

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2024- 2027 (P.72/2023): TWELFTH AMENDMENT

VALUE FOR MONEY SAVINGS

Lodged au Greffe on 23rd November 2023
by the Corporate Services Scrutiny Panel

STATES GREFFE

PROPOSED GOVERNMENT PLAN 2024-2027 (P.72/2023): TWELFTH
AMENDMENT

1 PAGE 2, PARAGRAPH (I) –

After the words “Appendix 3 to the Report” insert the words –

“, except that, on page 57 after Table 16, there should be inserted the following new paragraph –

“In accordance with the recommendations of the Corporate Services Scrutiny Panel, as set out in S.R.20/2022, all subsequent Government Plans will –

- (i) clearly distinguish the specific areas and projects to which Value for Money savings are attached;
- (ii) include a report on all Value for Money savings which were made during the duration of the previous Government Plan; and
- (iii) 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.”

CORPORATE SERVICES SCRUTINY PANEL

Note: After this amendment, the proposition would read as follows –

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

to receive the Government Plan 2024 – 2027 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2024 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law;
- (b) to refer to their Act dated 30th September 2016 and to approve the application of existing resources for work on the development of ‘user pays’ charges in relation to all aspects of waste, including commercial and domestic liquid and solid waste;
- (c) to approve the proposed Changes to Approval for financing/borrowing for 2024, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- (d) to approve the extension of the use of the existing Revolving Credit Facility to include the provision of funds that would otherwise be implemented through bank overdraft or bank overdraft facilities under Article 26 (1)(a) of the Law,

should they be needed, subject to the limits outlined in that article;

- (e) to approve the transfers from one States fund to another for 2024 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law;
- (f) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2024 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31 December 2023 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31 December 2024;
- (g) to approve each major project that is to be started or continued in 2024 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (h) to approve the proposed amount to be appropriated from the Consolidated Fund for 2024, for each Head of Expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report;
- (i) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2024 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report;
- (j) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2024 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (k) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2024 as set out in Appendix 2 – Summary Table 8 to the Report; and
- (l) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2024-2027, as set out at Appendix 3 to the Report, except that, on page 57 after Table 16, there should be inserted the following new paragraph –
 - “In accordance with the recommendations of the Corporate Services Scrutiny Panel, as set out in S.R.20/2022, all subsequent Government Plans will –
 - (i) clearly distinguish the specific areas and projects to which Value for Money savings are attached;
 - (ii) include a report on all Value for Money savings which were made during the duration of the previous Government Plan; and
 - (iii) 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.”.

REPORT

Summary

This amendment to the [Government Plan 2024-2027](#) (GP24) seeks to enhance transparency, accountability and the effective monitoring of Value for Money (VfM) within the Government's fiscal planning, through the following enhancements:

- **Clear Delineation of VfM Savings:** clearly distinguish the specific areas and projects to which VfM savings are attached;
- **Reporting on Past VfM Savings:** include a report on all VfM savings which were made during the duration of the previous Government Plan; and
- **Detailed Monitoring Process:** identify and provide full details of the monitoring process that has been undertaken on the VfM programme during the duration of the previous Government Plan.

The amendment arises from key findings and recommendations made by the Panel in its [review](#) of the [Government Plan 2023-2026](#) (GP23). The findings highlighted concerns over speculative savings amounts without clear achievement strategies (Key Finding 22), lack of reporting on changes in services due to efficiency exercises (Key Finding 23), and insufficient detail regarding the monitoring of the VfM Programme (Key Finding 24). These issues underscore the need for enhanced clarity and accountability in Government financial planning. All of the recommendations that arose from these key findings were unanimously agreed upon as overarching recommendations by all Scrutiny Panels, indicating a consensus across the Panels on these critical issues.

The Panel's Previous Review

One of the focuses of the Panel's [Government Plan 2023-26 Review \(S.R.20.2022\)](#) report was the proposed VfM Programme in the GP23, which introduced the Government's strategy for delivering savings across Government departments.

