

4.9 DEPUTY G.P. SOUTHERN OF THE CHIEF MINISTER REGARDING DISTRIBUTIONAL IMPACT ASSESSMENTS IN RESPECT OF THE MEASURES CONTAINED IN THE MEDIUM TERM FINANCIAL PLAN:

Will the Chief Minister inform Members whether a distributional impact assessment has been conducted on the full package of measures contained in the Medium-Term Financial Plan on particular groups and sectors of the economy, and if not, why not?

Senator I.J. Gorst (The Chief Minister):

As recommended by the Fiscal Policy Panel, an analysis looking at distributional impacts will be undertaken as part of the M.T.F.P. addition, which will be lodged in June 2016. The F.P.P. (Fiscal Policy Panel) recommended that this work should be done alongside the M.T.F.P. addition, by which time there will be enough detail to analyse the package of measures for gross savings, benefits and charges.

4.9.1 Deputy G.P. Southern:

Is it the Chief Minister's opinion that it is satisfactory for us to vote on 6th October on the envelopes contained for 2017, 2018 and 2019 without seeing sight of this impact assessment before we vote? Does the Minister think that is the right way to go about things? Surely if he can produce M.T.F.P. 2 and an impact assessment alongside it in the next 6 months he could have done so in the first or second 6 months of the Council of Ministers so that we had an impact assessment now so we knew exactly what we were doing with both halves of the pie that he is presenting us.

Senator I.J. Gorst:

There seems quite a few questions there. I think the overwhelming answer to his first question was no. It is important that Ministers bring forward an M.T.F.P. which meets the strategic priorities which Ministers have got, which this Assembly endorsed, and that is investing in health, education, and making sure we invest in our capital infrastructure appropriate into the future, at the same time balancing the budget. That is what the overall envelope achieves. The details within 2017, 2018 and 2019 will be part of the addition and that will be the work that the distributional analysis looks at, so I think it is wholly appropriate.

4.9.2 Deputy J.A. Martin:

Either I or the Chief Minister have a very short memory because I asked him about these impact assessments in this House probably 8 weeks ago, if not more. He said they were being done in-house at that time. I can check Hansard but I know exactly what I was told. Why do we not have them now because already redundancies, and we have the M.T.F.P., why do we not have these very, very important impact assessments with us?

Senator I.J. Gorst:

The Deputy is right, they are being undertaken and we instructed for them to be undertaken prior to the comments of the Fiscal Policy Panel. The Fiscal Policy Panel I think endorsed the work that Treasury and my department are undertaking. The Deputy knows why it is not possible to produce it in the timeframe that the questioner requests because some of the detail, particularly around charging mechanisms, have not yet been worked up and that detail needs to be worked up in order to understand the distributional impact.

4.9.3 Deputy J.A. Martin:

The main question and the questions I was asking weeks and weeks ago was about the impact. The Minister has already accepted 104 voluntary redundancies. What impact studies is he basing any of these facts on?

Senator I.J. Gorst:

I am not quite sure what that question was about. The Deputy knows that we have put into the public domain the categories of workers who we have accepted for voluntary redundancy, we are managing vacancies, and that is allowing departments to reorganise the way that they deliver services more efficiently and more cost effectively, which ultimately will allow for a balanced budget over the period.

4.9.4 Deputy G.P. Southern:

Where in his drive to cease, reduce or outsource public services has the Minister put his strategic aim to protect the vulnerable, or does he consider that £10 million cuts from those most vulnerable in our society is appropriate protection?

Senator I.J. Gorst:

The Deputy knows, and I think it was only at the last States sitting that I reminded him of this fact, and I have reconfirmed it with the Social Security Department, that in 2011 we were spending £66 million on income support. The 2014 figure that we spent was £74 million. The budget for this year, although it is not expected to be completely spent, was £83 million. The proposals that Ministers are making with regard to benefits is to maintain them at around 2015 levels, as the Minister has said extensively, not only this morning but on previous mornings in this Assembly, and changes are being made to enable that to take place. I do not, therefore, subscribe to the analysis that the Minister is trying to portray that we are slashing benefits to the most vulnerable. We are trying to curtail the growth in the cost of government that we have seen over the last number of years and, therefore, balance the budget.

[11:00]

4.9.5 Deputy G.P. Southern:

Do the figures that he quotes not include the large increase in numbers of those in residential homes, and does he not accept that anyway that large number and that growth indicates a growth of low income, of vulnerability, therefore, that is why the figure is growing because people are, in his community, worse off than they were?

Senator I.J. Gorst:

I do not think we should be bandying phrases across this Assembly. The Deputy makes that point. I believe that previous Ministers have argued the case for increasing the budget. Some of that has been automatic stabilisers; others have been targeting money to the most vulnerable. What we are saying now is that we need to manage the growth and curtail the growth in the cost of government so that we can invest in health care, so that we can invest in education, the very thing which affects the most vulnerable in our community, and that we can invest in our infrastructure for the future as well.