



States Greffe

Deputy Sam Mézec
Chair
Corporate Services Scrutiny Panel
BY EMAIL

11th November 2022

Dear Deputy Mézec,

Government Plan 2023 – 26 Review

Thank you for your letter dated 26th October 2022 requesting views from the Public Accounts Committee (PAC) in relation to your Panel's review of the Government Plan 2023-26. As per Standing Order 132(c) one of the roles of the PAC is to assess whether public funds have been applied for the purpose intended by the States, assess whether extravagance and waste are being eradicated and sound financial practices are being applied throughout the administrations of the States. Accordingly, the Committee will focus its comments around these key areas in respect of the Government Plan 2023 – 26.

The Committee has considered the Government Plan 2023-26 and the associated annex which you kindly provided in your letter and has a number of comments to make which it hopes will be of use to your review.

Zero based budgeting

The PAC notes that the Government informed Scrutiny in a technical briefing that it had undertaken a zero-based budgeting exercise in order to identify the overall budget required by each department. However, the PAC also notes that the departmental delivery plans are still yet to be finalised. The PAC would therefore question what benefit there is to have the delivery plan come after the budgeting exercise has been undertaken. Furthermore, the lack of delivery plans at this stage would suggest that a zero-based budgeting approach has not been fully undertaken as without delivery plans there cannot be certainty over how funding will be allocated to achieve each priority within the plan. It is the view of the PAC that further clarity is required around the budgeting process.

Funding by Ministerial Remit

It is also noted that within the proposed Government Plan there is no allocation of the funding available under each Ministerial portfolio. In contrast, previously, this had been included within the Government Plan. We note that each Minister has published a Ministerial Plan, however, without funding allocations by Ministerial Portfolio, therefore it is impossible to correlate Ministerial Plans against the funding allocated to that Ministerial remit and determine whether the budget allocation is, in fact, sufficient to meet the stated aims within the plan.

From an accountability and governance perspective, the PAC would question how Ministers can give guarantees about their plans for delivery without transparent allocations of funding within their remit. This is important not only for the Minister but also for the States Assembly when holding Ministers to account for the delivery of their plans. Further clarity is required from the Government around the governance of the approvals process that was put in place around the

budget allocation. This is likely to be an area that the PAC will look at in future reviews of the States Annual Report and Accounts.

Provision of the Annex to the Government Plan

The PAC notes that the Annex to the Government Plan was lodged as a report (R.146/2022) on 20th October 2022, just over two weeks after the Proposed Government Plan was lodged. Given the length of time between the lodging of the plan and the provision of background information and narrative for new revenue expenditure and service level analysis, this will have limited States Members' access to important information. It will also have had a knock-on effect on the scrutiny process being undertaken by yourselves and the other Panels. Furthermore, questions should be raised over whether any amendments were made to the outlines and narrative for projects during this period within the Annex and whether any changes should be highlighted as a result. The PAC does understand that Officials have been working to a strict deadline for the lodging of the Government Plan. Still, ideally the Annex information should be provided in tandem with the Government Plan itself. Given the shortened lodging period for a Government Plan within an election year, consideration should be given to future election years and how the annex can be provided at the same time as the Government Plan without placing undue difficulty on officials.

Risk Management

The PAC would draw the Panel's attention to the recently published Comptroller & Auditor General's (C&AG) report [Risk Management – follow up](#), which includes a recommendation specific to the Government Plan. The recommendation states that the Government of Jersey should review the 'Managing Risk' section in future Government Plans to ensure that it reflects high-level risks of delivering the priorities in the Government Plan rather than a small sample of risks taken from the Corporate Risk Register. The PAC would suggest that this is an area that CSSP may wish to follow up on as part of its review to determine how the Government has assessed the risks within this iteration of the Government Plan and whether they intend to change the process in the future in response to the C&AG's recommendation.

Performance Management

One point that the PAC would raise when comparing the proposed Government Plan with the last Government Plan is that, previously, both new revenue projects and 'business as usual' projects were categorised within the Common Strategic Priorities (CSP). This is, however, not something which has been included in the proposed Government Plan. It is noted that the new CSPs have yet to be approved by the States Assembly, however, this again highlights the issues around approving a Government Plan within an election year and the order, and timing, in which these two documents are approved. Further consideration should be given to this process within an election year prior to 2026. It is also important to state that, from a performance management perspective, there must be a 'golden thread' that runs through all documents linking the CSP to Ministerial Plans, delivery plans, heads of expenditure and finally to the performance framework in general. We note that the Performance framework is not obviously referenced within the proposed Government Plan 2023-26. Consideration should be given to how this can be amended in future iterations of the Government Plan.