A significant concern raised by the Panel was the inclusion of £10 million in unallocated savings for the years 2024-2026 in the GP23. This approach, perceived as speculative and lacking detailed achievement strategies, was seen as contradictory to the Fiscal Policy Panel's (FPP) recommendations,¹ which advocate for clear and achievable rebalancing measures.

During a public hearing with the Panel, the Minister for Treasury and Resources defended the savings approach as cautious and realistic, promising more detailed plans in the future.² However, the Panel's Adviser echoed the Panel's concerns, stressing the need for transparent reporting of savings and service changes. They recommended a public service reform programme to enhance efficiency and resource utilisation.³

Key Findings and Recommendations:

- **Key Finding 22:** As part of the VfM Programme, the GP23 includes speculative savings amounts for 2024, 2025 and 2026 without any information

¹ [Annual Report 2022 - Jersey's Fiscal Policy Panel – p.33-34](#)

² [Report - Government Plan 2023-26 Review \(S.R.20.2022\) - p.58](#)

³ *Ibid.* - p.60

on how these will be achieved, which directly contradicts the recommendations made by the FPP.

- **Recommendation 18 (Overarching):** In line with the recommendations of the FPP, the Government Plan should only include VfM savings where there is clear evidence of how they will be achieved.
- **Key Finding 23:** The Government Plan has not historically included reporting on the changes in services undertaken during efficiency and rebalancing exercises.
- **Recommendation 19 (Overarching):** The Council of Ministers should undertake reporting on the impact to public services resultant of VfM savings made, with the reports being published with each Government Plan.
- **Key Finding 24:** The Government Plan does not include detail in respect of the monitoring process for the Value for Money Programme.
- **Recommendation 20 (Overarching):** The Council of Ministers must ensure the monitoring process for the VfM Programme is included in future Government Plans to provide further transparency and accountability.

The key findings and recommendations highlight significant gaps in the Government Plan's approach to VfM. These gaps include a lack of detailed planning, insufficient transparency regarding the impact on public services, and inadequate descriptions of the monitoring processes. The findings suggest that while the Government is keen on achieving savings, the methodology and its implications are not sufficiently transparent or well-defined.

Overview of Government's Objectives and Strategies

The objectives and strategies outlined in both the GP23 and GP24 for the VfM Programme are strikingly similar, with the primary goals focused on enhancing trust, accountability, and efficiency in Government services. Both plans align with the Common Strategic Policy 2023-2026⁴ in emphasising the need for reliable, responsive public services and supportive environments for public servants. However, there is a notable shift in the timeline for achieving these objectives, from 2026 in GP23 to 2027 in GP24.⁵

Both Government Plans aim to restore trust and accountability in Government, emphasising trusted, reliable, and VfM public services, and a government that is responsive, compassionate, and accessible. The repetition of objectives in GP24, with a year's delay, indicates that the Government is no closer to achieving its stated goals. This delay raises concerns about the feasibility of these objectives and whether, without significant action, they may continually be pushed back.

⁴ [Common Strategic Policy 2023-2026 – p.6-7](#)

⁵ Appendix 1.

Ministerial Response to the Panel's Findings and Recommendation

In a joint [Ministerial Response \(S.R.20/2022\)](#) from the Chief Minister and Minister for Treasury and Resources on 30th January 2023, the Panel received a mixed response to its review's key findings and overarching recommendations.⁶

The Ministerial response aligns with the Panel's recommendation for more realistic and detailed planning. However, it does not fully address the issue of speculative savings for 2024-2026, a concern shared by the FPP.

The response further acknowledges the need for reporting on the impact of savings but falls short of fully committing to include such reporting within the Government Plan. It suggests a willingness to consider impact reporting but lacks specificity about how and where this reporting will be integrated.

There is a divergence from the Panel's recommendation by excluding the monitoring process details from the Government Plan. This raises concerns about the transparency and accessibility of this information, as it suggests these details will only be available through other reporting mechanisms.

