



## Government Plan Review Panel

### Witness: The Chief Minister

Thursday, 10th October 2019

**Panel:**

Senator K.L. Moore (Chair)  
Deputy R.J. Ward of St. Helier  
Deputy M.R. Le Hegarat of St. Helier  
Deputy K.F. Morel of St. Lawrence  
Constable M.K. Jackson of St. Brelade  
Senator S.C. Ferguson

**Witnesses:**

Senator J.A.N. Le Fondré, The Chief Minister  
Deputy S.M. Wickenden of St. Helier, Assistant Chief Minister  
Mr. R. Bell, Treasurer of the States  
Mr. C. Parker, Chief Executive  
Mr. J. Quinn, Chief Operating Officer  
Mr. S. Hardwick, Director of Communications

[15:02]

**Senator K.L. Moore (Chair):**

Thank you very much for joining our Government Plan Review Panel hearing this afternoon. We will quickly dash around the table with the obligatory introductions. I am Senator Kristina Moore, Chair of the Scrutiny Liaison Committee.

**Deputy K.F. Morel of St. Lawrence:**

Deputy Kirsten Morel, member of the committee.

**Senator S.C. Ferguson:**

Senator Sarah Ferguson.

**Constable M.K. Jackson of St. Brelade:**

Constable Mike Jackson.

**Deputy M.R. Le Hegarat of St. Helier:**

Deputy Mary Le Hegarat.

**Deputy R.J. Ward of St. Helier:**

Deputy Robert Ward.

**The Chief Minister:**

Senator John Le Fondré, Chief Minister.

**Assistant Chief Minister:**

Deputy Scott Wickenden, Assistant Chief Minister.

**Chief Operating Officer:**

John Quinn, Chief Operating Officer.

**Chief Executive:**

Charlie Parker, Chief Executive.

**Treasurer of the States:**

Richard Bell, Treasurer.

**Senator K.L. Moore:**

When other people come to the table, we will perhaps ask you to just introduce yourselves when you do that, which would be excellent. I am sure you are aware of briefing paper in front of you, Chief Minister. If we could just start with a very high-level question, there are many people suggesting - including the F.P.P. (Fiscal Policy Panel) - that there is an economic downturn around the corner as part of the economic cycle, but also due to uncertainty around the globe. How does your Government justify a 12 per cent year-on-year increase in spending?

**The Chief Minister:**

On 2 sides of it, overall I think the F.P.P. make reasonably complimentary remarks around the plan and they seem to say that the surpluses are appropriate and at the right time, given the economic

outlook. That is their summary. However, we have always talked about - and I think they recognise in the plan - flexibility and that depends on the economic circumstances and how they change and what levers we play. Obviously we have got to deal with the 12 per cent increase. Obviously of the £89 to £90 million increase between 2019 and 2020, I think it is important to recognise around £30 million of that is commitments, if you like, or expenditure that was started in the 2019 M.T.F.P. (Medium Term Financial Plan) for very good reasons, which we have looked at and agreed to continue. We have to be clear, there are certain types of expenditure in that kind of increase, some of which is effectively a continuation of the commitments from the existing M.T.F.P. and obviously the previous Council of Ministers.

**Senator K.L. Moore:**

But the Government Plan has another £50 million in addition to that.

**The Chief Minister:**

Yes. On top of that, where you are going into is a variety of matters. We know we have got issues around Children's Services. Obviously that is on the spend or the investment, depending which word you want to use, it is going into there. We have also got, as you know, the things around the I.T. (information technology) and some of that is around things like increased licence costs. They are all issues that we are trying to address - I have labelled them as legacy issues in the past - around trying to grapple with issues that have not been dealt with at whatever point in time for whatever reason and it is throughout the long-term plan and investing for the wellbeing of the Island.

**Deputy K.F. Morel:**

Can I just ask, I appreciate what you said about there being legacy issues and all of them being issues that need to be dealt with. As I talk to Islanders, they do balk at the scale of the plan in terms of having over £1 billion of spending in 2023. It is the same, you are kind of rising by 12 per cent. Do you think that the plan ...

**The Chief Minister:**

Twelve per cent in this year and then 12 per cent in total across the next 3 years, rather than 12 per cent a year.

**Deputy K.F. Morel:**

Absolutely, but either way it is still over £1 billion, which is basically £10,000 spending per person on this Island, man, woman, child, pensioner, everyone spending £10,000 into this Government. Do you think you are biting off more than the public can chew in the sense of you are putting spending so far ahead that the public does not have the appetite to support that?

**The Chief Minister:**

There is a mix in there. In my ideal world, would I like to be spending less? Of course I would like to be spending less. If you look - obviously I am sure you are aware - in the plan, that is probably some of the last words in the plan, I think. We have made a commitment as well to zero-based budgeting. Richard may talk to that later, I do not know, but there are plans already to see how we are going to deal with that starting next year and it will take longer than just the one year. That is semi ... not addressing, but at least making sure how we demonstrate properly about the expenditure being done. However, we know that we have got - and we have said it previously - a massive amount of expenditure to do on I.T. systems just to stay where we need to be. By that, that is providing services to Islanders, that is by keeping data secure and that is then also going to hopefully drive some of the efficiencies in the longer term. If we did have an attack and failed to deal with it properly, I think Islanders would be even more unhappy, if that makes sense, if services or operations had to be cancelled or whatever it is. We have referred to it previously in Corporate.

**Senator K.L. Moore:**

We will talk about that later.

**The Chief Minister:**

Obviously the projections as well on that revenue will also increase those sort of levels, but I think the point we are trying to make on here, we are trying to look in the longer term and deal with the issues that have not been grappled with properly before and that has some consequences.

**Senator K.L. Moore:**

You mentioned revenue there, Chief Minister. If I could just quote from the F.P.P.'s most recent report, it says: "The greatest risks to the Government Plan in the near term are driven by economic prospects." But the Government Plan forecasts increases in revenue of at least 4 per cent. If the worst happens and there is a downturn, how assured can you be that revenue is going to increase in that level?

**The Chief Minister:**

You have got 2 issues. I will probably hand over to Richard, I think that is probably going to be his main territory. The issue around it is what is the flexibility and how do we deal with it? If we had a downturn because of Brexit, it then depends on the magnitude. There have been, I think, 2 projections that I have seen from the F.P.P. One is a kind of minor dip, as it were, and then there is also a more drastic one, which includes potentially a 2½-year recession. If we go for the minor one, as it were, then what you are saying is that you potentially just do not run surpluses quite as large. They are not massive, but not quite as large as they are. Do not forget that is one of the reasons, and the F.P.P. do support it, they say that surpluses are appropriate at this point of the economic

cycle and given the economic outlook. So that is around do you just run slightly less surpluses; do you not make the transfers to the Stabilisation Fund? That is the flexibility issue. If we get into the bigger territory, if there is a larger problem, that then gets you into the thing, is it structural or is it cyclical, then that is in the territory of, again, what levers do we pull and when. We will always have a slight element of time, usually because of the way the economy works and the way the tax flows come in to the Island, there is always a lag in there. But if ...

**Senator K.L. Moore:**

R.115 is already showing that revenue is down this year on projections. This is 6-monthly report that appeared as if by magic and without any briefing in advance.

**Deputy K.F. Morel:**

The quietly-lodged R.115.

**Treasurer of the States:**

I am generally softly-spoken. The 6-monthly report, in terms of in-year performance, is recording - as you have seen out there in the media and Comptroller has been talking about it; I think it popped up in our previous hearing or the hearing with the C.S.S.P. (Corporate Services Scrutiny Panel) - that we are behind on assessing, so all that records is the extent to which we have already done the assessing. It is not a reflection, and if it were a reflection, we would be in dire straits. It is not a reflection of the forecast income for the year. You can take it back: 2 years ago we were in a similar position and our in-year figures showed that, but that is not a reflection of where we see the income. We are currently going through the reforecast off the back of what we are seeing happening going through. I.T.I.S. (Income Tax Instalment System) returns, because I.T.I.S. returns is an area where we have a better idea of what is happening out there in terms of people paying, because we can reverse engineer it to see what their earnings are looking like and map that back. So we are going through the reforecast, as we normally do once we have received in-year data, but in particular once we have received the new forecast of the F.P.P. As the Chief Minister says, that is in 2 scenarios, and it is the first time we have had it in those 2 scenarios from the F.P.P., which is very helpful, the scenarios being the base case, which while the F.P.P. talk about the risks of a downturn, which has been a risk that has been around for more than one year now, the base case nevertheless does not say that there is a recession or a downturn. But equally so, the other scenario that they present being the day one no-deal Brexit is also an indicator of what you might see were there to be a downturn in the economy. It is a good place to start and we are chewing those numbers through as well. You would therefore see the scale, so we are working up the forecast on that basis, but we also need to say in the case of automatic stabilisers what might that mean in terms of different inflation rates and the impact upon our spend, but also our benefit spend, what are your numbers of people unemployed, how that might affect benefit spend as well. I think, as the Chief Minister

reflects, if you were moving from the base case to the downturn case, be it day one no-deal or not, the first thing you would do within the plan is remove the transfers to the Stabilisation Fund. I think the F.P.P. talk about that. They talked about it in the presentation that I was present at. Then you would have the £50 million that is in the Stabilisation Fund as well to draw on. I am sure we will pick up on capital or would you like me to talk about that now?

**Deputy K.F. Morel:**

We are going to talk about it.

**Treasurer of the States:**

Shall I leave it for then?

**Senator K.L. Moore:**

Yes.

**Treasurer of the States:**

Okay, but capital is also a lever that we have, one way or the other, here in the base case or in the scenario of a downturn in the economy. It is helpful to have this transparent information from the F.P.P. so that we can show what would happen to the forecast and then you can test the flexibility of the plan under the 2 different scenarios. The other difference of course - and I know the Chair is somewhat tired of me saying this - is having moved from the M.T.F.P. to the annual Government Plan, Government and the Assembly can respond in a way that was difficult, as we saw with various debates at the end of last year, and can respond to those changing circumstances much more quickly than they were able to with the M.T.F.P.

