

STATES OF JERSEY



SCRUTINY REVIEW OF THE GOVERNMENT PLAN: 2020–2023 (S.R.13/2019): GOVERNMENT PLAN REVIEW PANEL FINDINGS – RESPONSE OF THE CHIEF MINISTER

**Presented to the States on 9th January 2020
by the Chief Minister**

STATES GREFFE

**SCRUTINY REVIEW OF THE GOVERNMENT PLAN: 2020–2023
(S.R.13/2019): GOVERNMENT PLAN REVIEW PANEL FINDINGS –
RESPONSE OF THE CHIEF MINISTER**

Ministerial Response to:	S.R.13/2019
Review title:	Scrutiny Review of the Government Plan: 2020–2023
Scrutiny Panel:	Government Plan Review Panel

CHIEF MINISTER’S INTRODUCTION

The Chief Minister thanks the Government Plan Review Panel for both engaging directly and for co-ordinating the work of the other standing Scrutiny Panels. The Chief Minister and the Council of Ministers will take on board the comments from the Panel and will build them in to the work that is already underway, to improve the process for next year. Whilst this was a new process and there are lessons to be learnt, the Chief Minister reminds the Panel of the advantages of bringing revenue and expenditure together for debate and amendments.

FINDINGS

	Findings	Comments
1	Greater co-operation from Government prior to the Plan being lodged would have allowed for a smoother scrutiny process.	We will be looking to continue to work with Scrutiny to improve the process for the next Government Plan. It is noted however, that briefings were given early in the process to the Scrutiny Liaison Committee, with the first on 28th February and a subsequent briefing on 20th June.
2	Scrutiny requires more time in future to undertake scrutiny of the Government Plan.	Scrutiny have not indicated how much time ideally they would require to scrutinise a Government Plan. The Government Plan was lodged for a period of 18 weeks (from 22nd July to 26th November) in order to give Scrutiny additional time to review the Government Plan. This is unprecedented and well exceeds the requirements of Standing Orders, which only require that the Government Plan be lodged for a period of 12 weeks, as was the position for previous MTFPs. Previously, budgets were only required to be lodged for a period of 8 weeks.
3	The availability of Ministers for hearings was inadequate during the summer period.	Ministers made themselves available for scrutiny hearings and requests for information throughout the Government Plan period, including the summer recess. Whilst there may have been a small number of occasions when dates needed to be re-arranged, it must be remembered that over

	Findings	Comments
		the 18 weeks given to Scrutiny to review the Plan, Ministers and Scrutiny Panels will have had other commitments to meet, and as such, finding a mutually agreeable date is always going to be necessary.
4	The scrutiny process suffered due to information not being provided in a timely manner.	We will be looking to improve the process for the next Government Plan.
5	Not enough information has been placed in the public domain.	We will be looking to improve the process for the next Government Plan.
6	There is a lack of detailed financial information in the Government Plan.	<p>The Government Plan is intended to be a strategic document, which sets out what Government will deliver over the period.</p> <p>The level of financial information included is intended to be sufficient to support these strategic activities, and more detailed plans and budgets fit into departmental plans, and indeed operational plans.</p> <p>It is not appropriate to include overly granular financial information in a strategic document for a £1 billion organisation.</p>
7	The Government has effectively presented Modernising Government as a sixth CSP priority without seeking the formal approval of the Assembly.	This is simply incorrect. The 5 headings within the 'Modernising Government' section were unanimously agreed by the States Assembly as part of the Common Strategic Policy. They were previously titled 'Ongoing Initiatives', as found on page 22 of R.11/2019 " <i>Common Strategic Policy 2018–22</i> ", but this heading was amended to make it more understandable and transparent for the general public. This is an improvement that should be welcomed rather than incorrectly criticised, and is clearly identified on page 92 of the Government Plan.
8	Better linkages are needed between Government Plan Actions and new programmes, as well as better budget information and performance measures.	<p>Agreed – This is an ambition we will achieve through the transformation of finance and the better use of data across services, linking finance, performance and outcomes. We will continue to work towards this in the next, and subsequent, Government Plans.</p> <p>However, it should be noted that the costing of actions and initiatives develops alongside the development of the action itself. It is possible to estimate the cost of delivering an outcome based on experience and available data, but this will be refined as options are explored and preferred solutions selected.</p>