Additional Ministerial Insights

In a [public hearing](#) for the Proposed Government Plan 2023-2026 Review on 11th November 2022, the Minister for Treasury and Resources informed that he believed the VfM Programme “heeded the words of the F.P.P.”⁷ Additionally, in a [letter from the Chief Minister on November 22nd 2022](#), the delivery plan for the programme was explained, with expectations of improved transparency and reporting to follow.

Despite these initial objectives, upon its evaluation of the GP24, the FPP repeated its recommendation on speculative savings in its 2023 annual report, emphasising that “it remains the advice to the Government that including unspecified savings is unwise as they may lead to pressures in later years if the savings are not found.”⁸

To continue developing its understanding of the VfM Programme, the Panel sent a [letter](#) on 6th November 2023 to the Minister for Treasury and Resources in relation to the GP24. In this letter, the Panel asked the Minister to provide a breakdown of where savings would be achieved, to which it was informed that “a further piece of work will be required later this year/early 2024 to identify recurring opportunities to meet the target allocated as part of the 2024 Government Plan process.”⁹

During public hearings with the [Minister for Treasury and Resources](#) and [Chief Minister](#), on 13th November 2023 and 15th November respectively, further speculations were shared with the Panel, but without delivering a detailed, transparent plan for VfM savings.^{10,11} Following the hearing with the Minister for Treasury and Resources, the Panel [wrote](#) to the Minister on 14th November 2023 to better understand the concerns raised around the VfM Programme. A [response was received](#) from the Minister on 22nd November 2023 that provided further detail on the VfM Programme, discussing the

⁶ Full Ministerial Response in Appendix 2.

⁷ [Transcript - CSSP GP23 Review \(Witness: Minister for Treasury and Resources\) - p.10](#)

⁸ [Annual Report 2023 - Jersey's Fiscal Policy Panel - p.43](#)

⁹ [Letter – Minister for Treasury and Resources to CSSP re GP23 – p.4](#)

¹⁰ [Transcript - CSSP GP24 Review \(Witness: Minister for Treasury and Resources\) - p.9-10](#)

¹¹ [Transcript – CSSP GP24 Review \(Witness: Chief Minister\) – p.39](#)

current governance structure, the delivery and progression of Ministerial Priorities and, conclusively, a reiteration that the Minister believed the savings outlined in the GP24 were “not speculative.”¹²

While many of the Ministerial ambitions shared in relation to the VfM Programme align with the Panel’s recommendations, it is the Panel’s ambition to advance the Programme and enable greater productivity within the public service, whilst equally satisfying the need to reduce expenditure across departments.

External Analysis of the Value for Money Programme

The FPP annual reports from [2022](#) and [2023](#) provide critical insights that support the proposed amendment to the GP24, particularly in relation to the VfM Programme.

The 2022 annual report acknowledges the partial achievement of detailed and realistic targets, but highlights concern over £10 million in unallocated future savings for 2024-2026, lacking detailed plans.¹³ The 2023 annual report notes once more the proposed cashable savings for 2024, reinforcing the need for specific, accountable financial planning, as well as unspecified savings for 2025 and 2026, aligning with the amendment’s call for detailed financial strategies.¹⁴ These concerns were also shared in the FPP’s medium-term [report](#) on 15th July 2022.¹⁵

The FPP reports’ emphasis on specific, achievable targets and concerns over speculative savings directly support the amendment’s objectives for enhanced clarity, transparency, and accountability in the VfM Programme. The reports underline the necessity for detailed financial planning and monitoring, which are key aspects of the proposed amendment. Both this year’s Government Plan and the previous Government Plan acknowledge the FPP’s recommendations, however, do not significantly align with the Panel’s advice.

The Comptroller & Auditor General produced a report titled [Efficiency Savings](#) in March 2023, which included an evaluation of the proposed VfM Programme. Recommendation 3¹⁶ of the report focused on assessing the need for internal controls and assurance activities at the outset of the VfM Programme.