**Senator K.L. Moore:**

Thank you. Senator, I think ...

**Senator S.C. Ferguson:**

Yes. Why has the key financial information that was published alongside the M.T.F.P. in the past, this one, been left out of the Government Plan? Or if it is there, where have you hidden it?

**The Chief Minister:**

No, what I was going to say - it certainly has not been hidden - there was some information that I am just turning to, which you should have. Hopefully it is those sort of tables that we are talking about.

**Senator S.C. Ferguson:**

Yes, these ones.

**The Chief Minister:**

Which is basically ... was it my department? I cannot remember, but anyway, there is a breakdown in there, which I have only got the first 2 pages of, which I think was supplied to Scrutiny a couple of weeks ago.

**Treasurer of the States:**

So it is service analysis, draft service analysis that would appear in the departmental operational business plans.

[15:15]

**The Chief Minister:**

Have been forwarded already. So you are right from the point of view ... and it was something we identified as politicians, that there was a gap in terms of that not having been provided previously and that was provided to you a couple of weeks ago.

**Senator S.C. Ferguson:**

Yes, and it could have been more helpful, put it like that, if it had been published as quickly as it had been in 2016.

**The Chief Minister:**

I agree. We made the point very clearly, as Richard and others will probably certify to, and that is one of the things that we will take into account next time around as well.

**Deputy M.R. Le Hegarat:**

The Government Plan is focused on delivering 5 common strategic policy priorities, but also effectively introduces a sixth priority of modernising Government. Why was the decision made to present this on an equal footing with the 5 actual priorities, rather than keeping it separate?

**The Chief Minister:**

The budgeted priorities are still the ones in the C.S.P. (Common Strategic Policy), but the modernisation is referred to in the C.S.P. and it is just that it is a fundamental part of what is happening in terms of the organisational change and therefore does warrant a strong ranking or strong weighting in the Government Plan.

**Deputy K.F. Morel:**

Could I turn that question on its head? Sorry, Deputy.

**The Chief Minister:**

You can.

**Deputy K.F. Morel:**

Can I just ask why did you not include that in the C.S.P.? Why did you not put that as a sixth priority of the C.S.P. and be open about it?

**The Chief Minister:**

I think we do refer to it. I am just going back the C.S.P. We do refer to organisational change and modern efficient Government and all that type of stuff in the C.S.P., but the point was I think we were trying to keep the strategic objectives fairly tight or reasonably focused. We had that debate some time ago, obviously. But from the point of view of the Government Plan, which is then more obviously into the money side of things, and then there is the efficiency programme, which we will get on to, and they are linked in. That was why it was felt it was appropriate just to put an emphasis in there. That is the only way I will put it. It was about trying to be upfront, that this is a key feature of what we are doing.

**Deputy M.R. Le Hegarat:**

Do you believe that it was appropriate to make that decision without the consulting the States Assembly first?

**The Chief Minister:**

As I said, we have not changed the strategic priorities, we are just saying that we are modernising Government, if that makes sense.

**Senator K.L. Moore:**

When the public look at the allocations of funds in relation to the various priorities, I think one of the first things most people say is: "Gosh, the environment is not getting very much" but I cannot find the exact table because this is not an easy document to use in circumstances like that. So it is very stark that in comparison to your other strategic priorities that were agreed by the Assembly, modernising Government is receiving a lot of money.

**The Chief Minister:**

I think we have always said that the whole transformation programme, we know it is resource intensive. Part of that is ... Charlie definitely and I am sure John and probably Scott want to speak to all this. It is a huge project, it is high intensive in what we are doing, but it also generates and

drives a whole range of other stuff in the actual strategic priorities, but that goes back to it is around legacy stuff, it is about under-investment in I.T. systems, it is about improving ultimately H.R. (human resources), workforce and so on. If you like, that is the engine that drives a lot of the other stuff. I do not know if you want to cover that. Do you want to come in?

**Deputy R.J. Ward:**

Can I just ask a specific thing on that? Because of the nature of modernisation being so central to changing the structure of Government and therefore ideally making it work more efficiently, is that not the sort of, if you like, concrete foundations to the efficiency programme itself? Therefore, without that being in the Government Plan and therefore not being as open to scrutiny in terms of the effectiveness of that modernisation, what we have got is a process of change. We are seeing one part of it, but there is a part of it missing and we cannot really fully scrutinise the modernisation process effectively in the same way that we would do with all the business plans of Government. It is like a golden thread that somebody else used in another hearing, that the modernisation programme itself, it has to be, by definition, successful for everything else to work.

**Chief Executive:**

I think that there are probably 2 issues here, which is if I was going back one step before coming back specifically to your question, and in part picks up on the Deputy's point. When you look at the Government Plan, it is the Government Plan of the Council of Ministers and therefore there was a view taken by Ministers in the gestation and delivery of the overall work that was undertaken that the chapter on ongoing initiatives in the C.S.P. document was a collection of activities, some of which were referenced in other parts of the Government Plan, the need to work better, the need to have more strategic planning and so on was all there. The bit that was very clearly ... and leading to your question, it was around the work to drive the improvements, both in the way in which our services are delivered and ultimately it does, you are quite right, contribute to efficiencies, but it is not the sole factor. As part of the Government's agenda for improving services for Islanders, and that is the key bit, I think, Islanders want us to be more effective, efficient, cost-efficient and so on. They want to be able to access services that are modern, appropriate and deliver for them the sorts of activities that they want, so whether that is a customer experience, whether that is something led through more use of technology. I say this, Senator, if you remember last year I talked in a hearing about one of the difficulties if you were at the time wanting to make a payment for music lessons that you got through the music service, you could never make that payment online, you either had to pay cash or you had to do it via a cheque, and you had to go into the place to be able to do it. Things like that we got quite a lot of response from. So in terms of those activities, it was felt that a lot of the modernisation - and we can talk in more detail about what that does do for Islanders - was quite important. Secondly, going back to your efficiencies points, and this is key, so the efficiencies document is about to be released. We have issued you with the initial work and there has been a

presentation to you through John and colleagues from the Chief Operating Officer. There will be a large proportion of long-term efficiencies that will be driven, by way of example, through technology, but it will not be in 2020, the reason being is it takes at least a couple of years to introduce technology, to bed it in, to do the cut-off arrangements, to do the parallel running and then you introduce all of those changes. There will be much more time for Scrutiny to be able to see the impact of the decisions that will come out of that. I can leave that to the Ministers and others to do.

**Senator K.L. Moore:**

Okay. Thank you, Chief Executive, you have outlined your arguments I think quite clearly, but when we also address what the public really do want to see and what bothers the public on a day-to-day basis, I think a more fundamental one is the cost of living. What in this Government Plan addresses the cost of living? Our question really is ... because obviously there are revenue-raising factors in the Government Plan that help to pay for this modernising of Government and everything else, but we would like to know what impact analysis was done on the impact that the revenue-raising measures will have on the cost of living and what intentions you have to address the issues that people experience on a day-to-day basis in facing the cost of living here.

**The Chief Minister:**

I will hand over to Charlie and Richard in a second, but there are 2 responses, I think. On the original revenue-raising measures, which were mainly restricted around impôts, one is obviously alcohol and one was on fuel, that was obviously prior to the climate emergency measures, which are on top of that. So relatively, those individual issues, prior to the ... and we have taken the view that is one way of implementing a States decision, but we are relatively moderate, we considered, in terms of there was a discussion around at that time. I think Richard ...

**Senator K.L. Moore:**

Has there been specific - I am sorry to interrupt, but we do need to move on - impact analysis?

**The Chief Minister:**

There were some numbers given to us about what the potential impact was and Richard can address that.

**Deputy K.F. Morel:**

Could we have that information? It is not something that we have seen.

**Treasurer of the States:**

I do not have it to hand, but Ministers, in the conversations we were having when we were talking about these rises, were very focused on what the impacts might be to R.P.I. (Retail Prices Index),

but also were cognisant of the other things that were trying to be achieved. One of the points I would make there is that it applied equally to increasing personal allowances, so what we have done in the past, we have almost automatically done that without recognising that you are increasing personal allowances as a result of that increase in cost of living. Whereas we were concentrating heavily on those increases in cost of living on impôts, we were not reflecting the fact that we were increasing personal allowances at the same time. Hopefully the report talks to personal allowances have gone up, which benefits taxpayers. It is the other way around to impôts duties having gone up as well.

**Senator S.C. Ferguson:**

However, some of your efficiencies in effect are just increases in costs for Joe public. I know it is only a small one, but take passport and immigration fees. You have just put the price up. Now, is that fairly an efficiency or is it not part of your cost of living impact analysis? How many of these increases in prices are tucked away? What percentage of the efficiencies are in fact just increases in prices?

**Treasurer of the States:**

I think I would probably say it is not just increases in prices, it is acknowledging the fact that in the case of some services that Government provides, it is appropriate that the user pays as opposed to the taxpayer paying for it.

**Deputy K.F. Morel:**

Who is the same person, of course.

**Treasurer of the States:**

It is the same person, but in the case of it being a specific ...first, it is spread across all taxpayers; the other is saying specifically there is a service here that has been established and the history of that may well be that is established as something that the user should pay, but over the fluxion of time, you find that the costs of that have gone up, but it has not been reflected necessarily in likewise increases in the charge to the end user of that service. So that is part of that.

**Senator S.C. Ferguson:**

Yes, but should that be called an efficiency? It is an increased cost of living.

**Treasurer of the States:**

The history with some of the passport was related to the cost in the U.K. (United Kingdom) as well.

**The Chief Minister:**

Just to clarify, because we have had that discussion as well internally and ...

**Senator S.C. Ferguson:**

No, I am just using it ...

**The Chief Minister:**

No, no, no.

