened and incorporated into the Government Plan.	<p>Rebuilding the Stabilisation Fund and the inclusion of the £25 million transfer contingent on funds being available is considered to be the most pragmatic choice. It is important to remember that the Stabilisation Fund is depleted as it was used to meet the costs of Covid-19, and that underspends have been prioritised to repaying any debt arising from the pandemic. The Island has no ongoing borrowing resulting from the response to the pandemic, which is an enviable position.</p> <p>The Strategic Reserve has continued to grow in recent years, but the recent increases in GVA due to higher interest rates have meant that measurement as a % of GVA has worsened. Increasing the value of the Strategic Reserve in the medium to long term remains a priority of Government.</p>
45	The transfer from the Technology Accelerator Fund into the Consolidated Fund to fund investment in the Government's Digital Services Platform may not be stipulated within the Terms of Reference of the Fund. However, it would be permissible for the States Assembly to decide to transfer money between the Funds, regardless of the Fund's Terms, as Public Finances Law provides that power to the States Assembly.	Noted.

## RECOMMENDATIONS

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
1	The Council of Ministers must ensure that in all future Government Plans, all tables include the figures of the preceding year to improve budget comparison, transparency and accountability. Consideration should be given to how narrative for ongoing expenditure and business-as-usual workstreams can be demonstrated within the Government Plan to provide further clarity.		Partially Accept	The inclusion of prior year numbers for comparison purposes is more challenging to implement on all the underlying tables but will be done where ever practical.  The narrative elements will also be improved to give more information on ongoing expenditure.	
2	The Council of Ministers should in the Delivery Plans for 2024 and all future Delivery Plans, include narrative of the workstreams of departments, including detail of ongoing expenditure and business-as-usual, so that the Government can transparently demonstrate how taxpayers' money is spent for delivering services and projects.		Partially Accept	The new Council of Ministers will be publishing Business Plans during the year.  These will focus on the implementation of new headline initiatives, but Ministers will also be encouraged to provide information on existing business as usual activities.	
3	The Council of Ministers must publish a mid-year progress report in future years prior to the lodging of the Government Plan by the deadline of 31st		Reject	CoM will consider alternative ways of reporting progress in-year.  The production of a formal report of this nature would require the application of significant staff resource and distract departments from the delivery of the	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	August each year. The report must include progress updates on all projects and programmes, detail on how the funding has been allocated to date, whether the delivery is on track and to be delivered by the identified timescale and within the budget allocated.			Plan, and the preparation of the following year's plan.	
4	The Council of Ministers must publish within the public domain the annual progress reports provided to Scrutiny Panels by Ministers by the deadline of 31st December of each year to improve transparency and accountability of the Government Plan process for the delivery of projects within the approved funding allocations.		Reject	This recommendation will be considered, including publishing any information provided to Scrutiny Panels on progress, but a commitment to accept cannot be given at this time.	
5	The Council of Ministers must consider how the accessibility of future Government Plans can be further enhanced for members of the public. Consideration should be given to the terminology used (including for the title) and how to improve the comprehension of it and its purpose.		Accept	The Council of Ministers will consider how the accessibility of future Government Plans can be further enhanced for members of the public.	
6	The Council of Ministers must engage with Jersey's Youth Parliament in their		Accept (partially)	The Council of Ministers agrees to communicate the Youth-friendly Government Plan to the Youth Parliament, and this will be done at the	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	capacity as a link between Jersey's young people and Government on the Government Plan process and the purpose of the Government Plan. This should be done as soon as possible after the lodging of future Government Plans so that young people's views can be heard and used to inform any amendment process to the Government Plan.			same time or as close to lodging as possible.	
7	The Council of Ministers must ensure that the child-friendly version of the Government Plan is published alongside the Government Plan and Ministerial Plans for future Government Plans and that appropriate measures are taken to communicate and promote it to children and young people.		Accept (partially)	<p>The Council of Ministers agrees with the principle of improving engagement with children and young people.</p> <p>In future, it is intended that a youth-friendly plan will be published as soon as is practicable after the Government Plan is lodged. The timelines for agreeing the content of the Government Plan and Ministerial Plans make it impractical to publish youth-friendly plans alongside them.</p> <p>Engagement with children and young people will continue in 2024 using the published Youth Friendly versions in line with the Participation Standards.</p> <p>Plans are already underway with the School Council Network and they have been promoted through all schools and youth clubs.</p>	
8	The Council of Ministers in future Government Plans should review the 'managing risk' section to ensure that it appropriately reflects the high-level risks to		Accept (already in place)	<p>Improvements to the risk section of the Government Plan have been made in response to a previous recommendation of the Comptroller and Auditor General.</p> <p>The Panel's report quotes evidence from the Comptroller and Auditor General</p>	