	Findings	Comments
		New systems and the new target operating model are pivotal in allowing this ambition to be realised.
9	The detail of the efficiencies programme was released too late for adequate scrutiny to occur and the Government's definition of efficiencies is flawed.	The time available for Scrutiny was approximately 5 weeks from when the Efficiency Plan was published. It should be noted that Scrutiny received most of the efficiencies earlier than the formal document's publication, in tranches, shortly after each was seen by the Council of Ministers. In addition, P.88/2019 has also been adopted by the Assembly.
10	The published business cases lacked the necessary financial breakdown required for proper scrutiny and were inconsistent.	<p>R.91/2019 included additional information on each of the lines of investment in the Government Plan to help support the public, Scrutiny and States Members to consider the Plan.</p> <p>A key objective in the T&E Departmental Delivery Plan is to roll out the HMT Green Book methodology in an effective and proportionate way, which will ensure that the right level of information for decision-making is collated based on the size of the investment, the stage of development, and other relevant factors such as strategic importance.</p> <p>As this methodology embeds in the organisation the consistency of information will be enhanced. However, the level of detail may vary, and it will still be necessary to summarise in some cases – a detailed business case may run to several hundred pages.</p>
11	The Government Plan fails to explicitly address how Actions take the sustainable well-being of Islanders into account.	<p>The Government Plan actions link to the 5 priorities in the Common Strategic Policy. The Government Plan is structured in a way (Part 2) that shows which activities will contribute and support each CSP priority. This is a shift from previous MTFPs, where expenditure was shown against departments rather than outcomes for Islanders.</p> <p>Each CSP priority is a wellbeing outcome in itself. Overall, the CSP priorities reflect the sustainable wellbeing areas as defined by the Public Finances (Jersey) Law 2019, and by international sustainable wellbeing frameworks, such as the OECD Better Life Index and the UN Sustainable Development Goals. The activities and underlying business cases provide the clear explanation of how each activity contributes to the relevant CSP priority and wellbeing outcome.</p>

	Findings	Comments
		<p>However, the narrative could have provided more detail on the contribution they will make to a particular sustainable wellbeing outcome.</p> <p>Several proposed financial measures will have a positive long-term impact for future generations of Islanders; for example, the increase of the Social Security Fund, the Climate Change Fund and increases in tobacco and alcohol duties. The linkage to the relevant CSP priorities and wellbeing outcomes has not been made for these financial measures, and could have been incorporated into Part 2 of the Government Plan to show the positive long-term impact they will have for future generations. This has been noted and will be addressed in the next Government Plan.</p>