**Senator S.C. Ferguson:**

If you will excuse me, it is just an example. I have not been through the whole list of efficiencies here.

**The Chief Minister:**

No, what I was going to say is that in the final efficiencies report - I assumed you had a copy on the £32 million, because it was the one I asked for - there is an analysis. It is broken into 3, which was efficiency, cost recovery and then there is the revenue. I do not have it in my pack here.

**Deputy K.F. Morel:**

While you are talking about analyses ...

**The Chief Minister:**

Yes. Sorry, so there has been an analysis done. I would be happy if you want to robustly challenge that, because I was quite clear that we need to be honest where it is an efficiency and where it is revenue-raising exercise. I know there will be one or 2 revenue-raising exercises. Having said that, the passports, for example, one of the issues that has come through - and that is slightly blurred, it is not massively blurred - is around the cost recovery side. In other words, if the charge is meant to cover costs, and because historically, as Richard says, they have gone out of kilter, at what point do you bring them back? That is a discussion.

**Deputy K.F. Morel:**

Can I quickly ask about analyses? It is just because it is another one that is about what analysis have you done. I am always very concerned about enterprise in the Island and I feel that one of the reasons we were fairly successful in negotiating the last recession quite well was because people were able to set up businesses and operate their own enterprises very quickly. They were made redundant, they set up a business themselves and they got going and it really helped a lot of people in Island, the ability to do that. Two of the aspects of your revenue-raising in this are 0.5 per cent Social Security on the employee side and 1 per cent long-term care. Now, has any analysis been done on the effect that that would have on the self-employed in this Island, who range across all sorts of income brackets and all sorts of businesses, from decorators to Government consultants?

Those self-employed people are hugely valuable to this Island and yet we are putting, to my mind, 1.5 per cent extra cost on top on them.

**The Chief Minister:**

I will hand over the latter bit to somewhere to my right, I guess, in terms of the analysis in terms of the impact side, but obviously to put the context through, which is what I was doing, and I am sure you have seen that particular chart and it is in the Government Plan. Obviously if we did nothing on the long-term care, by 2028 the fund would have gone on that basis.

**Deputy K.F. Morel:**

That is if we do nothing?

**The Chief Minister:**

That is you do nothing. So that is why ...

**Deputy K.F. Morel:**

But did you have to have 1 per cent?

**The Chief Minister:**

That was a discussion we did have and ...

**Assistant Chief Minister:**

Robustly.

**The Chief Minister:**

Very robustly around the room, as Scott will recall, and there were various schools of thought. One was to do 0.5 per cent one year and 0.5 per cent the next year and ease it in. In the end, the view was if you are going to do it, do it now, because the earlier you get it in, there is a slightly better impact in terms of the future of the fund.

**Assistant Chief Minister:**

Intergenerational fairness it is called, so it means that the people that are paying into it now ...

[15:30]

**Deputy K.F. Morel:**

I understand intergenerational fairness, thank you very much.

**The Chief Minister:**

So there was quite a long discussion around that. At the end of the day, that was the decision that was made. If somebody wants to change it and tweak it, that is fine, but the real big focus was to get the Long Term Care Fund into a long-term sustainable position. That 1 per cent achieves that.

**Senator K.L. Moore:**

That is helpful. Can we just go back to your comment there about ...

**The Chief Minister:**

Do you want to talk about impact analysis or not?

**Senator K.L. Moore:**

No, that is fine. We have asked for the documentation. We will receive it and we look at it, thank you.

**The Chief Minister:**

Okay, that is fine.

**Senator K.L. Moore:**

Just to pick up very briefly before we go to Deputy Ward, you did mention there the need to be honest about the difference between revenue-raising and efficiency. If I recall from what we have seen so far, that could lead to £10 million of what has to date been called efficiency now becoming revenue-raising.

**The Chief Minister:**

No.

**Senator K.L. Moore:**

So where are you at now with the efficiency programme in terms of numbers?

**The Chief Minister:**

Hang on, are we talking about roughly the £7 million income tax?

**Senator K.L. Moore:**

And the £1.2 million for user charges, yes.

**The Chief Minister:**

Let us take the £7 million for the income tax. That I can accept is an efficiency. It does raise revenue. It is not changing tax rates, it is basically turning around to people and saying: "You have not been paying the tax you should have been" so it is about better collection of revenue from using existing systems and rules. Therefore I think under that argument, by far the bulk of that £10 million - I will look at the rest of it ...

**Deputy K.F. Morel:**

Which I am afraid raises questions about what Treasury have been doing over the past few years if there is £7 million in unraised tax, uncollected taxes.

**The Chief Minister:**

Do not forget that is on £345 million, whatever it is.

**Deputy K.F. Morel:**

It is still a large percentage.

**Senator K.L. Moore:**

Corporate have been through all of that.

**The Chief Minister:**

It is not a large percentage, but it is a reasonable sum of money that we should be dealing with, yes.

**Senator K.L. Moore:**

The question is where are you at? With the high-level figure of efficiency, what will be delivered in terms of genuine efficiencies next year?

**The Chief Minister:**

I cannot tell you the direct figure because I do not have it straight in front of me, unless John has got the sheet.

**Chief Operating Officer:**

I do not have it in front of me, no.

**Senator K.L. Moore:**

It is quite surprising you do not know that.

**The Chief Minister:**

But off the top of my head ...

**Chief Operating Officer:**

It is not split in that way. I have got them split differently.

**The Chief Minister:**

Yes, and off the top of my head, I was going to say it was around £24 million was general efficiency. That was out of the £32 million.

**Chief Operating Officer:**

Yes, it is more than that.

**The Chief Minister:**

Now I think we are more than that.

**Senator K.L. Moore:**

You think? Okay.

**The Chief Minister:**

It is around that number.

**Chief Operating Officer:**

It is about £31 million, I think, of the £40 million.

**Chief Executive:**

Out of efficiency, as you would define them, but they ...

**Chief Operating Officer:**

Cost reductions. We are supplying the cost reductions, new revenue and increased collection of revenue, those 3 buckets.

**Senator K.L. Moore:**

Does that include downgrading pay?

**Chief Executive:**

There is no downgrading of pay because we got pay protection, which is for the next 3 years. Whether you agree or not with it, it is a very generous scheme and it does not impact on that. What you do have is a series of efficiency ...

**Deputy R.J. Ward:**

Sorry, can I stop you there for just one second? When you say there is no downgrading of pay because we have pay protection, that would not be the case for somebody coming into the job anew, because would they not come in on the new pay scale and new terms and conditions?

**Chief Executive:**

Were they not downgraded?

**The Chief Minister:**

They would not have had a downgraded pay.

**Assistant Chief Minister:**

They would be apply for a job at a level, at a wage.

**Deputy R.J. Ward:**

I recognise that, but they would be doing a job that was previously worth more for less.

**The Chief Minister:**

Their pay has not been downgraded.

**Deputy R.J. Ward:**

No, I agree with that, because they were not in the job before so it is semantic, they cannot be. I absolutely agree with that. However, the effect is that has been a downgrade of the value of that job in financial terms, which will be caught up with in 3 years' time when everybody on pay protection has that drop-down as well.

**The Chief Minister:**

But this takes you into the wider context of equal pay and equal value and all that type of stuff. Even to the extent that there are still workforces out there that work different working weeks, 37 hours versus 37½ hours, and so if you are trying to bring that together, but what you are trying to is mitigate the impact on the individual who is in that post now, but if somebody new is coming in, they are coming in under conditions as have been set when they come in as an employee.

**Senator K.L. Moore:**

Do you, Chief Minister, feel that the deliverability of our public services, particularly in Health and Education, is secure in that new system? Because when you look at your vacancy rates now today in Education and in Health and you talk to people who are trying to recruit to some of those jobs and you say: "So what is it that are the barriers to recruitment?" I was talking to somebody just today

who was saying they had 3 vacancies and they could not fill them. Cost of living, availability of housing are all key factors, so when people are coming in on lower salaries than the role previously held, how do you expect us to attract talented people from elsewhere or talented people who live here in the Island and have a cost of living and a quality of life to sustain?

**The Chief Minister:**

To answer the first part of your question, yes. The first part is do we think services will continue to be provided in a safe and secure manner I think was the question. The second ...

**Senator K.L. Moore:**

But who will you recruit to those positions?

**The Chief Minister:**

The second question then comes down to it depends on the pool you are recruiting from, but it then gets complicated in terms of that is when you get into the territory of key worker accommodation, that is being looked at, and all the other factors that make life in Jersey well worth living here, but add to the complexities of living here.

**Deputy K.F. Morel:**

But if you are talking key worker accommodation, then it suggests you are talking about recruiting from outside the Island.

**The Chief Minister:**

It depends on the function that you are looking for. That is where I will hand over to Charlie.

**Chief Executive:**

I think there are 2 issues. The first question was raised by the Deputy vis-à-vis is this a downgrade of jobs. I think we made the point if you come in at a new level, it is not a downgrade, but we have also gone through this with regard to proper job evaluation processes against jobs. We have some jobs which are graded wrong, which we have had to do, as part of the target operating model, a clean-up on. We do not just speculatively choose the rate of the pay, it goes through a process and that process is benchmarked against what is industry norms or comparators with other public services and it is done independently. Let us just get that bit clear, it is not therefore us coming in and unilaterally making a decision. The second bit is that going back to your point, which is absolutely right, is this going to impact on recruitment, there are some gaps at the moment in recruitment, which is less about us being able to get people in, but also about us not releasing vacancies which people have had to hold because we are doing the other part of the target operating model, which is finishing all of that work and making sure we do not displace people who could be

retrained back into certain jobs. Therefore, we are holding certain vacancies, which means then that we can recycle opportunities back to individuals who may be affected by it. But I have made it clear, and I have been on record, the target operating model is not about cutting jobs for the sheer hell of it in year one, it is about a process of delayering, dealing with issues, which will be affected by the sorts of numbers which I have been quoting recently of people who are in that age profile where they are going to, by natural wastage, leave the organisation, which then creates a different issue about displacement. The third bit for me is about then the recruitment. We have a number of areas where we are struggling to recruit, which is less about jobs and cost of living, it is about skills and the labour market supply for those jobs. Social workers are a useful example and we are now training social workers on-Island, but it will take 5 or 6 years for that process to start to see a regular supply of social workers coming in. But they start lower down in the labour market because they are newly qualified - if they are Jersey people, qualified and coming in - than they would if they are experienced. We need to be able to mix and match that. We have got the same for some of other skilled sectors, where we have got to think a bit more differently about how and in what way we can attract people.