	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	delivering priorities in the Government Plan rather than focussing, in the main, on a smaller sample of risks identified from the Corporate Register. As there are clear links between risks, priorities and the Government Plan response, especially regarding overarching sustainable wellbeing.			which highlights the progress made in this area:  <i>“The C&amp;AG explains that with reference to risk contained throughout the Government Plan, there are clearer links between risks, priorities and the corresponding response of the Government Plan, especially in the overarching ‘sustainable wellbeing’ section.”</i>	
9	The Council of Ministers must for future Government Plans consider how Children’s Rights Impact Assessments can be completed on the proposals for which CRIAs should be completed due to their impact on children and young people. This will strengthen the commitment of the Council of Ministers and States Assembly by ensuring that the best interests of children and young people remain integral to the Government decision making process.		Accept	The Council of Ministers will consider how Children’s Rights Impact Assessments can be completed on Government Plan proposals in future.  For the avoidance of doubt, CRIAs will be considered for individual elements of the Plan, but not the Government Plan as a whole (which is exempt under the legislation covering CRIAs).	
10	The Council of Ministers should consider allocating any unspent balances from the Covid-19 response and recovery allocations to the Stabilisation Fund at year end 2023 in accordance with the Fiscal Policy Panel’s		Reject	Unspent balances in Covid-19 have been reallocated to support the HCS department in meeting the financial challenges it has faced in 2023.  However, allocations to the Stabilisation Fund in line with the approved Government Plan will be considered, including the use of any wider underspends.	

	<b>Recommendations</b>	<b>To</b>	<b>Accept/ Reject</b>	<b>Comments</b>	<b>Target date of action/ completion</b>
	recommendation. The Stabilisation Fund is much depleted and must be replenished.				
11	The Council of Ministers must ensure that due regard is given to the sufficient provision of targeted support as appropriate to Islanders impacted the most by the cost-of-living crisis, with focus on those Islanders that are most disadvantaged in our society.		Accept	Ministers will continue to monitor the cost of living closely as well as the general economic situation and will continue to consider appropriate and targeted levels of intervention.	
12	The Council of Ministers must ensure that due regard is given to the sufficient provision of targeted support as appropriate to mortgage holders, should the full impact of the interest rate rises materialise and cause increased pressures.		Reject	For those above the income tax thresholds, uprating personal income-tax thresholds annually keeps money in all taxpayers' pockets regardless of whether they pay rent or mortgage interest.  Ministers will closely monitor the wider housing market, but generally believe that other areas of support will have a more beneficial impact.	
13	The Treasury and Exchequer should undertake modelling exercises to identify the impacts of the revenue raising measures on businesses, the economy, Islanders and Island life. This should be undertaken ahead of delivering all budget measure proposals in future Government Plans and should be evidenced within the Government Plan to demonstrate the impact of the proposals.		Partially Accept	The impact of measures on householders and businesses, and the wider economic impact, is always considered as part of the development of the budget.  The degree of analysis undertaken will always be proportionate to the issue in hand and the available resources and time available.	

