



States Greffe: Scrutiny

Senator John Le Fondré
Chief Minister
19-21 Broad Street
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JE2 3RR

3 September 2019

Dear Chief Minister and Ministers

Government Plan - efficiencies

Thank you for your [letter of 29th August](#). It confirmed that States Members will not receive full details of the efficiencies your Government is proposing until the end of October. This may be a month before the planned debate, but this timeframe does not allow a proper period of scrutiny before the closing date for amendments to be lodged.

Following our correspondence last week, I was invited to BBC Radio Jersey for an interview along with the Assistant Treasury Minister.

It was disappointing to receive a letter from the Chief Executive after the interview. This is attached for your reference.

Perhaps the Chief Executive misunderstood the point I was making, but for the avoidance of any doubt I feel compelled to address you on this matter, which has at its very heart some fundamental issues that are causing concern amongst Scrutiny members and the general public.

As a member of the previous Council of Ministers, I understood and supported the short term nature of the transition team's work. It laid the foundations for the work of the Chief Executive so that he could "*hit the ground running*" when he arrived in January 2018. The purpose being, to provide information and evidence so that Mr Parker could take quick and decisive action in order to bring more efficient and cost effective practices to our public sector.

Whilst I know that the transition team's work ended some time ago, the point I was making was that it is two years since that work began. That was the first act of the new Chief Executive. The public expects him, two years into this work, to be able to at least a) tell us what the efficiencies will be, b) how much has been spent on the process of identifying them and c) what investment is needed to complete the work.

"*Tens of millions*" were promised in terms of savings. So far, according to the Government Plan, £300,000 of efficiencies have been identified from streamlining processes and reducing duplication. And £8.2m is attributed to "*delivering cost effective structures, integration of services and driving improvements in productivity.*"

Upon closer analysis of the £19.7m proposed efficiencies that are documented, £8.2m of that figure is actually derived from additional revenue raising activities; £1.2m in additional charges and £7m are estimates of increased revenue from the tax department. The latter being dependent on further investment of £1.5m pa providing more resource for the team to be strengthened.

Leaving aside the issue of whether it is realistic to expect increased investment in the Income Tax department to consistently yield £7-13m pa (a matter which can be debated as some argue this is a low tax, therefore low avoidance jurisdiction), it seems that the net “*efficiency*” is in fact £16.7m.

As it stands, the Government Plan proposes considerable increases in expenditure of approx 12% per year, taking revenue spending to £1.1bn by 2023. It is silent on the additional, efficiencies of £20m. In that context it is difficult to see what the ‘*efficiencies*’ are achieving or whether they are achievable.

In a time of uncertainty, to prolong this process without proper transparency is unhelpful for the island. The Assembly and the public deserve and expect to know what else is being proposed within an appropriate period of time to afford proper public consultation and scrutiny. This lack of clarity, 15 months into your term of office suggests that the Council of Ministers is struggling to hold officers to account.

There are other aspects of the Government Plan that lack sufficient detail. The Chairs of the various Scrutiny Panels will be writing to you about that later this week.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kristina Moore', written in a cursive style.

Senator Kristina Moore
Chair, Corporate Services Scrutiny Panel

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30th August 2019

Dear Kristina

In your interview this morning on BBC Radio Jersey, you stated that a Transition Team has been on the Island for two years, and expressed surprise that the team hadn't finished working out all the detail of the efficiencies plan. I thought it might be helpful to refresh your understanding of the history and current position regarding the Transition Team that you referenced.

The Transition Team of four consultants, supported by existing officers, were brought together in October 2017 to undertake a due diligence review of the operations of Jersey's public service, identify areas for priority action and help design a new organisational structure, which was announced on 6 March 2018.

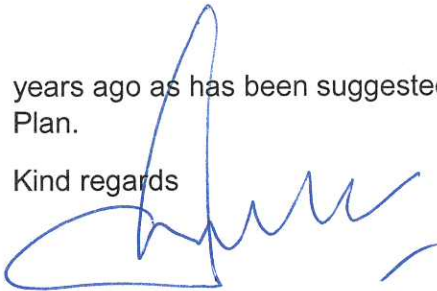
As I announced in a news release more than a year ago, and have explained to your Scrutiny Panel, the Transition Team was stood down in March 2018, having completed that phase of discovery work. One of the consultants left the organisation shortly afterwards; one was appointed temporarily as Director of People Services, before leaving when a permanent director was appointed; one was appointed as Director of the Finance Transformation project on a fixed term contract; and one is the current Director of Communications, pending permanent recruitment to this role (which is currently underway, after a previous recruitment exercise failed to find sufficient candidates of quality to interview).

I was therefore surprised to hear you talk about the Transition Team as still existing, as this will have misinformed Islanders about who is leading transformation in the public service, and will have left them with the impression that UK consultants are leading the efficiencies exercise. They are not. The Efficiencies Programme is being led by the Director General for the Chief Operating Office, in partnership with senior officials in Treasury and Exchequer, and with the active involvement of all Directors General, and the Group Directors and Directors in their departments, and supported by a small team of specialists from EY. All of which has been explained to both your Scrutiny Panel and PAC.

I hope that the above clarifies the real position both in relation to the role of the Transition Team and who is really leading the Efficiencies work. The above should also provide you with further clarity around the timelines for delivering the efficiencies themselves which, was not started two

years ago as has been suggested but this year as part of the development of the Government Plan.

Kind regards



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