**Deputy K.F. Morel:**

Do you use the cost of the key worker accommodation? Do you count that into your calculations as to how much an individual worker is costing if you are accommodating them as well?

**Chief Executive:**

If you are paying for any reason additional, and we do not really do this, but if you do allowances for certain things, you build that into your overall cost. But no, I think what we are doing though as part of the Government Plan is looking at the supply and what does that all mean and where and what is the price point. A good example for me on houses, I was stopped yesterday by someone, a young person who is thinking of having to leave because of house prices. It is entry points. For example, the Andium Homes entry point for shared equity is very different on salary increases. Do you need a new product which helps with shared equity, staircasing or whatever into the housing market? Secondly, what do you do about particular price points for professionals or young people who are aspiring career-wise to get into the housing market where the private rented sector is now overheating?

**Deputy K.F. Morel:**

That is really interesting, but does not answer the question I asked.

**Chief Executive:**

No, but my point ...

**Deputy K.F. Morel:**

I would really like you to approach this on the question I am asking.

**Chief Executive:**

... it is not about Government including key worker accommodation in these pricing points, it is also about Government enabling the market to do that.

**Deputy K.F. Morel:**

But I asked you a question: do you include that cost?

**Chief Executive:**

I said no, because in the majority of cases we do not do that. We do for some though, because if you are a doctor or whatever where we provide accommodation, we include it.

**Deputy M.R. Le Hegarat:**

Quick question, quick answer. When will the staff all know where they are going to be positioned? Because this has been one thing that has concerned me from the outset, as to how long this is going to take, because as you are aware, I know a lot of people within the service and I would just like to know when those people will know exactly where they stand and when that will be completed.

**Chief Executive:**

So the expectation was that we would have done it by now, but there have been 2 interventions, one by the Assembly and one by politicians in the Government around 2 very large areas. One was J.H.A. (Justice and Home Affairs) and that process, we are going through it now, and one more is G.H.E. (Growth, Housing and Environment). Then we have got the children's piece, which is much more simple. I am hoping that we will have the majority - but it may not be everyone, as I said - at C.S.S.P. completed by the end of the year.

**Assistant Chief Minister:**

We have to make sure it goes through a proper consultation as well so people can get their views in about what is happening and the proposed changes. That needs to be followed properly.

**Deputy M.R. Le Hegarat:**

Yes, because I am concerned about the impact of wellbeing on those individuals, because I can tell you now, it has a significant impact.

**Chief Executive:**

I accept that. I accept that there is still uncertainty, but I would also stress that we have finished in C.L.S. (Customer and Local Services), we have finished in S.P.P.P., we have finished in T. and E. (Treasurer and Exchequer), we have finished in the C.O.O. (Chief Operating Office) and we have finished in the Office of the Chief Executive. There are only the 3 big ones left, one of which is being completed as we go through at the moment, which is H.C.S. (Health and Community Services). That process will be the biggest area, where I think you will then get some of that uncertainty out. Then there are the 2 that I have just given you.

**Senator K.L. Moore:**

It is really important that we talk about this on World Mental Health Day in particular, but I can quote to you a submission that we received from Prospect and Unite, who wrote a combined submission. It says: "The impact of this organisational change and its impact upon staff morale and productivity should not be underestimated" and it goes on. What is being done through this prolonged period of time to support those members of staff whose wellbeing is suffering?

**Chief Executive:**

As part of the overall implementation we have done quite a lot around, first, supporting people through any interview or competitive process that they have to go through, so there is support being provided, particularly for applications, interview techniques and so on, so that is one side. Secondly, we have tried, where appropriate, to look for as much job matching as possible, but going back to the earlier question that was raised about getting people's grading sorted out, there is a shortfall in the marketplace for people like that and we recognise that has caused us a problem. We have gone out to provide more temporary interim support for that in order to be able to push through some of the issues which will really affect morale, which is: "What point am I going to be graded at? What does this do for my value of the job that I am about to either get or I am applying for?"

**Deputy M.R. Le Hegarat:**

Or not get, of course.

**Chief Executive:**

The third point is - and perhaps I could answer that by the third point - there has been a huge amount of displacement, has there not, and we have supported people who want to finish and leave the organisation and we have done that in the most appropriate way, where possible. I think we recognise that morale will go down, it will come up, and we are seeing morale in other areas where we have completed all of that exercise start to rapidly improve.

**The Chief Minister:**

If I can add to that, sorry, certainly I get remarks from people who are involved in the recruitment process and doing the interviewing process - arm's length, independent people - and they are starting to get points where they are saying: "For the first time, I can see where my career is going to go." I am starting to get some positive remarks which is giving me an indication, bearing in mind that, yes, like we have all had remarks probably at the beginning of the process, I think it is starting to turn around, which will take slightly longer.

**The Connétable of St. Brelade:**

Notwithstanding the Chair's question is really the primary concern, from a secondary point of view, are you cognisant of the effects or the potential risks of people leaving the organisation because of the insecurity there might be in their position, losing all the good ones and perhaps ...

**Chief Executive:**

We of course are looking at all of that, and where there are implications of that, we need to and have taken a position. I can give a couple of examples where people have changed their minds because there has been a conversation and there is a realisation that we are going to lose some experience.

[15:45]

I do not believe that we have, over the last goodness knows how long, really talked about succession planning anyway, so we have a problem where we have lost talent in the middle of the organisation because we have never given them the career paths that have just been identified.

**Senator K.L. Moore:**

But that is the past and we are now 2 years into this new process. I think the Constable's question is about what is going on now.

**Chief Executive:**

No, we are not. We are one year, we are 15 months. The process started formally - we have got to be clear about that - in April 2018. I wanted it cleared by the back end of 2018 and it was not possible, for the reasons I have rehearsed. We then hoped by May 2020 it would be complete. We have not been. Again, some of that is for reasons that I just identified. In that process, we have also had people come through the system who were potentially going to leave the organisation because they had been given opportunities.

**Deputy K.F. Morel:**

You also lost some top people because of that process and the way it was done and the way it was handled.

**Chief Executive:**

We have lost some people, yes, but in real terms that number is small.

**Deputy K.F. Morel:**

But some of that talent was incredible.

**Assistant Chief Minister:**

The people of Jersey want a Government which is efficient and effective and the silo arrangements of the past that caused so many problems had to be broken. That means change will happen and then we need to change, so there is going to be insecurity within that.

**The Chief Minister:**

I have been through an organisation going through change and it is unsettling.

**Senator K.L. Moore:**

Thank you, we will move on.

**Deputy K.F. Morel:**

I have had submissions from people who have left and were disincentivised because of the changes, yet they are top talent.

**Chief Executive:**

Out of 7,000 people ...

**Assistant Chief Minister:**

I have seen people that are joining.

**Senator K.L. Moore:**

Look, can we move on?

**Deputy R.J. Ward:**

Can I just say one quick thing? The risk you have got is that by losing experienced people in some areas in particular, you can replace them with inexperienced people, which by the way are a lot cheaper and really help with efficiencies, whereas the link between Government restructure and efficiency, education for example, which is what has happened in the U.K. and what you have got is transient staff that after 5 years leave and you end up with a very inefficient education system because you cannot retain staff. That is a risk that you have to be aware of during your

modernisation process and when you talk about that group that will be leaving, it is a lot of experience that is going there. I think that has to be recognised. It is one of the things that is causing the discomfort in the organisation.

**Chief Executive:**

Yes, but in real terms, Deputy, it is a relatively small number, so when you talk about the point that you have just referenced about cheaper staff and efficiencies, that is not going to happen in the way that it is going to be a major impact on any immediate efficiencies plan.

**Deputy R.J. Ward:**

That is quite interesting to know.

**Chief Executive:**

The biggest problem that we have got to deal with is over the next 5 years we are going to lose in excess of 13 per cent of our workforce through natural wastage and we have done nothing about talent management, supporting succession planning. So when you say people have left, some people have chosen to leave. We get a lot of turnover. We always have had turnover. Experienced people have left. We just lost someone recently that we did not want to from Revenue Jersey, but they went because the market tempted them for a bigger, better-paid job. We have always lost people. The question is: do we have a coherent plan for succession?

**Senator K.L. Moore:**

Tempting as it is to go down that road, we will move on.

**Deputy R.J. Ward:**

That is my fault. I will get straight back to the Government Plan and in particular document R.91. There are 135 actions to achieve the Government's agenda, however, in R.91 there is often - and I use the word wisely - little or no information about how these project actions will be funded, aside from the new initiatives in R.91. Why was the information in the Government Plan presented in this way? We have had to ask for a lot more business cases behind the scenes of this.

**The Chief Minister:**

I will hand over to either side of me. Perhaps John and then Richard in terms of how it was presented, but I have to say that when it was presented to us as to this was how it was going to be done, I agreed. I felt it offered quite a logical sequence. It does come down to how much information you get out there because I am sure Deputy Morel will pick up on one, his favourite page, but generally I would say there is a reasonable amount of information and it gives a reasonable understanding of what the money is going to be spent on, sufficient for an outline position.

**Deputy K.F. Morel:**

But most of the time it does not tell you ... so it will give you a big sum at the top, so let us say £4 million, but it will not tell you how that £4 million is to be broken down. It will justify: "We need to do this because of X, Y and Z" but it will not say: "Of that £4 million £2 million will be spent on X, £1 million will be spent on Y and another million will be spent on Z." That is what it does not tell you.