	<b>Recommendations</b>	<b>To</b>	<b>Accept/ Reject</b>	<b>Comments</b>	<b>Target date of action/ completion</b>
14	The Council of Ministers must ensure that early stakeholder engagement takes place (particularly with the hospitality industry) when considering alcohol duties proposals in future Government Plans. This will provide awareness of all current concerns facing the stakeholders and the opportunity to hear and address their views so that proposals are appropriately informed prior to the lodging of the Government Plan in respect of their impact on the economy, businesses, Islanders and Island life.		Accept	Revenue Jersey invites representations from stakeholders in the alcohol and hospitality sector each year (usually in March) to inform the Treasury's thinking on the annual Government Plan (budget) measures. Stakeholders have the opportunity to meet the Minister for Treasury and Resources to speak to those representations. The proposed Government Plan is subsequently lodged in good time for stakeholders to lobby the wider body of States Members, if they wish to do so.	
15	The Council of Ministers must ensure that analysis is undertaken to evidence the effectiveness of utilising fiscal measures (taxes) to impact Jersey's public health goals in respect of alcohol and tobacco consumption ahead of lodging of the next Government Plan. In addition, to identify how alternative programmes including education and support can assist in changing behaviours to impact Jersey's public health goals. Narrative to evidence this must be included in the next Government Plan.		Reject	<p>A considerable body of evidence exists globally to confirm the fundamental economic principle that price affects demand for any goods and Most jurisdictions now use indirect taxation (such as excise duties) to influence the consumption of alcohol; tobacco; and fuel. That said, it is understandable that for some people price rises do not materially change behaviour, and that they affect disproportionately those on lower incomes.</p> <p>The Government's wider alcohol strategy – including issues of education and support – is currently under review.</p>	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
16	The Council of Ministers must ensure that Vehicle Emissions Duties rates remain under continued review and should undertake the required work to support widespread adoption of more efficient vehicles and electric vehicles while ensuring to balance fair tax contributions with strategic incentives.		Accept	<p>Currently a proportion of income from Vehicle Emissions Duties (VED) is hypothecated to the Climate Emergency Fund (CEF). The CEF is used to fund incentives for the adoption of greener transport. For example, the CEF has funded the EV subsidies and EV bike grants.</p> <p>Future work on VED rates will align with the wider Carbon Neutral Roadmap with a particular focus on supporting the behavioural shift to more efficient vehicles. Stakeholders will be engaged throughout the process to ensure any increase in VED rates align with the tax policy principles of fairness.</p> <p>Any amendment to VED rates will be proposed subject to a review of the data trends on vehicle emissions.</p>	
17	The Council of Ministers should consider the benefits for including parameters that also take into account the size and mass of vehicles when determining Vehicle Emissions Duties, to prioritise the reversal of the trend toward larger and heavier vehicles. These are inherently less efficient, exacerbate traffic congestion and impact road maintenance costs. This could assist in meeting Jersey's climate goals.		Reject	As signalled in the 2024-27 Government Plan, the Minister will undertake policy work to devise an alternative charge to replace declining fuel duty revenue. As part of this policy work, consideration will be made to the impact of size and mass of a vehicle on the wider impact to Jersey's environment.	
18	For the new Regulatory Technology proposal, the Council of Ministers must ensure that enhanced procedures are		Reject	Existing procedures for managing conflicts of interest are satisfactory both in respect of decision-making by officers and Ministers. This follows a consistent approach for all decision making.	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	in place to ensure that the existence of potential conflicts of interest and the mitigation actions taken are recorded in minutes of all oversight and decision-making groups. In addition, that proper monitoring and reporting for this pilot programme must be undertaken so that the use of funds is appropriately tracked and evidenced as well as the outcomes of the initiative.				
19	The Council of Ministers must ensure that prior to proposing the next changes to the High Value Residents scheme, consideration must be given to the review process so that any subsequent proposals are sufficiently evidenced to appropriately substantiate the proposed changes. The review process should include impact analysis of the proposals including on the property markets or property price distortion in Jersey. Stakeholder representation should be broader and more inclusive and should not exclusively involve internal Government evaluation and representation of stakeholders with a vested interest.		Not applicable.	<p>The next statutory review of the tax element of the HVR scheme will need to be conducted (after the next election) in 2027 so that any changes can come into force in 2028. That exercise will consider whether to adjust the prescribed tax rates and limits in versions 4 and 5 of the regime. It will not consider the wider economic impacts of the HVR scheme, which would fall under the jurisdiction of the Chief Minister rather than the Minister for Treasury and Resources.</p> <p>Therefore, it will be a matter for the next government to determine how it approaches, if it chooses to at all, any changes to the wider policy.</p> <p>In the meantime, as outlined in response to finding 32, the Government considers that sufficient engagement and evaluation work was done to justify the changes which were accepted by the States Assembly.</p>	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
20	During the development of any future tax measures, the Council of Ministers must ensure that proper stakeholder consultation takes place to ensure that any proposals brought forward in future Government Plans are more proportionally informed. When developing new tax measures, modelling should be undertaken to identify the impact on businesses, the economy and Islanders.		Partially Accept	<p>The impact on households and businesses is always considered when developing budget proposals.</p> <p>Levels of stakeholder engagement and policy appraisal (including economic modelling) will always be conducted proportionately to the matter in hand, and as permitted given time and resources.</p>	
21	All future Government Plans must distinguish the specific areas and projects to which Value for Money savings are attached, include reporting on all Value for Money savings which were made during the duration of the Government Plan and identify and provide full details of the monitoring process that has been undertaken on the Value for Money Programme during the duration of the previous Government Plan.		Partially Accepted	<p>The Council of Ministers has committed to reporting on the value for money programme in the annual report and accounts in respect of the prior year delivery. However, rejects the recommendation to identify which specific areas and projects have value for money savings attached within the Government plan.</p> <p>Value for Money savings have been included at a low level (~1%) where departments will be able to deliver them through delivery of efficiencies that can be developed in year. Accountable Officers should be held accountable for this delivery, but must also be empowered to deliver. The exact manner in which these savings are manifested may need to be determined in the year (for example, options may be explored and the best selected).</p>	
22	The Council of Ministers must consider how to improve transparency of		Reject	The Council of Ministers is of the view that the amount of information included is appropriate for the Government Plan,	

