

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2024- 2027 (P.72/2023): TWENTY-EIGHTH AMENDMENT

ECONOMY STRATEGY IMPLEMENTATION REVENUE EXPENDITURE

**Lodged au Greffe on 28th November 2023
by the Economic and International Affairs Scrutiny Panel**

STATES GREFFE

PROPOSED GOVERNMENT PLAN 2024-2027 (P.72/2023): TWENTY-EIGHTH AMENDMENT

1 PAGE 2, PARAGRAPH (h) –

After the words “set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report” insert the words –

“, except that, in Summary Table 5(i), the Head of Expenditure for Economic Development, Tourism, Sport & Culture should be reduced by £650,000 and the Central Reserve should be increased by £650,000”.

2 PAGE 3, PARAGRAPH (l) –

After the words “as set out at Appendix 3 to the Report” insert the words –

“, except that the revenue expenditure growth item “I-DFE-GP24-001 Implementation of Digital, Visitor Economy and Elite Sport Strategies”, identified in Appendix 3: Supplementary Financial Table, should be reduced by £650,000 for each year with these funds being held in the Central Reserve until a business case for this growth is agreed by the States Assembly”.

ECONOMIC AND INTERNATIONAL AFFAIRS SCRUTINY PANEL

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

to receive the Government Plan 2024 – 2027 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2024 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law;
- (b) to refer to their Act dated 30th September 2016 and to approve the application of existing resources for work on the development of ‘user pays’ charges in relation to all aspects of waste, including commercial and domestic liquid and solid waste;
- (c) to approve the proposed Changes to Approval for financing/borrowing for 2024, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- (d) to approve the extension of the use of the existing Revolving Credit Facility to include the provision of funds that would otherwise be implemented through bank overdraft or bank overdraft facilities under Article 26 (1)(a) of the Law,

should they be needed, subject to the limits outlined in that article;

- (e) to approve the transfers from one States fund to another for 2024 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law;
- (f) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2024 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31 December 2023 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31 December 2024;
- (g) to approve each major project that is to be started or continued in 2024 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- (h) to approve the proposed amount to be appropriated from the Consolidated Fund for 2024, for each Head of Expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report, **except that, in Summary Table 5(i), the Head of Expenditure for Economic Development, Tourism, Sport & Culture should be reduced by £650,000 and the Central Reserve should be increased by £650,000;**
- (i) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2024 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report;
- (j) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2024 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- (k) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2024 as set out in Appendix 2 – Summary Table 8 to the Report; and
- (l) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2024-2027, as set out at Appendix 3 to the Report, **except that the revenue expenditure growth item “I-DFE-GP24-001 Implementation of Digital, Visitor Economy and Elite Sport Strategies”, identified in Appendix 3: Supplementary Financial Table, should be reduced by £650,000 for each year with these funds being held in the Central Reserve until a business case is agreed by the States Assembly.**

REPORT

Background

This amendment, if adopted, will hold revenue expenditure I-DFE-GP24-001 Implementation of Digital, Visitor Economy and Elite Sport Strategies from the Economic Development, Tourism, Sport & Culture head of expenditure included the proposed Government Plan 2023-2027 (P.72/2023) (the Government Plan) within the Central Reserve.

The Panel has agreed that insufficient evidence and information has been provided to support the business case for this, along with one other revenue expenditure growth bid, in context of the Common Strategic Policy and other terms of reference of the Panel's review. The Panel therefore considers the funding sought should be held in reserve until such time that provision of this information is provided by the Minister for Sustainable Economic Development (the Minister) or the Council of Ministers.

Rationale

The Panel believes that care should be given before increasing departmental heads of expenditure, noting the difficulty in reducing these once agreed. As such, in depth analysis should be undertaken to provide adequate evidence to support cases for growth in revenue expenditure and allow proper consideration prior to a decision being made.

The Panel holds concerns in a number of revenue expenditure areas, which will be highlighted within separate comments in due course. However, during its review of the Government Plan the Panel identified areas of proposed revenue expenditure that have not been evidenced adequately to merit support at this stage.

Strategies

The proposed revenue expenditure for Implementation of Digital, Visitor Economy and Elite Sport Strategies is summarised to allow for implementation of the short/medium-term and highest priority initiatives identified through the three strategies and enable work to begin in delivering against the desired outcomes. Two of these Strategies have not been published at the time of lodging of this Amendment.

The Panel has questioned the short/medium-term highest priority initiatives that will be implemented through this proposed revenue expenditure and their specific value to the taxpayer. The Minister informed the Panel these were still being finalised and it was premature to detail them in public letter.¹

Although the [Jersey Performance Sport Strategy](#) has now been published the Panel remains concerned as to the lack of performance measures included within the strategy, which indicates that these will be developed in conjunction with partners and the manager of the performance programme, with the recruitment of a further officer being anticipated to fulfil this role.² The Panel would highlight that this is despite additional funding provided for in the Government Plan 2023-2026 for a Sports Liaison Officer, which the Panel commented upon within its [report \(S.R.22/2023\)](#). The Panel therefore cannot support the revenue growth bid at this stage.

¹ [Letter - MEDTSC to EIA re Government Plan - 13 November 2023](#)

² [Letter - MEDTSC to EIA re Government Plan follow up - 22 November 2023](#)

The Panel has received briefings on both the Digital Economy Strategy and Visitor Economy Strategy, which it had anticipated would be published earlier this year. However, the Panel understands that these will not be launched in time to allow for consideration alongside the Government Plan. Again, the Panel remains concerned that no published targets for these strategies have been finalised prior to funding being requested.

The Panel has concluded that appropriate costing calculations have not been undertaken to enable support of this proposed expenditure. More or less funding may be needed to implement the strategies, and this has been acknowledged by the Minister.³ As such, the Panel proposes that this revenue expenditure item should be held in reserve and that a full business case for each strategy be provided to the Assembly for agreement prior to funding being provided. This business case should include full costing, anticipated economic return of the expenditure and delivery plan.

Any actions required by the three strategies before this is agreed should be met within existing departmental resource.

Conclusion

The Panel believes that revenue expenditure growth should be fully supported via tangible evidence as to its benefit, aims and key outputs, prior to being proposed or agreed. As such, the Panel has identified two areas of revenue expenditure growth that should be held in reserve until the provision of further information to the States Assembly.

Financial and staffing implications

Financial and staffing implications may be faced in the provision of further evidence and information. Further implications may be faced in meeting any requirement of implementing the Digital, Visitor Economy and Elite Sport Strategies via existing resource should action be required prior to business cases being agreed.

³ [Letter - MEDTSC to EIA re Government Plan - 13 November 2023](#)