

19-21 Broad Street | St Helier  
Jersey | JE2 4WE

Deputy Rob Ward  
Chair, HSS Panel  
**BY EMAIL**

20 October 2023

Dear Chair,

**Re: Initial Questions about the Government Plan 2024 - 2027**

Thank you for your letter dated 13 October 2023 which contained initial questions about the Government Plan 2024 – 2027 ahead of the Public Hearing to be held on 1 November 2023. Please see below responses to the Panel's queries and an update on the information to be shared with the Panel.

**Departmental Budgets and VFM Savings**

- 1. The estimated net revenue expenditure for Customer and Local Services for 2024 is roughly £10m more than it was in 2023. Please can you explain this increase? (p34 GP)**

On Page 24 of the 2024-2027 Government plan the CLS net revenue expenditure for 2024 is estimated at £106m which is approximately £11m higher than the same estimate for 2023 in the 2023-2026 Government Plan. The main reason for this is an increase in the estimated tax-funded benefit expenditure of £10m. Inflation has been higher than initially forecast and this has resulted in higher uprating of benefits.

The 2023-2026 Government plan was based on the Fiscal Policy Panel forecasts in July 2022. The panel at that time forecast inflation at 6.7% for 2023 and 3.9% for 2024. Income Support was uprated twice for 2023 - 9.2% in total and the Minister has proposed an 8.6% increase for income support for 2024.

- 2. Customer and Local Services will be responsible for making £185,000 value for money savings in 2024. Please can you advise how you intend to make these savings?**

These value for money savings will be delivered through the ongoing Continuous Improvement work in the department to identify and deliver savings across staff and non staff expenditure. For example, by improving processes and removing non-value adding work we can create the opportunity not to replace roles through natural turnover. The

department has been successful in delivering savings through this approach in previous years.

### **Social Security Fund**

- 3. We note that the value of the States Grant in 2024 and 2025 will be reduced by £20 million each year from the formula value which “will allow vital public services to be funded over these two years at a time when overall government finances remain constrained”. Please can you provide examples of the “vital public services” and a breakdown as to how the funding will be allocated?**

The States Grant is an allocation from the consolidated fund in the same way as all other elements of public spending are allocated from the consolidated fund. In line with the Public Finances Law, the overall allocations from the consolidated fund each year must not exceed the income into the consolidated fund. To allow the full GP24 programme to be delivered, the Council of Ministers agreed that it would be appropriate to reduce the grant to the Social Security Fund on a temporary basis. The allocation of vital public services is as set out in the GP24.

### **Other**

#### **Free Medical Dressings**

- 4. Last year it was acknowledged by both yourself and the Minister for Health and Social Services that the provision of free medical dressings was extremely necessary. You were quoted as saying “it is something we are aware of and that it will need consideration and possibly a growth bid or a funding bid to get more money”. Please can you explain what consideration was given to this during the GP’s development and why a growth bid for free medical dressings was not made?**

The Panel raised this issue last year with both the Health Minister and myself during the course of the 2023 Government Plan review process (it has also been discussed on other occasions). At the time it was noted that this was a complex area and that additional funding would be required to support any universal provision of free dressings. Both the Health Minister and I explained that this issue would be included in the overall review of sustainable health funding. This remains the case today.

Page 30 of the GP24 explains; “The Health and Social Services Minister is currently undertaking a wide review of the Island’s health and care cost, which will inform options for the future funding of our whole health and care system. This work will continue throughout 2023 with options being brought to the States Assembly in 2024.”

I trust that this addresses all your questions. I look forward to discussing this further with the Panel in the coming weeks.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'E. Millar'.

**Deputy Elaine Millar**  
**Minister for Social Security**  
E [e.millar2@gov.ie](mailto:e.millar2@gov.ie)