**The Chief Minister:**

It depends at what level you want the information.

**Deputy K.F. Morel:**

We have got to scrutinise this, so we need to know.

**The Chief Minister:**

There is, as you said, £800 million-plus of ...

**Senator S.C. Ferguson:**

Surely the biggest point is that the impact assessment that goes with all the business cases does not give the impact on the customer, the client, the public.

**Treasurer of the States:**

I think in terms of the comparison to the way we did the M.T.F.P. I would say that the outcomes that we are trying to achieve are outlined in the plan in much more depth; it has some depth, compared to the M.T.F.P. The M.T.F.P., do not get me wrong, a good financial document, but it did not ... I will just get that one in, Chief Minister, it did not necessarily say what the aim and what the outcomes were in spending that money, so lots of the feedback that we have had and lots of the feedback I have had as well is that people like the plan in terms of explaining what the money is there to achieve. Tying that in is important. Added to which, the corporate performance framework that is going to be out in January that will start mapping or start tracking the outcomes and the indicators and measures of what is in it for the customer or what is in it for the patient or what is in it over the longer term will be available publicly so that you will be able to see what has been achieved through the wider plan.

**Deputy K.F. Morel:**

Can I just tell you what we need here? So here is a really good one, non-ministerial, so I think it is very important, non-ministerial department.

**The Chief Minister:**

Give us a page.

**Deputy K.F. Morel:**

Page 121, so we have the Viscount's Department, and it really tells you very well indeed that of this £325,000, £43,000 is going to be spent on funding for Court Service Officer, £56,000 for additional funding for the Finance Officer, so they have broken down very clearly how that £325,000 is planned to be spent. I can then turn to a ministerial version of the same sort of thing and here we go: "Supporting OneGov - Team Jersey" page 112 and we have got £1.87 million which just says: "Actions required to support OneGov. This will include a culture change programme" but does not tell me how much the culture change programme is going to cost during that year: "a review of performance management" but does not tell me how much that performance management is going to cost: "leadership development" and it does not tell me how, so do you understand what I mean? That is the level of detail that I find shocking that was not available in this document.

**Treasurer of the States:**

I am not shocked by that. I do not think in any way, shape or form this is a backwards step in that ...

**Deputy K.F. Morel:**

How can you then know whether you are spending appropriately? I need to know. The culture change programme, if that is say £500,000 or £100,000, that as a scrutineer helps me understand the value for money that you are getting.

**Chief Executive:**

It is very simple. There was a tender with a pricing, which has been viewed by Scrutiny before, which went through each and every one of those prices.

**Deputy K.F. Morel:**

But it is not written in here; it is not written anywhere. Right, do not say £100,000 next door. Perhaps I chose a bad example and you can see it.

**Chief Executive:**

But Deputy ...

**Deputy K.F. Morel:**

So this one: "Supply Jersey maintenance", it does not tell us there either. None of these things tell us or break down the cost in there, and as for my favourite page, obviously it does not tell us how that £5 million per year is going to be spent at all.

**Senator K.L. Moore:**

I think we have covered that off in a previous hearing, if I may, and we will move on to Deputy Ward, who is going to ask about digitisation.

**Deputy R.J. Ward:**

The digitisation of certain public services in the U.K. has been met with major problems. What lessons have we learned from those problems to ensure that similar issues do not arise in the modernisation of Government initiatives? We have set a large amount of money being spent, it being integral to everything.

**Assistant Chief Minister:**

I have seen some horrendous U.K. Government projects in I.T. and certainly their digital I.D. (identification) they made a real mess. Some of the lessons I definitely learned when we were looking at our own digital I.D. was that in Government they decided that they would build a product and then go out to the departments to get them to use it, and then the departments said: "No, it was a complete waste of money" rather than going to the departments first to find out what they require within a digital I.D. solution and then create something that meets the requirements. We have got to make ...

**Deputy R.J. Ward:**

So that £10 million that was wasted before, we will not do that again?

**Assistant Chief Minister:**

The £10 million was not wasted. That could be your opinion, Deputy, but it is not wasted because we are using it right now.

**Chief Operating Officer:**

The other bit that follows on from what Scott said is that we are focusing on commercial off-the-shelf packages, so again when we chose digital I.D. the digital team in the U.K., as Scott said, built something and then tried to sell it to the Government. We went to the market and said: "Where can you buy a digital I.D. that is already up, running and working?" so you have a much better control of the costs, because you can go and see it working elsewhere, you have much better understanding of what the requirements are because it is already in use. If you look at our plan for cyber it is about going and buying services that already exist. If you look at our plan for the Microsoft foundation it is about rolling out Windows 10, a product that is used not universally, I will avoid that word, but widely across industry, it is about when we look at the replacement for JD Edwards and Peoplelink and Supply Jersey we will go for a cloud-based commercial, off-the-shelf solution. We will not be customising it, we will not be building stuff, and that is I think the key way in which we will avoid ...

**Deputy K.F. Morel:**

That is my previous point, so it links in nicely again, so here: "Integrated Technology Solution."

**The Chief Minister:**

What page?

**Deputy K.F. Morel:**

Page 175. £7.4 million this year, £9.2 million the year after, £11.4 million the year after that, but you do not explain in here how that is ...

**Chief Operating Officer:**

But we have provided a Green Book.

**Deputy K.F. Morel:**

No, but this is the public document.

**Chief Operating Officer:**

But we have provided a Treasury Green Book business case. The whole point of going to Treasury Green Book ...

**Deputy K.F. Morel:**

About 6 weeks after this was published, yes.

**Chief Operating Officer:**

No, the Green Book was written before that was published.

**Chief Executive:**

No, Deputy, that was provided before and there is a whole series of business cases for key ...

**Deputy K.F. Morel:**

But this is what the public gets.

**Chief Executive:**

Sorry, Deputy, you would not put some of that commercial information into the public domain if you want to get the best value of money for some of those.

**Deputy K.F. Morel:**

It is not about commercial information. It is about saying how you roughly break down that £7.4 million next year.

**Chief Executive:**

We have done that, Deputy, in the business cases.

**Deputy K.F. Morel:**

Mr Quinn, how are you planning to spend that £7.4 million next year on the Integrated Technology Solution?

**Chief Operating Officer:**

I think next year is £3 million on revenue for the Integrated Technology Solution and £2.5 million of that are licences and £500,000 of that is operating expenses for the Cyber Centre.

**Deputy K.F. Morel:**

So that would be really useful just to put that in, and there is another £3.4 million that you have not mentioned, but that would have been fantastic just to put in here, £2.5 million on licences, £500,000 on this centre. I am not talking about deep commercial information. I am talking about a basic statement.

**Assistant Chief Minister:**

The outcome of what we are trying to do is the right thing to do and it is going to make it better.

**Deputy K.F. Morel:**

I did not say you are trying to do the wrong thing. I just said you are not providing the information.

**The Chief Minister:**

What you are saying is we have not provided the right level of information, in your opinion, that you need. That is the difference.

**Assistant Chief Minister:**

That is what you are saying.

**Deputy K.F. Morel:**

We know our views better than you.

**The Chief Minister:**

Yes, but you are saying in your opinion we have not provided that information. Obviously in our opinion we thought we had provided sufficient information and were giving enough in the detail to back it up. That is just a difference of opinion.

**Deputy R.J. Ward:**

Can I ask some specific concerns regarding I.T. and the future of this project? One concern that has come out through Scrutiny for some of the work that we have been doing and other panels have been doing is that we are developing I.T. systems in one area before other I.T. systems are enabled. For example, there is not a centralised patient record system yet, which is in the offing, and it will take a few years to happen, but at the same time we are trying to develop a system for ambulance to have a patient record system on the go. Are we certain that those 2 systems will integrate later on or are we at risk of in a rush for one not having it integrated into a wider patient record system, for example? There are other examples around the business plans that we have seen where that is the case.

**Assistant Chief Minister:**

All systems that are getting developed or being put in place now are going through a design architecture so that we know that we are going to use the same common technologies and the same standards so, yes, absolutely we will not be putting something in now that would not meet any future needs, because they go through the same process and they are designing architecture and common technologies.

**Deputy R.J. Ward:**

Is that via a project management system that is centralised, so that there is an overview? This is such a large project but it has so many different prongs to it. A classic example, Education was never on the intranet and for 5 years ...

**Male Speaker:**

It was more, was it not?

**Deputy R.J. Ward:**

Probably about 15, to be quite frank. I was being kind.

[16:00]

**Chief Operating Officer:**

Within the investment cases there is what is called an enhanced capability within modernisation and digital that is primarily funding 2 key functions. One is an architecture function, which we have never

had, so we have never as a state ever had an architecture function, so that will be the Design Authority, so that is the job of the architecture function, the Design Authority, to make sure that we do the right things.

**Deputy K.F. Morel:**

The Design Authority has been appointed a while ago, outside of the Island?

**Chief Operating Officer:**

Yes, but not backed up by an architecture function.

**Deputy K.F. Morel:**

Again, are you looking locally for these functions which do exist locally?

**Chief Operating Officer:**

In-house, yes.

**Deputy R.J. Ward:**

Sorry, when you say: "an architecture function"?

**Chief Operating Officer:**

An I.T. architecture function.

**Deputy R.J. Ward:**

So that is an overview in terms of ...

**Chief Operating Officer:**

Making sure that we agree on a standard component so if we take, for example, one we have just done around robotic process automation we have looked at the market, we have looked at the different offerings out there and we have said: "This is the one we would like to standardise on" so whenever we now do robotic process automation we do it in Health, we will do it in C.L.S., we will use the same product in the same way. That is about making sure that we do the right things. We are also creating a Corporate Portfolio Management Office, which is not the easiest thing to say, and that is about, to your point, having a programme that is admitted through a proper governance process with project initiation documents, project plans, regular reporting and with gating releasing of funds, so one thing we are going to do differently is gating releasing of funds so in the same way as they do in the Office of Government Commerce best practice, so as you get to each stage you show you have succeeded in meeting that stage and you get your permission to move to the next stage. To me, that is about making sure we do things right.

