

23.11.28.

12. Deputy G.P. Southern of the Chief Minister regarding certain figures in the Proposed Government Plan 2024-2027 (OQ.235/2023)

Will the Chief Minister advise whether the figures included in the Proposed Government Plan 2024-2027 under the references “deep-dive reviews”, “value-for-money targets”, “financial recovery programmes”, and “efficiency savings” are related to last year’s public service cuts that were not delivered; and will she provide more detail on these areas to ensure some success in 2024?

Deputy K.L. Moore (The Chief Minister):

The Council of Ministers is committed to continuing to drive value for money in public services and delivering improved value per pound of taxpayers’ money. This is an ongoing process and programme of work. It is important that targets are deliverable, and that is why the Council of Ministers are aiming for £10 million of savings in 2023. That is 1 per cent out of an overall budget of £1 billion. It is proposed to set a further target for 2024, which equates to another £10 million, reflecting our commitment to ensure services embed a culture of continuing efficiency and improvement. This is a figure that we believe is achievable and is in addition to both the value-for-money programme, which we all agree general savings targets across all departments as part of our focus on continuous improvement in services and separate initiatives, such as the Health and Community Services financial recovery plan, which seeks to make further savings.

[10:15]

3.5.1 Deputy G.P. Southern:

Would the Chief Minister accept that what we ended up with last time was salami slicing, random cuts here and there and everywhere just to save money? Is it not the risk that that is likely to happen again this year?

Deputy K.L. Moore:

Last year the programme was successful, saving £7 million out of the £10 million target. Every department, every public servant, has a duty to ensure that they are continually offering the most efficient public services. It is normal in every area of business to continue to seek value for money. A 1 per cent target is perfectly reasonable and achievable.

3.5.2 Deputy S.Y. Mézec:

We are almost towards the end of 2023 so can the Chief Minister confirm whether it is the projection that she has been given that by the end of this year the Government will have achieved every penny of the £10 million value for money savings that were authorised in the 2023 Government Plan. If not, why not?

Deputy K.L. Moore:

By the end of the year, I have committed to giving departments time to plan and prepare their savings initiatives ready for mobilisation and operation in future years. We have highlighted work that will be ongoing in the Government Plan and we will endeavour to make sure that those ... well, we will deliver balanced books at the end of this year.

Deputy S.Y. Mézec:

A point of order. That was not close to an answer to my question. The Chief Minister specifically referred to future years, my question was about 2023.

Deputy K.L. Moore:

My answer was about 2023 too.

Deputy S.Y. Mézec:

It was not, not even close but I will take a supplementary if ..

The Bailiff:

If you move on to a supplementary, I think that would be helpful in the context of that.

3.5.3 Deputy S.Y. Mézec:

Thank you. If the Chief Minister is not able to give a very straightforward answer as to whether the £10 million of savings that were allocated for this year have been made or will be made by the end of next month, how can we have any confidence that the £10 million allocated for next year will be achievable?

Deputy K.L. Moore:

With determination, clarity and focus everything is achievable. It is important that we prioritise. With the new leadership of our interim chief executive, I believe that a considerable amount of positive work is being done with chief officers and through departments that will deliver that.

3.5.4 Deputy L.V. Feltham:

Given the pressure on departments to make these savings, has the Council of Ministers identified services that are either over-resourced or non-essential in order to aid the departments make the savings?

Deputy K.L. Moore:

I think we said last year that we cannot continue to be what the interim Chief Executive has termed in a Scrutiny hearing “an additive organisation”, constantly growing budgets rather than looking at where we can stop, where we can prioritise and where we can do things differently. This is in the 21st century. There are opportunities to harness technology. As the Minister for Sustainable Economy has identified, by cutting through red tape, removing those barriers, such as barriers to business that have been identified, we can find cohesive and coherent savings that can be of a benefit to the public purse.

3.5.5 Deputy L.V. Feltham:

I do not think that was an answer to my first question but I will ask this as a supplementary. Has the Council of Ministers given departments - and this could be a yes or no answer - a list of services that it would like prioritised for either a reduction of resources or that it considers non-essential and should be cut or reduced?

Deputy K.L. Moore:

Our focus now is delivering efficient services. Nobody wants to cut services. What we want to do is ensure that we are delivering value for money, efficient services for the public benefit.

Deputy S.Y. Mézec:

Sir, can I raise a point of order because that was not even close to an answer.

The Bailiff:

I was about to say that I think the answer was directed to have indications been given by Government to various departments as to the areas where those savings are anticipated? If it has, it has, if it has not, it has not, it seems to me.

