



States Greffe: Scrutiny

Deputy Susie Pinel
Treasury Minister
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Sent by email

19th November 2021

Dear Deputy Pinel

Government Plan Review Panel

The remit of the Government Plan Review Panel in its review of the Government Plan 2022 – 2025 is to take an over-arching view of the plan. This includes an oversight of alignment with common strategic priorities, the impact of rebalancing and a broad view of the spending, growth and borrowing detailed in the plan.

In this context, the Panel has set out below a number of questions for your attention. We would be grateful for your response by close of business on Friday 26th November 2021.

1. The Government Plan 2021-24 was described as a recovery plan. How would you characterise the Government Plan 2022- 2025?
2. Please can you explain Treasury's understanding of Jersey's current position in the global economic downturn and what the current thinking is on how and when the economic situation will become more positive?
3. What assurance are you able to provide that public finances will not run at a deficit past 2022?
4. Please can you describe how individuals who have more than one job are accounted for when calculating economic forecasts?
5. Please can describe how, as Minister, you are kept apprised of inequality levels in Jersey? What measurements are used and how regularly is income disparity monitored? Is it fair to state that some of data is out of date, for example, the income and expenditure survey?
6. It was acknowledged in your letter to the Corporate Services Scrutiny Panel of the 28 October that a higher-than-usual number of taxpayers have been recorded as not having filed tax returns this year. However, it has also been stated that Treasury does not expect a material variation in expected Revenue. What action will need to be taken if the impact on revenue is higher than anticipated?
7. Page 83 of the Government Plan details the approaches that can be taken to deliver efficiencies and rebalancing measures. Children, Young People, Education and Skills and Infrastructure Housing and Environment are specifically mentioned as departments continuing to work with Treasury to determine how they can implement savings

- measures. How will Treasury ensure that departments do not come under undue pressure to find savings in a way that is detrimental to the delivery of services?
8. Please can you describe what is meant by zero-based budgeting principles and how these have encouraged efficiencies and rebalancing in the Government Plan?
 9. What is your current understanding of the likelihood of a rise in interest rates?
 - a. What impact will any rise have on the plans for borrowing and bond issuance outlined in the Government Plan?
 - b. Is it anticipated that the first bond issuance for the Our Hospital Project will take place before the end of the year?
 - c. What action would be taken should borrowing become more expensive than anticipated?
 10. Please can you explain how the debt policy limits the uses of external financing and whether a change to those conditions would be considered?
 - a. Would borrowing for an emergency, such as the climate emergency, be considered to offset larger public expenditure in coming years?
 - b. There have been public calls for further borrowing to assist in transition to carbon neutrality by 2030, what are your views on how to fund this transition?
 11. It is the Panel's understanding of your evidence to the Corporate Services Panel on 12th November, that it is likely that the next Council of Ministers will need to raise taxation levels in order to meet spending commitments. Is it your belief that this Government Plan leaves public finances in good order for the next Council of Ministers and what specific examples of improvement can you provide from the start of this Government's term of office to the publication of this Government Plan?
 12. In a Public Hearing held with this Panel on 10th November, the Chief Minister described the Government Plan as being a more flexible and responsive document than its predecessor, the Medium Term Financial Plan. What examples can you give of this flexibility and how it has impacted on departmental spending, allocations and alignment with common strategic priorities?
 13. Please can you describe the process by which Treasury reviews departmental business plans and how accountability based on outcome is encouraged?
 14. The Fiscal Policy Panel's report advised that it was not in favour of maintaining separate funds for individual projects. Against that background, is there any intention to wind up the Ecology Fund by releasing the funds there held to be applied to environmental or similar measures? Please could a schedule of all other funds established for specific purposes with their current values be provided.
 15. In the Panel's recent hearing with the Chief Minister it was highlighted that there was additional growth and capital expenditure that would aid in putting children first, this is highlighted as an additional £6.8 million [GP page 123]. However, Net Revenue Expenditure in Children, Young People, Education and Skills will only increase £792,000 over what had been indicated in last year's plan. [Annex 22-25 p.24, Annex 21-24 p.19]. The Chief Minister indicated that he felt that this was 'still an improvement'. Do you also hold the view that it is an appropriate and transparent way in which to report 'growth' in a department's budget?

Yours sincerely



Senator Kristina Moore

Chair, Government Plan Review Panel