The recommendation also highlights the importance of completeness, accuracy, and timeliness in reporting and monitoring VfM initiatives. Further, it suggests involving internal audit, standardising guidance, and determining effective communication methods for stakeholders involved in the process.

Challenges and Possible Solutions

In a [public hearing](#) on 15th November 2023, the Panel heard from the Group Director of Finance Business Partnering and Analytics (Group Director) and Connétable Andy Jehen, Assistant Chief Minister, on some of the challenges faced in the VfM Programme. When asked if it was possible to provide greater transparency in the Government Plan in terms of reporting, the Group Director informed that “from an operational perspective that is something we could look at. The consideration we need

¹² [Letter – Minister for Treasury and Resources to CSSP re Value for Money Programme – p.4](#)

¹³ [Annual Report 2022 - Jersey's Fiscal Policy Panel - p.34](#)

¹⁴ [Annual Report 2023 - Jersey's Fiscal Policy Panel – p.32](#)

¹⁵ [Medium Term Report – Jersey’s Fiscal Policy Panel – p.55](#)

¹⁶ [Efficiency Savings – Jersey Audit Office – p.25](#)

to give is that in future years there are always factors and assumptions that we would have to come back to each year.” The Assistant Chief Minister continued to identify that “there is also a risk in giving too much detail too far in advance.”¹⁷

The pursuit of increased government productivity has provoked much debate globally, as value for money remains a widespread concern. A [report](#) titled ‘*Delivering better outcomes for citizens: practical steps for unlocking public value*,’ published in November 2017, explored how best to measure results in public service to deliver the improvements that taxpayers demand.

The report acknowledges that public services face a unique challenge in measuring productivity, as traditional metrics like profitability, common in the private sector, are not applicable. The difficulty lies in effectively quantifying the returns or outcomes generated from government expenditures. This necessitates innovative approaches to determine the value and impact of public spending.¹⁸ This is a sentiment that was shared by the Interim Chief Executive Officer during a public review hearing held by the Corporate Services Panel with the Chief Minister on Friday 17th November 2023.¹⁹

Additionally, the report emphasises the importance of adopting academic methodologies for a more detailed monitoring process in public services and advocates for enhancing the profile of existing data initiatives within government departments. It recommended that HM Treasury play a pivotal role by demanding high-quality, consistent, and timely data, ensuring transparency and better data management across departments.²⁰

Elsewhere, a [discussion paper](#) titled ‘*Government Productivity*’ also explores this topic. The paper informs that to create clear direction, governments must craft a powerful, overarching vision that can focus the efforts of multiple departments, break through organizational inertia, and provide a rallying cry that remains fresh and relevant for several years. They also need to translate that vision into clearly defined strategic priorities and quantified objectives. To achieve this, leaders must be ready to engage in debate and disruptive thinking as well as consider the priorities of citizens and the ideas of outside experts.²¹

The report concludes that governments need to ensure that ministers and civil servants are accountable for results— including by publicising targets and performance against them—which assists in creating a more accurate picture of their own productivity trajectory. Additionally, improvements can be sought by learning from peer nations and having fact-based discussions about what outcomes are wanted for what amount of spending. That way, governments can improve productivity in the outcomes that matter most to citizens.²²

Finally, the National Audit Office produced a [report](#) titled ‘*Efficiency in government*’ in July 2021 that identified how efficiency gains can take several years to be realised. It advised that efficiency gains could require investment that increases costs in the short term, which in-turn may incentivise departments to focus on efficiency gains that

¹⁷ [Transcript – CSSP GP24 Review \(Witness: Chief Minister\) – p.41](#)

¹⁸ [Delivering better outcomes for citizens: practical steps for unlocking public value – p.19](#)

¹⁹ [Transcript – CSSP People & Culture Follow-up Review \(Witness: Chief Minister\) – p.21-22](#)

²⁰ [Delivering better outcomes for citizens: practical steps for unlocking public value – p.49](#)

²¹ [Government Productivity – McKinsey&Company – p.24](#)

²² *Ibid.* p.24-25

inadvertently store up additional costs for later.²³ This emphasises the need for detailed and transparent objectives, reporting and monitoring to ensure long-lasting effects.