Accessibility

The PAC is pleased to note that the proposed Government Plan 2023-26 contains an executive summary highlighting the purpose, context and areas of focus of the Government Plan. The PAC has made several comments about the accessibility of Government reports, and it is pleased to see the inclusion of graphics highlighting the high-level budget measures at the start of the report. It would, however, state that the length (whilst understandably necessary in some regards) and overall layout of the document are not overly accessible to members of the public unfamiliar with this kind of document. Whilst the timescale to produce the Government Plan may have played a

part in this regard, consideration should be given to producing a more accessible version of the report in the form of a digital summary report for wider circulation to the public.

One point noted by the Committee is that terminology from the previous Government Plan has been changed within the proposed version. One specific area is the 'value for money' proposals which appears to relate to what was previously referred to as 'efficiencies and rebalancing'. Whilst changing terminology is to be expected, further narrative should be included within the Government Plan to explain the similarities (or not) between these two programmes. Furthermore, the PAC has noted a couple of examples of projects which have been renamed despite inclusion in previous Government Plans. These include the new revenue project titled '*additional bank charges and card fees*', which was previously called '*Government of Jersey Bank Charges*'. Another example relates to the project entitled '*tax policy and international team investment*', which now appears to be called '*international tax team*'. Where there is a change in the title of the project, this should be clearly explained to ensure transparency and accountability.

Previous C&AG recommendation – Narrative on Government Plan Expenditure/Income

In previous reports of the C&AG '*States Employment Board – follow up: Employment of the former Chief Executive*' recommendation eight suggested enhancing accountability in the Government Plan by including a short description of the scope of revenue income and expenditure budget lines. It was noted in the Executive Response to this report that this recommendation was rejected as it was the view of the Executive that the scope of responsibilities of each Minister and department is already set out in various documents (including the Annex to the Government Plan).

The PAC notes that a narrative is provided within the annex in relation to revenue expenditure growth from p.44 onwards, which does provide some context about the new expenditure by department. However, the PAC cannot see whether there is any narrative in relation to ongoing expenditure, or 'business as usual' projects which have been continuing for some time. Narrative about these ongoing projects would undoubtedly assist States Members and the public in understanding the expenditure within each department and the particular project or service it is being spent on.

Budget 2022 – 2023 comparison

One area the PAC would highlight is that there is no reference within the Government Plan to the changes within service budgets within the broad heads of expenditure between 2022 and those proposed in 2023. Whilst it is acknowledged that this information is available within the previous Government Plan (and will be provided in the States Annual Report and Accounts 2022), there is no simple way for States Members or members of the public to identify services which may have had an increase or reduction in funding within the 2023 plan. Noting that the ongoing 'business as usual' expenditure and associated projects are not detailed within the Government Plan, this is certainly an area which should be considered further.

The PAC suggests that, without an overview of the projects that fall under each heads of expenditure, it is difficult for the States Assembly to state whether or not the level of funding applied is sufficient to meet the projects that are included within them.

Conclusion

I should state that, whilst the PAC is not directly involved in the review of a Government Plan, it does undertake a review of the States Annual Report and Accounts (SARA) which is effectively the delivery of a Government Plan. As such, we are currently undertaking a review of the 2021 report and accounts, which we hope to present before the end of 2022. A similar exercise will be undertaken once the SARA 2022 is presented, which will examine Government performance and expenditure across that period. It is, therefore, helpful for the PAC to be aware of the proposed plan for 2023 as it will ultimately review whether this was implemented effectively or not. To that

extent it is important to note publicly that the PAC has received a technical briefing on the Government Plan 2023-26 along with other Scrutiny Members and bases its comments on both this briefing and its own review of the documents.

I can confirm that the PAC is happy for this response to be published as part of your review and we would be more than happy to discuss any areas further or clarify any points raised within this submission.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'L. Feltham', written in a cursive style.

Deputy Lyndsay Feltham
Chair
Public Accounts Committee