**Connétable M.K. Jackson of St. Brelade:**

While this is really creditable, and I fully support what you are saying, what is your policy with regards to running paper in parallel, because there are large swathes of the public who do not do digital? One particular case was referred to me yesterday, you cannot do a power of attorney by paper, it has all got to be done online. The sort of people who do those are of an age that they are not going to do it online, so have you got a policy?

**Chief Operating Officer:**

We have not yet got a full policy. Where appropriate we will look at either running a paper alternative or assisted technology. One of the things that I did in a previous life is putting P.C.s (personal computers) into libraries, training librarians how to help people to use them, so that someone could come in who did not have a P.C. at home and could sit down and do something online with help in a local environment.

**Assistant Chief Minister:**

We have got the C.L.S., there are no plans to shut that down or anything, so you will still be able to do things over the phone, you will still be able to do things face-to-face, and that is not going to change. We are not going to suddenly digitise everything and take away the human aspect of a service delivery function.

**Senator S.C. Ferguson:**

You have already got a process that your average-aged individual with no computer cannot do anything with, the power of attorney. However, you made a glancing remark about robotics and obviously tucked away somewhere in your system is cyber security and can I assume that you are making sure you do not have any Chinese equipment?

**Chief Operating Officer:**

I think we have had this exchange. I am not aware ... well, there are, I saw some Lenovo screens around the place and I think I saw it on one of the Facebook posts: "Well, there is some Chinese equipment there."

**Senator S.C. Ferguson:**

You can get HP computers and they guarantee that they have no Chinese equipment in them.

**Chief Operating Officer:**

Our standard issue is HP.

**Senator K.L. Moore:**

Thank you for answering that. Shall we move on? We are going to move on to efficiencies now, because it is 4.05 p.m. already.

**Deputy K.F. Morel:**

Chief Minister, how is the target for £100 million efficiencies arrived at?

**The Chief Minister:**

That is going back a bit. Where we started before Christmas was around the fact that we had this potential deficit of around £30 million that we had to address, and obviously that has not been addressed entirely through efficiencies, it has also been through still freezing the Social Security supplementation grant. At that point as we were going through things and also having said all that understanding, as we alluded to earlier some of the pressures that were coming through from the 2019 plans and which will go into 2020, the number of around £30 million and it evolved into £40 million was where it came through into the £30 million that we needed to achieve. Going forward I honestly cannot tell you how we arrived at the £20 million because that is definitely buried in the deep recesses of my mind. I know at that point what we were saying is that the efficiencies programme was not a one-year programme. It had to carry on. I think, to be honest, from my recollection the point around the £20 million was that relative to our spend it should be an achievable percentage. A lot of this in the early days was around modelling in terms of understanding some of the issues, and bear in mind what we have mentioned previously in certain areas about poor data, poor analytics that one has got, when one looked at certain areas about the likely potential savings that could come out of areas from past experience of the people looking at it.

**Deputy K.F. Morel:**

Just quickly, would it be fair to say that in terms of £40 million it was what you needed to achieve, rather than what you knew you could achieve, and then you found the way to achieve it?

**The Chief Minister:**

I think we knew that to go beyond that was going to be really tough, and we also knew that that last £10 million was going to be tougher than that first £25 million to £30 million.

**Deputy K.F. Morel:**

Yes, so start with the need to achieve and then work down.

**The Chief Minister:**

Well, as I said, it was based on a modelling exercise that was done quite some time ago, I am going to say August/September last year, or it might have been October/November, which did identify

certain key areas in saying: "This is the type of savings we think could come out of it" and then obviously the detail work that has been going on about saying: "Yes, that works, no that does not" and then we can try an alternative.

**Chief Executive:**

To add a little bit more to that, the basis of quite a lot of our early due diligence work also looked at the need to modernise a range of systems and processes that were very manual and intensive and resource intensive, so we have talked about, for example, the number of manual transactions that have to be done around finance, payroll, H.R. systems. We always knew that there would be then a need to be able to secure the resources necessary to be able to do the transfer of those systems and there was a recognition that within that, going back to our previous point about business cases, there was a benefits realisation which would come about, which would enable us to estimate some of the efficiencies that you could get from that going forward but there was going to be a lag, because you cannot, for the reasons I have said earlier, just introduce technology and get the efficiencies on day one. The other bit that adds to this is, I think, Chief Minister, it is fair to say that the Council of Ministers were clear that in having to deal with some of the long-term investment decisions they did not want to put that burden on taxpayers so there was a choice made around over the lifetime of the plan looking to ensure that the public services were fit for purpose, and were of a size and scale that was appropriate before you started to go and raise taxes for Islanders.

**The Chief Minister:**

We were very clear, I think I have said all the way through, that we have got to be demonstrating that we are seeing efficiencies and I accept from that terminology is that going to be 100 per cent efficiencies or majority efficiencies using the proper term of "efficiencies" by the way and there are always some tweaks around this, but generally they are in the margins, before significant tax rises come through. Obviously it then comes down for example if you go all the way back to the beginning of this hearing and the Long Term Care Fund, is that a tax increase, and arguably it is, but it is hypothecated because it is around the fund and for those specific reasons I can justify, but the general principle of what revenue-raising annual measures you need for general spend we wanted to keep the pressure down on those and focus on keeping the expenditure increases under greater control through the efficiency drive.

**Senator S.C. Ferguson:**

I am a bit concerned that we seem, first of all, to have been concentrating on costs and then efficient procedures. Did you not look at the procedures and then the costs will fall away?

**The Chief Minister:**

I will leave it to John and Charlie to refer to that. To an extent if you look at, say, for the sake of argument, the investment in the I.T. that we know we have got to do the expectation later on down the line will be that that will then drive some of the costs falling, so in the medium to longer term, yes.

**Senator S.C. Ferguson:**

Surely you have got to have the system working properly before you do the technology?

**Chief Executive:**

So by way of example, in Treasury we have increased the cost of staffing to be able to deal with the transfer that will take place over the period, so we have not taken a view that you take out the efficiency on day one, if it means that you have to staff up or provide additional capability while you are either parallel running or undertaking an exercise to do something. We have been quite clear about that and I think in your target operating model that was made clear as one of the principles.

**Senator S.C. Ferguson:**

So you are doing a cost benefit?

**Treasurer of the States:**

The other point to be made, and I think John Quinn has picked up on this, the Integrated Technology Solution, i.e. back office systems, there will be access by customers and the majority of that spend is on changing our processes, standardising our processes, making them consistent across business and enabling them digitally, rather than having them as paper-based systems.

**Senator S.C. Ferguson:**

Super.

**Treasurer of the States:**

The majority of that spend is on that, rather than I.T. kit.

**Senator S.C. Ferguson:**

Good, excellent. That is what I like to hear. The progress of your efficiencies, I have not seen anywhere where you are going to have regular progress reports on what is being achieved and how much.

**Chief Executive:**

I think it would be fair to say that we have, I think, referenced it in your other committee that we will be expecting, and I think there has been some discussion at the Assembly level to be bringing

regular updates about the progress of reports. I think it would be wholly inappropriate if we did not and it would be important, and I would imagine that the P.A.C. (Public Accounts Committee) will be extending their reach if there were not those updated reports. What we would expect - I think the Chief Minister has asked officers to do this - is that when we do the refresh of the financial component on an annual basis there would be an update on the efficiencies that would have fed into that efficiencies plan for said year as part of it.

**Senator S.C. Ferguson:**

And an update on the outcomes for the clients? That is the most important thing.

**Chief Executive:**

So the outcomes piece that I think Richard referenced earlier we are about to launch and I think we have said that we are bringing this to Scrutiny, the performance framework which will have a whole series of opportunities for people to see how the outcomes for our activity, including those in the Government Plan, are impacting on Islanders and businesses and stakeholders and there will be, on the back of that, a whole series of dashboards and other mechanisms that will be for the Council of Ministers, for officers and for Scrutiny and the Assembly.

**Senator S.C. Ferguson:**

Super. Thank you very much.

**Senator K.L. Moore:**

Thank you. Deputy Le Hegarat is going to ask one question and then we are going to move on to talk very briefly about communication, to give you a heads-up.

**Deputy M.R. Le Hegarat:**

In its 2019 annual report the F.P.P. have recommended that the Government Plan should include more detail on how efficiencies will be achieved over the 4-year period. Do you accept that recommendation and how will you deliver it?

**The Chief Minister:**

Yes, we have committed in terms of for next year to make sure that everything that is coming through now and I have got the first draft in front of me that is going to come next week, and then will come out properly, that will be issued at the same time as the Government Plan, so there is no question we have committed to that and I think we have had those discussions of why we are where we are now, which was in the plan, in terms of the timing. Obviously we would then want to get ahead of the curve next time around.

**Senator K.L. Moore:**

Thank you. We appreciate that this has been a first experience in terms of delivering a Government Plan. You have mentioned just one point where you see that improvements need to be made next time around, but what other aspects of the delivery of the plan would be tweaked for next year?

**The Chief Minister:**

I think the key one is getting ahead of the curve in terms of provision of information and bringing it all together, but the key one for me is around efficiencies. We have made one or 2 other remarks and I cannot remember ...

[16:15]

**Senator K.L. Moore:**

Thank you. Can we just move on?