RECOMMENDATIONS

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
1	Government should share information on the structure and presentation of the Government Plan at an earlier stage.	CM	Accept	Although we did provide information on the structure and presentation of the Government Plan to Scrutiny we will be looking to improve the process for the next Government Plan. As noted in Finding 1 however Government initially engaged with the Scrutiny Liaison Committee as early as February.	April 2020
2	If Government plans to lodge major policies around the time of a period of recess, consideration must be given to extending the time available to Scrutiny.	CM	Neither accept nor reject	This was the rationale for lodging the first Government Plan 18 weeks prior to the States' debate, rather than the statutorily-required 12 weeks.	N/A
3	Ministers should ensure that they make themselves available for hearings during the entire period of scrutiny of the Government Plan.	CM	Reject	As stated in the Finding that relates to this recommendation, given that Ministers attended 15 Scrutiny hearings, and officers provided in excess of 20 briefings with Scrutiny Panels throughout the Government Plan process, it is clear that Ministers and officers did make every effort to make themselves available for Scrutiny.	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
4	Full business cases and other relevant background material should be provided to Scrutiny upfront and in full at the time the Government Plan is lodged.	CM	Accept	<p>We agree that relevant information will be shared with Scrutiny as soon as it is available in an appropriate form.</p> <p>The level of detail in business cases will vary collated based on the size of the investment, the stage of development, and other relevant factors such as strategic importance. We are also conscious of the demands on Scrutiny and aim to share information in a way which supports the process – rather than providing too much information that would obscure the key points.</p> <p>Before the next Government Plan we would be happy to brief Scrutiny Officers on the updated Business Case process to improve understanding and help them support Scrutiny Panels.</p>	Gov. Plan 2021 submission July 2020
5	Department budgets and business plans should accompany the Government Plan at the time of lodging.	CM	Reject	<p>This is unlikely to be possible due to the process of forming a Government Plan.</p> <p>The Government Plan sets the direction of Government. Departments, then looks at how this is supported by each department. Whilst this is partly how the Government Plan is developed, it would be hugely wasteful and inefficient to iterate and update Departmental Plans alongside the Government Plan itself, and far more appropriate to draft once the direction has been set, as has been the case during earlier MTFP processes.</p> <p>Similarly, the Government Plan sets out how resources will be allocated at a strategic level to deliver the priorities of Government. In turn, departmental budgets should be set to support these business plans, and so it is appropriate that activities and objectives are developed at a departmental level before allocating budgets at this detailed departmental level. The level of detail of budgeting commonly develops closer to the period of operation – for example the NAO Financial Maturity Model includes as best practice the setting of</p>	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
				<p>detailed budgets one to 2 months before the beginning of the financial year.</p> <p>Any detailed budget set 6 months before the start of the period will almost certainly require re-working before the start of the year.</p>	
6	More detailed information should be made available to the public. This could be in a separate document/ set of documents so as not to make the main Government Plan document too large.	CM	Accept	We will be looking to improve the process for the next Government Plan.	July 2020
7	There needs to be a greater emphasis on the Government Plan as a budget document, rather than a policy document.	CM	Accept and noted	<p>The Government Plan deliberately places greater emphasis than previous MTFPs and Budgets on how funding will be spent, and what is expected to be delivered and achieved as a result of that funding. The Chief Minister has already committed to including a greater level of detail (on efficiencies and departmental budgets) at the time of lodging the next Government Plan, but considers the overall structure to be a positive improvement that will be maintained.</p> <p>The following extracts from external reports support the Chief Minister's view:</p> <p><u>CIPFA (the Corporate Services Panel's adviser)</u></p> <ul style="list-style-type: none"> • "However, a real improvement over the approaches used in the construction of previous MTFPs is the attempt to model corporate priorities alongside their financing with a focus on the delivery of outcomes. Such an improvement is reflected within our scoring." • "The Government Plan clearly outlines service priorities in a way that previous MTFPs have not and attempts to integrate priorities with estimated/ planned financial 	Gov. Plan 2021 sub-mission July 2020

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
				<p>exposure – this is not commonly evident within UK equivalents.”</p> <ul style="list-style-type: none"> • “On financial strategy formulation there is clear strategic direction, strong corporate co-ordination and for the first time real direction on performance management delivery and officer accountability.” <p><u>Corporate Services Scrutiny Panel</u></p> <ul style="list-style-type: none"> • “CIPFA were positive about the overall structure and presentation of the Government Plan, but critical of the lack of detail within it.” • “For the first time, the Government Plan also links spending with outcomes and service priorities, which CIPFA have complemented.” • “CIPFA told us that this was one of the strengths of the Government Plan: The Government Plan clearly outlines service priorities in a way that previous MTFPs have not and attempts to integrate priorities with estimated/ planned financial exposure – this is not common within UK public bodies.” <p><u>Comptroller and Auditor General (in her Financial Management and Internal Control report)</u></p> <p>“the Government Plan is more accessible and clearly links expenditure to strategic priorities and desired outcomes”.</p>	
8	The Government should not make unilateral decisions on broad policy direction without the approval of the Assembly. On this basis, Modernising Government should not have been effectively presented as a sixth CSP priority but as a standalone, supportive section.	CM	Reject	As stated in the response to Finding 7, this is incorrect. The 5 headings within the ‘Modernising Government’ section of the Government Plan were agreed by the States Assembly as part of the Common Strategic Policy. The subtitle was changed from ‘Ongoing Initiatives’ to ‘Modernising Government’ to make it more understandable and transparent for the general public. This was a change of label, rather than a change of policy.	N/A