Purpose of the Amendment

The analysis and discussion presented in this report underscore the importance of the Panel's recommendations in the proposed amendment to the GP24. Each recommendation not only addresses the identified shortcomings in the current framework but also paves the way for a more transparent, accountable, and effective fiscal planning process within the Government.

The necessity to clearly distinguish specific areas and projects for VfM savings is a direct response to the speculative and undetailed planning highlighted in Key Finding 22. The Panel's previous review and the FPP's advice have consistently emphasised the need for clear, actionable strategies in financial planning.

The inclusion of a comprehensive report on past VfM savings, as suggested in Recommendation 19, is critical for assessing the effectiveness and impact of these savings on public services. Transparent reporting will not only enhance public trust but also provide valuable insights for future planning, ensuring that efficiency measures are not just cost-saving exercises but also translate into improved service quality.

The Panel's call for a detailed monitoring process, addressing Key Finding 24, is crucial for an ongoing assessment of the VfM programme. The Ministerial responses, while acknowledging some aspects of the Panel's concerns, fall short in committing to detailed reporting within the Government Plan. A comprehensive monitoring framework, as outlined in Recommendation 20, is essential for continuous evaluation and improvement, ensuring that the Programme's objectives are met and that any deviations are promptly addressed.

Conclusion

The discussions and analyses from external reports, including those by the Fiscal Policy Panel, the Comptroller & Auditor General and other academic sources, reinforce the Panel's recommendations. They highlight the complexities in measuring government productivity and the need for innovative, data-driven approaches. These insights further validate the Panel's call for a more structured and transparent approach to fiscal planning and monitoring within the Value for Money Programme.

Through the Panel's amendment, it hopes to encourage a forward-looking approach to government planning that enforces a shift from traditional, often opaque financial strategies to a more open, accountable, and result-oriented framework. This approach is crucial not only for immediate fiscal responsibility but also for establishing a cultural legacy of efficient, effective, and public-centric governance.

Financial and staffing implications

The Panel is of the view that the proposals could be delivered through utilising existing financial and staffing resources. Particularly as they align with the existing priorities of the Chief Minister and Minister for Treasury and Resources as outlined in the

²³ [Efficiency in government – National Audit Office – p.12](#)

Ministerial Plans for 2024. It is the Panel's view that the proposed amendment to the G24 will not require additional funding.

Depending on the depth of analysis occurring in relation to the VfM Programme currently, the process of identifying and delineating specific savings areas could require more detailed financial analysis and forecasting, which might lead to an increased need for financial expertise within departments. Additionally, enhanced reporting could likely increase the workload related to data collection, analysis, and compilation of reports. While this could potentially be managed within current budget constraints, it may necessitate reallocating resources or reprioritising tasks within departments to meet the new reporting requirements.

The Panel's view that the proposed changes fit within the previously set ambitions of the VfM Programme suggests a careful balancing act. The key to implementing these changes without additional funding lies in efficient resource management, prioritising tasks, and possibly redefining certain roles and responsibilities within the existing workforce. Strategic planning and efficient utilisation of current resources will be crucial to address these new requirements without significantly impacting the existing budget. However, this also coincides with the Government's focus of identifying ways to work differently, to improve efficiency within departments, whilst not impacting upon service delivery.

Appendix 1 – Comparison of Government Plans

Government Plan 2023-2026

The objective by 2026 is to have restored trust and accountability in Government by focusing on two outcomes:

- Trusted, reliable and value for money public services.
- Government that is responsive, compassionate and accessible, and public servants are supported to do their best work.



