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# STATES OF JERSEY



## EFFICIENCY SAVINGS (R.37/2023): EXECUTIVE RESPONSE

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Presented to the States on 24th April 2023  
by the Public Accounts Committee

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STATES GREFFE

## FOREWORD

In accordance with paragraphs 69-71 of the [Code of Practice](#) for engagement between ‘Scrutiny Panels and the Public Accounts Committee’ and ‘the Executive’, the Public Accounts Committee presents the Executive Response to the Comptroller and Auditor General’s Report entitled: Efficiency Savings (R.37/2023 - presented to the States on 9th March 2023).

The Committee intends to review the Executive Response to the recommendations and will consider whether to produce further comments in due course.

**Deputy L. Feltham**

Chair, Public Accounts Committee

## SUMMARY OF RESPONSE

Driving value for money across Government is a fundamental principle of our financial strategy. The Value of Money Programme currently being established as part of the Government Plan 2023-26, is underpinned by a clear governance framework. The full implementation plan will include the introduction of the continuous improvement programme, which will drive a greater focus on productivity improvement, Lean processes and service improvement, and will be formally launched this year.

The Government of Jersey takes the work of the C&AG and the Public Accounts Committee very seriously. The Chief Executive and Treasurer welcome constructive dialogue with the C&AG, in particular the categorisation in reductions of budgets achieved.

To note all recommendations contained with the C&AG's report have been accepted.

## ACTION PLAN

Recommendations	Action	Target Date	Responsible Officer
<p>R1 Distinguish between income generating measures as a means of mitigating cost and efficiency measures as a means for either reducing costs or improving service quality, or both, when setting out public targets and measuring and reporting performance publicly.</p>	<p>ACCEPT</p> <p>This principle was recognised when the previous efficiency programme was amended to "efficiency and rebalancing". Income generating measures will now be captured under the rebalancing section of the programme.</p> <p>To note, the principles which have been agreed for the 2023-26 Government plan for the Value for Money Programme included revenue generating measures as a means to re-balance the budget.</p>	<p>Complete</p>	<p>Group Director T&amp;E &amp; VFM Programme Manager</p>
<p>R2 Review the current efficiency savings plans and develop a clearly articulated strategic approach to delivering efficiency, innovation and improvement, that:</p>	<p>CCEPT</p> <p>When the New Government was formed in June 2022, the Council of Ministers considered the savings delivered together with future targets, as part of in the Government plan 2023-</p>	<p>31 August 2023</p>	<p>Treasurer</p>

Recommendations	Action	Target Date	Responsible Officer
<p>i. is closely linked to the States wider strategic objectives for service improvement and organisational development.</p> <p>ii. analyses service performance in terms of resource input, service output and service outcome to identify the greatest opportunities for efficiency savings; and</p> <p>iii. focusses on long term sustainability gains and service improvement, alongside shorter-term savings.</p>	<p>26 process. It was concluded that new savings would be agreed.</p> <p>Delivering improved VFM is a key focus. Cashable savings are important element of the agreed financial strategy. However, the plans also emphasise the importance of improved services and outcomes in the delivery of VFM.</p> <p>VFM objectives have been set; in addition to an overarching ambition to improving VFM to ensure cost-effective Government Services, and a number of specific areas of focus:</p> <ul style="list-style-type: none"> <li>• Consultancy spend and contingent labour costs.</li> <li>• Capital projects including but not limited to sewerage treatment works, health facilities and improved school estate, optimising the Government's property estate.</li> <li>• Priority Departments in 2023 will be HCS, IHE and M&amp;D (specifically, Applications and Licence expenditure).</li> </ul> <p>This will be an area of development. Departments would be starting from varying baseline in relation to data sets to support such analysis and insights. It is planned to investigate the use of VFM assessment frameworks in use in other jurisdictions, which could be implemented in GOJ.</p>	<p>Ongoing</p> <p>Ongoing</p>	



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	<p>assurance functions to develop a programme delivery plan, measures, and controls.</p> <p>During 2023 Internal Audit has made provision for assurance on this programme, which has been ratified by ELT and Risk and Audit Committee. This will include live assurance review on the programme initiation, as well as, at key gateway milestones during delivery. Internal Audit have issued in 2022 reports on Programme and Projects; and lessons learnt from these initiatives shall be reflected in live assurance reviews of this programme. The PfM has been updated and there is a more robust framework now in place and therefore important assurance is provided on the implementation of the PFM and the new framework by Internal Audit.</p> <p>In addition, the Value for Money SRO will meet with the CIA to discuss lessons learnt from previous audits in respect to Programme and Project management as well as value added insight from previous audit recommendations, a number of which have already been shared.</p>	30/9/2023	Group Director T&E & Head of Internal Audit