Deputy K.L. Moore:

Sir, I think I have been very clear that our emphasis and focus is on prioritisation and efficiency. There is no list of services to be cut because that is not our intention to cut services. It is our intention to deliver efficient, cost-effective value-for-money services.

3.5.6 Deputy M. Tadier:

I am thinking of an analogy, which is if one were to go to a bank and say: "Could I have some money, please? Can I borrow some money?" and they say you cannot afford it but then you say: "Do not worry, I am going to be making efficiencies", I do not think they would lend you the money. Can I ask the Chief Minister: is it reasonable to balance off current spending and growth projections that they have in the Government Plan against future, what I would call, imaginary money that has not achieved yet? Given the fact that if we as Backbenchers want to put amendments into the Government Plan, we have to be very specific about where that money is coming from and we cannot simply say it is coming from the magic efficiency tree.

Deputy K.L. Moore:

I think that is a slightly distasteful tone of the question given that every single household in the Island is tightening its belt. Whatever the circumstances of people in the Island, we are all faced with increasing costs due to inflation. Therefore, we all have to keep focused on doing that very thing. As a Government, I think it is important that we look to the next year with that commitment to delivering efficiency and delivering consistent and high-quality services, which is our commitment to the public.

3.5.7 Deputy M. Tadier:

I will put it another way in the supplementary. I do not think it is distasteful at all to ask that question, I think it is the opposite. Why is the Chief Minister effectively spending money in this Government Plan that she does not yet have? She is just hoping that, magically, some efficiencies might happen, which we know historically, throughout various Government Plans, departments have been unable to deliver because actually when push comes to shove they are working more or less very efficiently.

Deputy K.L. Moore:

The Deputy knows full well that as a Government and under our Public Finances Manual, it is absolutely essential that we deliver a balanced budget. Therefore, work has been done very carefully to ensure that the Government Plan projects a balanced budget for next year and the ongoing years. It is not an easy task when there is a continuous pressure to increase services and to add new things. The growth bids every year are excessive and somebody somewhere has to decide which of those growth bids to accept and which to reject. In order to be able to accept some of them we have to be more efficient about the way we deliver the services that we are already offering to Islanders. We are doing that in consistent and clear ways such as the Financial Recovery Plan in Health and Community Services.

3.5.8 Deputy M.R. Scott of St. Brelade:

While sharing Deputy Tadier's concerns that historically efficiencies often have impacted on front line staff, could the Chief Minister please explain whether the value-for-money review extends, in terms of finding efficiencies, to modernising management techniques, bringing remuneration award schemes more in line with the private sector, reducing the size of golden handshakes and increasing performance related pay structures?

Deputy K.L. Moore:

There is a performance management review that has been embedded across the services through the new I.T. (information technology) project. I think that is exactly an example of the request that the Deputy has made there. Performance management payments are, of course, a difficult thing in a public sector so I would suggest that following private practices would be slightly difficult. But what we are focused on doing is improving the performance management of everybody across the public sector using the new system and ensuring that that is driving people's focus on efficiency and effectiveness.

3.5.9 Deputy M.R. Scott:

Can the Chief Minister seriously look at businesses in the private sector in the eye who are actually having to tighten their own belts to manage their businesses efficiently, who have not been able to award pay of the size that we have seen in the public sector and not been able to grow in the way, at taxpayers' expense, that the public sector has? Is she pursuing a more advanced structure in terms of remuneration, pay grades that reflect the realities of the economy of this Island?

Deputy K.L. Moore:

There is always work to be done. However, obviously public sector pay has moved at a different rate to private sector pay and I think, as I have outlined in previous answers, we are absolutely mindful of the impact on budgets in private households, in private business and in the public service. It is part of a team effort across the Island to combat inflation, to do our bit to tighten our belts and ensure that we are being as effective and as efficient as we can be.

3.5.10 Deputy G.P. Southern:

Does the Chief Minister not accept that her own advisers have warned against the inclusion of speculative savings in their projections and yet on page 56 of the plan here we see: "The programme will deliver recurring savings of £25 million by 2025 with £10 million delivered in 2024." Totally speculative, best guess, cross your fingers; is it not the case?

Deputy K.L. Moore:

I do not believe that is the case. I believe that we have a team of people who are focused and determined on delivering effective and efficient spending within the public service. It is a commitment and if we did not put it in the budget then it would be a dereliction of duty, because we would be failing to demonstrate that we had a commitment to tightening belts just like everyone else in the Island.