**Chief Executive:**

I think there is also the bit about what is the plan, so in future years you would not be producing a document with changes in the priorities unless, by way of example, we had a massive economic downturn due to external factors or there was a natural disaster that would require us to make significant shifts in the way in which we would be adapting any of the priorities. These are more likely to be updates linked to financial progress and also changes that may go back to your earlier point about tax and overall impact on spend pro rata and all of that. One of the things that I think everyone wants to do is provide it earlier. The second is I think there is now some learning about the granular detail that is required by Scrutiny, picking up your points, but thirdly there would not be an expectation that you would be repeating everything that we have already produced, because some of that will obviously be work in progress. You have got to have an update report, so the bit that sits with this is the departmental accounting officers' business plans, which are about to be released, which are going to use Scrutiny again, which will help you with some of that and every year that will be done in a way that gives you some form of further detail, which I hope will be helpful for Scrutiny.

**Senator K.L. Moore:**

A lot of the communication ... go on, sorry.

**The Chief Minister:**

I was going to say, you have missed the point that those are coming out a lot earlier than they would ordinarily come out.

**Chief Executive:**

Yes, normally they come out in December and they are going to come out in a couple of weeks' time.

**Senator K.L. Moore:**

Thank you. So often in this process the communication between Scrutiny and the Government has been the focus but the Government Plan is produced also for the public, who are the people paying for the measures that are held within it. Are you content with the process and the consultation that you have had with members of the public?

**The Chief Minister:**

Do you want me to bring Stephen in when we get down to the detail?

**Senator K.L. Moore:**

Yes, that is why I gave a warning we were going to move on.

**The Chief Minister:**

Yes, exactly.

**Senator K.L. Moore:**

As Chief Minister, have you been content with the submissions that you have received from the public, with the dialogue you have received from the public?

**The Chief Minister:**

In terms of the feedback I have had, yes. I will leave Stephen to give some of the details but the individual face to face meetings we did that, for example, started up at the ...

**Senator K.L. Moore:**

They were very poorly attended though.

**The Chief Minister:**

I think we had about 150 in total, was it not?

**Senator K.L. Moore:**

Out of the 5 meetings. I think that is a very ambitious number.

**The Chief Minister:**

Was it around that number, 120?

**Director of Communications:**

Around 100 people attended but we have had more than 5,500 views of the streams of the events, which we did on Facebook.

**Senator K.L. Moore:**

If you could start by introducing yourself?

**Director of Communications:**

Yes, sorry, Stephen Hardwick, Director of Communications.

**Senator K.L. Moore:**

Thank you, welcome to the table. At the public meetings that have been held, there was a summary document of 4 pages available at those, but we have not been able to find any other copies of those available in any other place. It is not on the website. One group, when they went to Broad Street to ask for a copy of the Government Plan, were handed a copy of the Island Plan. So how successful do you feel that the dissemination of this important material has been?

**Director of Communications:**

The 4-sider that was handed out was to enable those who were attending to see what the budget measures were, the main measures that were in the Government Plan, so the multi-coloured 2-sider of the key measures that were covering the 5 strategic priorities within the Government Plan, but it was so that people could see that.

**Senator K.L. Moore:**

Sure, but you said that only 100 people have attended those 5 meetings.

**Director of Communications:**

But all of the data that was in those was also on gov.je and we have promulgated it ...

**Senator K.L. Moore:**

It is not.

**Director of Communications:**

... quite a lot through social media because it came from the infographics that we released on the day that we released the Government Plan.

**Senator S.C. Ferguson:**

Yes, but we have a whole load of people, the people who are probably most interested, who do not have computers.

**Senator K.L. Moore:**

How many of these ... we call them the glossy. How many of these were published?

**Director of Communications:**

We printed about 100 in order to save money because we are trying to be digital first as an organisation.

**Senator K.L. Moore:**

How many were published of the 4-page ...

**Director of Communications:**

We printed a couple of hundred for the events. We were rather more optimistic about attendance than we had.

**Senator K.L. Moore:**

Where are the remaining ...

**Assistant Chief Minister:**

I think it has probably been more successful than any previous Government have done on public engagement.

**Senator K.L. Moore:**

Where are the remaining versions available?

**Director of Communications:**

They will be in the office and we are going to have further events. So we are planning to have an event for children and young people in the autumn before the debate because we know that they are going to be interested in all of the themes that there are in the Government Plan. But we did not do it for September because it is right at the start of the new school term so it is something that we wish to do before you have your debate, the Assembly has a debate, in November.

**Senator K.L. Moore:**

Yes, but we note that the date and the location still has not been fixed.

**Director of Communications:**

No, my team are working on that. It is also about ensuring that we can have as full attendance from the Council of Ministers as possible because pretty much everyone in the Council of Ministers will have something that they want to discuss with young people.

**Senator S.C. Ferguson:**

It would also be helpful if you had certainly the 4-page document in the bookshop, in the bookstore, which is where a lot of people are used to picking up government publications. I know they are out of the major publications. There may have been 100 copies of the Government Plan but those are long since gone. They have the R.91 but not the Government Plan.

**Director of Communications:**

I will endeavour to get as many of the 4-siders to the bookshop that we have in the office, holding back a number for young people.

**Senator S.C. Ferguson:**

But if they just have a few then they can always run off copies on the photocopier. They do have a photocopier. Have you been round the bookstore?

**Director of Communications:**

Yes.

**The Chief Minister:**

We will do it, yes.

**Senator K.L. Moore:**

Okay. So other than the meeting for young people, what other publicity campaign is going to be carried out between now and the debate?

**The Chief Minister:**

I was going to say we do have some more aspects in terms of local media that will be going out over the next few weeks. Obviously the other point which Stephen has not got to yet, but I am sure he will do, is in terms of the social media engagement. Certainly, the figure I have down here is you have reached something like 160,000 people in terms of engagement.

**Director of Communications:**

So just to explain, no, we do not have 160,000 people, it is a reach, which is a potential to view. It does not mean to say everyone has viewed and it may be that some people who are on multiple platforms will see multiple messages. So someone might see 20 messages and others might just

skip them. So it is a wide reach, but we also have the plan to launch the efficiencies plan itself with a series of briefings and social media and a media briefing and press releases in order to fill in that gap that scrutiny has been discussing for some weeks.

**Deputy K.F. Morel:**

But reach is not the same as engaged with, is it? That is just they had the opportunity, they may have clicked, they did not click, you are just saying that is ...

**Director of Communications:**

The engagements, I can give you that figure because I have it here. We have had 3,900 engagements.

**Deputy K.F. Morel:**

That would be a better figure to use.

**Director of Communications:**

Now, in the social media world 0.15 per cent is regarded as the norm. We in our social media engagement across the board in government are getting between 5 per cent and 7 per cent, which is because this Island is very, very digitally engaged, particularly on Facebook. So we do extremely well on social media.

**Senator S.C. Ferguson:**

For instance, on Facebook are you limiting it to people who live in Jersey, for instance, and then you have a better feel for how many locals are looking at it, even if they are looking at it multiple times?

**Director of Communications:**

We do not limit it, Senator, but what we do is we can boost a Facebook post.

**Senator S.C. Ferguson:**

Yes, I know.

**Director of Communications:**

But we can do that only within Jersey so that we are not wasting money on attracting people from all over the world looking at something that might not be relevant to them.

**Senator S.C. Ferguson:**

Oh, absolutely.

**Senator K.L. Moore:**

Thank you very much. We are going to move on now to another subject given the time.

**Deputy M.R. Le Hegarat:**

How will the Jersey Care Plan factor into the Government Plan? Why has additional revenue not been requested in R.91 for this document?

**Chief Executive:**

So, first off, the Jersey Care Plan was always going to be launched and is going out for consultation. You will see in the document there is resources that have been made available for aspects of the care plan, so in particular mental health is a good example. I think you have had a session with the Minister where you have gone through the extra resources that will be available. The second bit of course is the care plan ultimately will drive any investment decisions around both the hospital, primary care and secondary care facilities and we have made it very clear - and there is a line in the capital component of the Island Plan - that that work is being developed at the moment. We have put I think £7.4 million in for that work and that will be part of then a future call on investment that will be identified in Government Plans going forward from 2020 onwards. So I think it is very much at the core of what is going on and there is resources and budget lines for the appropriate parts in the plan.

**The Connétable of St. Brelade:**

What about the lodging of other major projects such as the Island Plan or the Jersey shoreline management projects? Will they be affected by the lodging of the future Government Plans in any way and will adequate time be set aside so that Members are not required to review significant projects in the same session and you give adequate time for scrutiny?

**Chief Executive:**

I think in terms of the Island Plan there is a consultation and decision-making timeline that has been promoted in all of the roadshows, which have been extensive. Within that, there is money in the Government Plan both for next year and there has been money made available by the Council of Ministers this year, so I expect that to come through and be seen if you were to look at the relevant section. The shoreline plan is in there as well. We expect that to be an early part of what we have to do linked to some of the work that the Minister for the Environment is promoting at the moment.

**The Connétable of St. Brelade:**

That is being lodged in November.

**Chief Executive:**

That is coming forward, exactly, before the ...

**The Connétable of St. Brelade:**

So will we get a provisional timetable to help Members identify when future Government Plans will be lodged and what other major pieces of legislation ...

**The Chief Minister:**

I have to say I have already asked for that and, in fact, I think it is Megan that is going to be dealing with that over the next item. The next person who has not been introduced on the microphones has been tasked with doing a piece of work just to explain to the public and politicians what our timelines are. So, yes, just slightly ahead of you, but yes, and obviously the money is in ... the resource for the Island Plan is already in the Government Plan as well.

**The Connétable of St. Brelade:**

Yes, thank you.

**Senator K.L. Moore:**

If we could return to the F.P.P.'s report, it states that the Government should make it clear how the capital programme can be delivered without exacerbating capacity constraints in the local construction industry. It is on page 4. What work has been undertaken to ensure that this does not occur given the size, a considerable increase in capital expenditure that is planned?

**The Chief Minister:**

We have had that discussion quite a lot. I think I will hand over to Richard on that, but obviously one of the crucial things is not all of the capital programme, as we have already touched on, is bricks and mortar. Some of it is other, so not all of the capital programme ...

**Deputy K.F. Morel:**

But it goes to the same resource of the I.T. sector, the resource of the construction sector.