Government Plan 2024-2027

The objective by 2027 is to have restored trust and accountability in Government by focusing on two outcomes:

- Trusted, reliable and value for money public services.
- Government that is responsive, compassionate, and accessible, and public servants are supported to do their best work.



Appendix 2 – Proposed Government Plan 2023-2026 Review’s Key Findings and Recommendations with the joint Ministerial Response of the Chief Minister and Minister for Treasury and Resources

Panel's Key Findings and Recommendations	Ministerial Responses
<p>Key Finding 22: As part of the Value for Money Programme, the Government Plan 2023-26 includes speculative savings amounts for 2024, 2025 and 2026 without any information on how these will be achieved, which directly contradicts the recommendations made by the Fiscal Policy Panel.</p>	<p>Government accepts the view of the Fiscal Policy Panel that it is not sensible, as far as possible, to include unallocated or undetermined savings targets. This has happened in previous plans and in such cases realisation of savings is less likely to occur on a sustainable basis. Therefore, this plan has taken a much-more careful and realistic approach, spreading previous targets to be delivered by 2024 across the plan. £10 million spend on a £1 billion budget seems reasonable and sensible. For 2023, £7m of the £10m target has already been identified leaving departments to identify the remaining £3m, this being a much-reduced figure from that in the 2022 Government Plan. Depts will also be developing detailed plans during the course of 2023 for future years. As set out in the Government Plan, additional support will be provided to HCS and IHE in the development of their VFM and savings plans.</p>
<p>Recommendation 18 (Overarching): In line with the recommendations of the Fiscal Policy Panel, the Government Plan should only include Value for Money savings where there is clear evidence of how they will be achieved.</p>	<p>Accept, already in place: Government accepts the view of the Fiscal Policy Panel that it is not sensible, as far as possible, to include unallocated or undetermined savings targets. This has happened in previous plans and in such cases realisation of savings is less likely to occur on a sustainable basis. Therefore, this plan has taken a much more careful and realistic approach, spreading previous targets to be delivered by 2024 across the plan. £10 million spend on a £1 billion budget seems reasonable and sensible. For 2023, £7m of the £10m target has already been identified leaving departments to identify the remaining £3m, this being a much-reduced figure from that in the 2022 Government Plan.</p>
<p>Key Finding 23: The Government Plan has not historically included reporting on the changes in services undertaken during efficiency and rebalancing exercises.</p>	<p>Historically, the efficiency and rebalancing section of the government plan provides an indication of the type of expenditure that will be impacted by savings measures, e.g. pay related non-pay or income, with a short description of the measure. Delivery of the savings plans during the financial year is incorporated in the corporate monitoring reporting. Services change</p>

Panel's Key Findings and Recommendations	Ministerial Responses
	implications would/could be reviewed by [sentence not completed].
<p>Recommendation 19 (Overarching): The Council of Ministers should undertake reporting on the impact to public services resultant of value for money savings made, with the reports being published with each Government Plan.</p>	<p>Partially accept: Government already reports on the delivery of rebalancing savings as part of the Annual Report and Accounts, including the impact of changes. As the VFM programme is established, consideration will be given to impact reporting and how this can be shared with Scrutiny panels, although this is unlikely to be within the Government Plan.</p>
<p>Key Finding 24: The Government Plan does not include detail in respect of the monitoring process for the Value for Money Programme.</p>	<p>The government plan is not the place to set out details of the monitoring process, the plan states that fit for purpose Governance will be established and that a political oversight group will be established to steer and oversee the delivery of the programme and agreed outputs and outcomes. In previous responses to the Panel's questions on this matter, a briefing session has been offered for the Panel when the COM has reviewed the proposed implementation plan.</p>
<p>Recommendation 20 (Overarching): The Council of Ministers must ensure the monitoring process for the Value for Money Programme is included in future Government Plans to provide further transparency and accountability.</p>	<p>Reject: The Government Plan is not the place for this detail. Details will be shared as part of the corporate reporting framework.</p>