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
9	New programmes are to link to specific Actions which, in turn, are to be outcomes focussed, fully costed and measurable.	CM	Accept	<p>This is an ambition we will achieve through the transformation of finance and the better use of data across services, linking finance, performance and outcomes. We will continue to work towards this in the next, and subsequent Government Plans.</p> <p>However, it should be noted that the costing of actions and initiatives develops alongside the development of the action itself. It is possible to estimate the cost of delivering an outcome based on experience and available data, but this will be refined as options are explored and preferred solutions selected.</p> <p>New systems and the new target operating model are pivotal in allowing this ambition to be realised.</p>	Gov. Plan 2021 sub-mission July 2020
10	Detail on efficiencies should be released at the same time as the Government Plan is lodged.	CM	Accept	P.88/2019 has already been agreed and adopted by the Assembly.	Gov. Plan 2021 sub-mission July 2020
11	Efficiencies should only be defined as genuine saving measures. A separate definition should be used for increased fees or charges.	CM	Neither accept nor reject	General definitions of efficiencies, and classifications of each proposed efficiency, will continue to be clearly set out in future plans.	N/A
12	The full Efficiencies Programme, including business cases for planned savings measures, should form part of the Government Plan and be approved by the Assembly.	CM	Accept	<p>Detailed efficiency proposals will be published with the Government Plan.</p> <p>Each proposal will include:</p> <ul style="list-style-type: none"> - description of the current state and proposed efficiency - description of the financial context - impact analysis on customer service, workforce, CSP alignment - certain efficiencies will also be impact assessed against economic impact and patient safety - risks and mitigating actions 	Gov. Plan 2021 sub-mission July 2020

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
				<ul style="list-style-type: none"> - requirement for legal or regulatory changes - approach to measurement. <p>This may or may not include individual business cases.</p>	
13	Detailed analysis is required on how efficiencies have been scoped and calculated.	CM	Accept	<p>As stated in response to the Government Plan Review Panel, rather than business cases (which will continue to be used to propose revenue and capital growth bids) detailed efficiency proposals will be published with the Government Plan.</p> <p>Each proposal will include:</p> <ul style="list-style-type: none"> - description of the current state and proposed efficiency - description of the financial context - impact analysis on customer service, workforce, CSP alignment - certain efficiencies will also be impact assessed against economic impact and patient safety - risks and mitigating actions - requirement for legal or regulatory changes - approach to measurement. 	Gov. Plan 2021 sub-mission July 2020
14	Business plans such as those found in the R.91 document should contain a more detailed breakdown of, and justification for, spending and also need to be more consistent.	CM	Neither accept nor reject	<p>R.91/2019 included additional information on each of the lines of investment in the Government Plan to help support the public, Scrutiny and the States Members consider the plan.</p> <p>A key objective in the T&E Departmental Delivery Plan is to roll out the HMT Green Book methodology in an effective and proportionate way, which will ensure that the right level of information for decision-making is collated based on the size of the investment, the stage of development, and other relevant factors such as strategic importance.</p> <p>As this methodology embeds in the organisation, the consistency of information will be enhanced. However,</p>	Consider for Gov. Plan 2021 sub-mission July 2020

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
				the level of detail may vary, and it will still be necessary to summarise in some cases – a detailed business case may run to several hundred pages.	
15	The performance framework for Government Plan Actions, to be developed in January 2020, needs to include details on how the sustainable well-being of Islanders has been taken into account in Government Plan proposals and how this will be measured.	CM	Accept	The performance framework is currently being developed to provide a national framework for measuring sustainable wellbeing of Islanders and future generations. All measures in the proposed Government Plan have been included and more have been added. It will be made publicly available to provide a transparent tool for Islanders on how wellbeing is measured and what progress is being made.	January 2020
16	All future Government Plans need to include details on how the sustainable well-being of Islanders has been taken into account in Government Plan proposals and how this will be measured.	CM	Accept	This is already being considered and will be implemented in the next Government Plan process.	July 2020

CHIEF MINISTER'S CONCLUSION

The comments of the Panel will be considered by both the Council of Ministers and senior officers and will be addressed where applicable in preparations for next year's Government Plan. The Council of Ministers is overall very happy with the delivery of the Government Plan this year, both in terms of the documents presented to the Assembly, and for the overwhelming support for the Assembly in the adoption of the Government Plan and the largely constructive amendments that non-executive Members lodged for debate.