



Senator John Le Fondré
Chief Minister
By email

10th September 2019

Dear Chief Minister

Government Plan Scrutiny

Thank you for your letter of 23rd August, which we received on 29th August, setting out how you propose to coordinate the provision of information to scrutiny panels.

As you will be aware, since the publication of the [Government Plan](#) in July, we have been carefully studying the Government's proposed projects, actions and the associated funding arrangements. Each of our scrutiny panels has been reviewing the sections that fall within our respective remits and has begun gathering evidence. The purpose of this letter is to set out some initial common queries and themes that have emerged from the work we have undertaken to date, as follows:

A) Lack of detail

There are a number of areas where we would have expected to see a greater level of detail provided with the Government Plan at the time it was lodged on 22nd July. These areas are:

- 1. A detailed breakdown of expenditure by Department, Minister and Strategic Priority.** The Government Plan presents expenditure in a number of different ways (i.e. Appendix 2, p192), but does not provide any additional detail to support the overall totals. We understand that further detail of departmental expenditure will be included in the departmental business plans due to be published in October, but we would have expected to see this information included in the Government Plan when it was lodged.
- 2. Full detail of the Government efficiencies programme.** Senator Moore has written to you separately about this.
- 3. Personal Tax Review/ married women's taxation.** Despite the [commitment from the Minister for Treasury and Resources](#) that she would "give her own conclusion as part of Government Plan 2020-2023", the Government Plan merely makes references to Ministers "shortly bringing in-principle recommendations for change to the Assembly" (p164). We note that the Minister has also previously told the Corporate Services Panel that it is likely that [tax rates and allowances would have to change for the 2021 tax year](#).

4. **Administrative tax changes.** The Government Plan (p165) states that administrative tax changes will be contained within the annual Finance law, which will be lodged in time to be debated alongside the Government Plan. This limits the time we have to scrutinise the changes and makes it difficult for us to consider them alongside other tax changes proposed in the Government Plan.
5. **2019 comparative figures.** In order for us to assess the proposals against current levels of taxation and expenditure, it would be helpful to be provided with 2019 comparative figures. With the exception of Table 56 in Appendix 2 (p198), these are largely missing from the document.
6. **Income Forecasts update and potential for amendments.** The Income Forecasts section of the Government Plan (p152) makes reference to an updated income forecast, which “may give rise to amendments to the Government Plan”. Any such amendments could have a significant impact on the income figures within the Government Plan, without adequate time for the changes to be properly scrutinised. We also note a difference between the forecasts [published by the IFG on 15th August](#) this year and the forecasts used in the Government Plan. This needs to be clearly explained.
7. **Breakdown of ‘Reserve’ Heads of Expenditure (£33m and £11m).** Summary Table 3 asks States Members to approve the allocation of £33 million to a “reserve for centrally held items” and £11 million to a “General reserve”. The information provided on page 136 does not provide any level of detail regarding how these figures have been arrived at. We would expect to be provided with a full breakdown of the totals.

In some cases, the above information has been promised at a later date, in others it appears to be absent entirely. As you will appreciate, it is important for us to have all relevant information available to us at the outset of our work. We ask that you provide the above information to us now, as a matter of urgency.

B) New Investment in Common Strategic Priorities

The report R.91/2019, [Government Plan 2020-2023: Further Information on Additional Revenue Expenditure and Capital and Major Projects Expenditure](#) provides business cases for the proposed new investment of £81 million and capital spending of £90 million. Following our initial scrutiny of the business cases, the following common themes have emerged:

1. **Lack of detail in business cases.** The business cases do not provide sufficient information for us to make a judgement on the proposed expenditure. In general, they explain why the funds are needed, but not what they will be spent on.
2. **Accessibility of language and terms.** There is frequent use of jargon and acronyms across the business cases, making it difficult to understand and interpret them.
3. **Lack of consistency or comparability across business cases.** Some of the business cases provide relatively little information for significant amounts bid for. Others provide a great deal of information for relatively small amounts. While the templates are all uniform, we would question the level of oversight of the underlying

content. There also appears to be some duplication and overlapping cases which appear to have been developed in isolation.

- 4. Lack of 2019 comparative figures or how they fit into the wider budget for the department.** It would be helpful to understand how the investment cases fit into the wider context of existing budgets and current spending levels. The absence of detailed expenditure breakdowns and 2019 comparative figures makes this impossible at the moment.

Following requests by each scrutiny panel, we are grateful that the full business cases and other supporting information is now being provided to us. However, some of this information will necessarily need to be kept confidential. We would have preferred to see a better quality of information included in the published information in R.91, in order to ensure open and transparent scrutiny of the proposals.

In addition to providing the missing information, please could you explain why these details were not provided in the Government Plan document from the outset. Please also explain how you intend to improve your processes to ensure that we are not in this situation again when the next Government Plan is prepared.

Finally, we would be grateful if ministers and officers could make every effort to be available to provide evidence to Panels at the dates and times we request. We are beginning to encounter difficulties regarding the availability of some ministers over the coming weeks and it is vital that we are able to take evidence within the short window we have to complete our work.

Yours sincerely



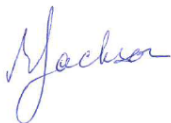
Senator Kristina Moore
Chair, Corporate Services
Scrutiny Panel and President
of Chairmen's Committee



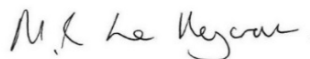
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