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
	the Revenue Growth Allocations by including more detail on the proposals in the Government Plan and by publishing the business cases within the public domain, in a transparent manner, albeit, in a redacted form to maintain confidentiality when required.			providing a succinct summary of each area of growth. The Government Plan is not the appropriate place for excessively detailed and technical information, which would make the Plan less accessible and understandable.	
23	The Council of Ministers must provide to Scrutiny a list of the Revenue Growth bids that were presented to the Treasury and Exchequer, however, were not successful for either business case commissioning and/or inclusion within the Government Plan. This information should be provided to Scrutiny each year at the time of lodging of the Government Plan.		Reject	<p>The development of each Government Plan is a political process, and so any information would be based on growth requests presented to the Council of Ministers rather than the Treasury.</p> <p>The exact process used to develop the Government Plan can change from year to year, and subsequently the exact form of the information may vary.</p> <p>The Council of Ministers suggests that Scrutiny focus their efforts on review of the Plan presented by Government as a whole, rather than a review of whether individual lines have been prioritised or not.</p>	
24	In line with the recommendation made by the Fiscal Policy Panel, the Council of Ministers must ensure that the objectives of the States Funds are clear and that policies are adjusted in line with the objectives. This work should be carried out and reported on prior to the lodging of the next Government Plan.		Partially accept	The States have established a total of 25 States Funds that remain active. A full review of the objectives of the funds and associated policies will be time consuming, and therefore it will not be possible to complete the review of all funds in 2024. A workplan will be set out in 2024 with priority given to the most significant funds.	

	<b>Recommendations</b>	<b>To</b>	<b>Accept/ Reject</b>	<b>Comments</b>	<b>Target date of action/ completion</b>
25	The Council of Ministers must strengthen its commitment to prioritise the transfer of future surpluses to the Stabilisation Fund and Strategic Reserve to rebuild the Funds to appropriate levels and should observe the advice of the Fiscal Policy Panel. A shorter term, renewed policy action plan must be developed to replenish the Stabilisation Fund and Strategic Reserve, and this must be addressed within the next Government Plan. All Prior Year basis receipts must be ringfenced and transferred to the Strategic Reserve as they arise.		Partially Accept	<p>The Council of Ministers are committed to the rebuilding of the Stabilisation Fund and the growth of the Strategic Reserve, although this must continue to be balanced against the competing needs of Islanders.</p> <p>This is considered each year in the Government Plan already.</p> <p>As indicated in the Government Plan, consideration of how the PYB Debt can be used to strengthen the States Balance Sheet will also be considered.</p>	

## CONCLUSION

The Chief Minister and Minister for Treasury and Resources are grateful for the previous Panel's recommendations, which will be taken forward as part of the next cycle of the Government Plan.