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<p>R4 Assess the impact of the reductions in budgets on service performance and the sustainability of the reductions in relation to service objectives both in the short and the long term.</p>	<p>ACCEPT</p> <p>Service impact assessment will be included in the Government Planning Process to capture initial assessment.</p> <p>The VFM programme, will develop guidance and tools to support Departments to consider service impact and dependencies, when planning and delivering budget reductions.</p>	<p>30/9/2023</p> <p>31/12/2023</p>	<p>Head of Financial Planning</p> <p>VFM Programme Manager</p>
<p>R5 Ensure that benefits realisation strategies are documented at the outset of all major and strategic projects.</p>	<p>CCEPT</p> <p>With the introduction of the new programme/ project delivery frameworks, the Senior Responsible Officer (SRO) is accountable for the realisation of expected benefits to the Accountable Officer. Benefit details are required in the supporting framework suite of templates, including the Change Mandate, Blueprint (programmes), Benefits Register (programmes) Business Case, Brief, PID, SRO Sponsor assignment letter and guidelines.</p> <p>However, benefits management and realisation are in very early stages of introduction and maturity across the GoJ, and will require significant time, resource commitments, and investment in training, to support the development of internal capability and the embedding good practice.</p> <p>The CPMO developed a Corporate Benefits Register</p>	<p>In place and ongoing to full maturity through 2024</p>	<p>Head of the Corporate Portfolio Management Office</p>

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	<p>at the end of 2022, in collaboration with the GoJ change community and key stakeholder groups. A pilot is underway with 7 major and strategic initiatives from the portfolio, with a view to adding all benefits set out in circa 50 major and strategic programme/project business cases, where they have been defined, by the end of 2023. If the CPMO has capacity, the Team will look to extend benefits registration of Key and Local initiatives in 2024, however, this will again be limited to those initiatives that have clearly defined benefits in their approved business case and supporting documentation. This work will likely encompass refinements and further updates to the Public Finances Manual requirements, regarding benefits realisation good practice.</p> <p>Accountable Officers and/or SROs are expected to ensure that a benefit realisation plan is provided as part of the Full Business Case for a Major or Strategic Project. While the production of a plan is the responsibility of the Accountable Officer and/or SRO officers will explore ways to use the business case stage gate process to ensure appropriate plans are produced.</p>		



<b>Recommendations</b>	<b>Action</b>	<b>Target Date</b>	<b>Responsible Officer</b>
<p>R6 Ensure that benefits realisation strategies are implemented, monitored and reported on all major and strategic projects.</p>	<p>ACCEPT</p> <p>The programme and project delivery frameworks and supporting requirements were included within the Public Finance Manual in November 2022.</p> <p>This has brought about consistent stage gate control points and language for change delivery. Assessment of deliverability with the enabling services, and impact assessments, will support embedding more robust planning for, and successful delivery of, major and strategic programmes/projects and their respective, outputs, benefits and outcomes.</p> <p>Improved planning and decision making – for example the addition of Feasibility gateway to access approval to mobilise and fund projects strengthens controls.</p> <p>New Corporate Benefits Register developed in 2022 and is being piloted in 2023 (see Recommendation 5). The CPMO hope to commence basic benefit reporting on major and strategic initiatives in 2024, where it is possible to do so. This will be progressed through close working with Strategic Finance, Finance Business Partners, and the Benefit Owners/ respective departments with defined</p>	<p>In place and ongoing to full maturity through 2024</p>	<p>Head of the Corporate Portfolio Management Office</p>

Recommendations	Action	Target Date	Responsible Officer
	<p>responsibility for benefits realisation.</p> <p>Training offers have been increased, to improve understanding and support the embedding of good practice, including:</p> <ul style="list-style-type: none"> <li>• Internal foundational project management training –developed into an eLearning package</li> <li>• Professional foundation and practitioner training for project and programme managers (MSP, PRINCE2 and PRINCE2 AGILE)</li> <li>• Training for Accountable Officers and Senior Responsible Officers (SROs) on their roles and responsibilities</li> <li>• Ongoing programme and project dashboard reporting training, using ‘Perform’.</li> <li>• Delivery Framework Training, including lunch and learns</li> <li>• Public Finances Manual amendments lunch and Learns</li> <li>• Effective project budgeting training (2023)</li> </ul>		
	<p>As noted in R5, the introduction of benefits management and realisation practice, will require investment (resource, time and budget), with a comprehensive training plan, for the differing programme and project</p>		

<b>Recommendations</b>	<b>Action</b>	<b>Target Date</b>	<b>Responsible Officer</b>
	roles, to support the development of internal capability and embedding of good practice. Planning for this is ongoing.		