**The Chief Minister:**

It is the same principle but it is manageable. Do you want to address that?

**Treasurer of the States:**

You are absolutely right, the F.P.P. has asked that we do more planning. We have dealt with it at a high level but it talks about, as I covered earlier, the fact that in different scenarios you would either take it on-Island - that is a too simplistic way of looking at it - or you would use options that did not exacerbate the inflation in the local industry by using off-Island. So we are working with G.H.E.

colleagues who provide most of this, notwithstanding the fact there is a big chunk that is I.T., so different procurement strategies there, to go line by line through it to identify what ... in the case of a base scenario which ones we are going to use or ...

**Senator K.L. Moore:**

So in that scenario ...

**Senator S.C. Ferguson:**

Yes, but how are we going to encourage them to use modern construction techniques? Because half the problem is the techniques they are using are expensive.

**Treasurer of the States:**

I was not aware that our colleagues were using prehistoric techniques.

**Deputy K.F. Morel:**

I am not sure. It is the Treasury's job to know.

**Senator S.C. Ferguson:**

No, somewhere along the line they have to be encouraged to use modern techniques.

**Treasurer of the States:**

Some of that is using prefabricated units off-Island instead of building all of that on-Island and using on-Island ...

**Senator S.C. Ferguson:**

You do not use steel in your cement, you use glass fibre and things like that. These are modern techniques and we do not see them.

**Senator K.L. Moore:**

Is there some prioritisation of these projects? As you say, if the tap needs to be turned on or turned off, how is that ...

**Treasurer of the States:**

I think certainly at the political presentation that I was present at, consistent with previous similar presentations, the F.P.P. is not talking about turning the tap off, i.e. turning projects off. They are very clear that we should continue with it but we need to be very careful in terms of how we procure it, where the impacts are on-Island or whether they are off-Island in terms of that procurement, for

want of a better phrase, rather than cancelling a project and not delivering it because there are very good reasons to deliver.

**Deputy K.F. Morel:**

It is not about cancelling it. I am concerned about the frontloading. In the F.P.P. presentation they showed that there is £300 million-odd in 2020 alone, which is a huge amount considering it is normally £100 million. That equates to about 6 per cent of G.V.A. (Gross Value Added) on top of the normal 2 per cent that the Government spends. I heard Deputy Wickenden say something about you might want to hold them over for times of downturn. He is absolutely right. What I am wondering is how you decided to basically deprioritise everything by sticking so much into next year alone. Why is it not spread out more over a 7-year period, that sort ...

[16:30]

**Treasurer of the States:**

It is fairly spread. When you look at the graphs in the F.P.P. there is a jump up. So some of those costs as well in the early years were about pre-feasibility. They are not about doing things, they are about identifying the feasibility ...

**Deputy K.F. Morel:**

Yes, but the F.P.P. themselves say £300 million is capital spend next year alone.

**Treasurer of the States:**

You are right because that is looking at companies that are owned by the States as well and looking at the programmes that enable ...

**Deputy K.F. Morel:**

It all has an effect on resource locally and it all has an effect on cost of living locally as well.

**Treasurer of the States:**

Yes, absolutely right, and that is an outcome of having invested, after a period of not investing when we should have done, on, for example, social housing but also the ...

**Deputy K.F. Morel:**

So that is my point. Maybe it is better to the Chief Minister because it is a political question, which is while I accept the not having invested aspect of it, do we have to invest it all in the next year to 4 years or could it not be spread out further? Because the jump ... and it is a political question so I

am asking the Chief Minister. Could you not have looked further and said rather than trying to do it all in the next few years perhaps we should be spreading this out ...

**The Chief Minister:**

The question comes down to ... let us use the I.T. example, okay, and I know we are talking about bricks and mortar but it is still the same one, is that ...

**Senator K.L. Moore:**

The I.T. is very relevant.

**The Chief Minister:**

Yes, it is, that is part of the thing. So we have said this I think probably at the last corporate hearing or the one before, I cannot remember. So the pressure on the I.T. spend was huge. It was not £100 million, it was ... I am looking at Jonathan and Scott. We were £400 million or £600 million, were we not, at one point? So that has been a prioritisation issue to bring it down to £100 million over the next 4 years, and there will be other projects, I am sure, beyond that curve which you will then start seeing because do not forget the Government Plan next year will also have another year on top of that.

**Deputy K.F. Morel:**

Sorry, more like £100 million next year, not within the next 4 years.

**The Chief Minister:**

For I.T.?

**Chief Operating Officer:**

For I.T. it is £25 million next year.

**The Chief Minister:**

Do not do that to me, please, because ... so from that point of view you then have various ... on the capital projects side we will have had quite a lot of pressure coming through. I could with my tongue very firmly in my cheek look at Deputy Ward and say: "Do we not do the Youth Centre?" for example. Do you see what I mean? That it is the argument we will have at a political level.

**Senator S.C. Ferguson:**

Yes, but are you using the most efficient ... it is all right saying ... yes, we are doing this, that and the other ...

**Chief Executive:**

Perhaps just to help ...

**The Chief Minister:**

What I will say to Senator Ferguson, we will arrange to have a discussion with the people who look after capital projects and raise the points.

**Senator K.L. Moore:**

We are just going to go to Deputy Ward, then Mr. Parker and then we will discuss what we are going to do given the time, because we have another 4 questions after this section.

**Deputy R.J. Ward:**

A question regards both I.T. and capital projects. One of the things about I.T. is that in some of the Government Plan it is a cost at the beginning, Les Quennevais School, for example, installing the I.T. equipment and then in the years after that there is 0, 0, 0, 0. Is this not an issue that we do badly very well in Jersey, which is build something or buy something and we do not maintain it and we do not have the backup.

**Chief Executive:**

I would not disagree with you.

**Deputy R.J. Ward:**

Is there not a risk that with so many capital projects ... is the maintenance of these buildings, because we have a lot of buildings that require maintenance and a lot of I.T. systems that require maintenance?

**Chief Executive:**

Just to help on 2 fronts. One of the things about loading up, if you take I.T. - and Deputy Wickenden could probably say a bit more - one of the things that you would have done in the past is buy kit. You do not do that now, you buy licences. To do that you can spend money very quickly to get the licences to enable you then to upgrade. It is not the same as having a huge amount of capacity issue and spend challenge when you are having to order, get everything in and do the rest. That comes. So there will be a ...

**Deputy R.J. Ward:**

Sorry, when you say licensing do you mean a sort of leasing of equipment?

**Chief Executive:**

Well, licensing and updating, it is all now done on the software. John can tell you a bit more about this.

**Senator K.L. Moore:**

Do not forget our 5 million of replacement assets annually.

**Chief Executive:**

Yes. So what I am trying to say is there is a different model now but you have to, by law, categorise that as capital spend. That is a very interesting facet of accounting processes. That is one thing. The second bit, which is your point about maintenance, we do not look at lifecycle costs and we have not for a very, very long time. In fact, the Chief Minister talks about issues that he raised 10 years ago about exactly those points. That is lifecycle costs not just for buildings but also for kit, and that is a big issue. I do think that we have ... I think collectively we would agree we have some very raw experiences on Island where things have been done the wrong way around or not taking account of the full costs that are necessary to do that. One of the other things that we have done in the I.T. which is really important is we have been upfront and honest about the revenue support costs that you are going to need over 7 or 8 years to be able to deliver the capital piece. So your capacity to do it properly is improved. The final bit I would say about capital, and it is important, is that we have some quite big capital schemes online that are spending very heavily now. Richard's point earlier about activity that was being pre-planned is now coming to the market, which means that we have supply chains and contracts to let, it is just how we spend the money. Quennevais School this year is spending now at a really significant amount. In order to be able to continue that we obviously have quite a bulge in this year and next. The waste water system is coming on stream and that is going to spend very heavily next year, but all the supply chains for that are secured. It will not necessarily be as a product of this Government Plan, it is the continuation of spend that means that you do have a bigger amount over the next short period because projects are more mature.

**Senator K.L. Moore:**

Just one final point, in a previous hearing with the C.O.O. we were told that in relation to the I.T. projects the minimum time period was in action or being used for the delivery of these projects, therefore we revert to the Deputy's question, which was could this not be spread over a longer period of time to ease the burden?

**Chief Operating Officer:**

From a technical perspective, absolutely. Although there is a couple that you would not want to, like cyber.

**Deputy K.F. Morel:**

Cybersecurity.

**Chief Operating Officer:**

Yes, cybersecurity. You would to get on with that as soon as possible. The upfront ones are the foundations, the other projects then are the ones that deliver the efficiencies. If you do not roll out the integrated technology solution, if you push it back 2 or 3 years then the benefits of transforming the way finance works, the way we manage our people get delayed equally so you lose the benefits.

**The Chief Minister:**

More you will then get hit presumably by the start of your curve of people that you are losing. Depending on where you are on the money and approach and what the timing is, you will then get direct - as Deputy Ward and Deputy Le Hegarat are worried about - impacts on people.

**Assistant Chief Minister:**

I will give you an example. The smart police, when you were Minister for Home Affairs, you would not have pushed that back because the efficiencies and the way the police are working now is a much, much better way for them and the morale is better because of the way that they work. So you would not push these things back because the efficiencies are so important to the way we work and deliver the services.

**Senator K.L. Moore:**

Thank you. Just to look quickly at that, and I am just trying to find the right page, just bear with me one second. I was trying to give you the exact numbers but I am sure that you know them already. At the moment the Technology Transformation Programme allocates £3 million in the first year, £5 million in the next and £17 million in the following.

**Chief Operating Officer:**

In revenue costs, yes.

**Senator K.L. Moore:**

Yes, in revenue costs, exactly. There are also the capital costs of £5 million annually as well. If, for example, those figure were to be cut back slightly, so not stopped but just cut back to steady the flow of that revenue spend, would that be a possibility?

**Chief Operating Officer:**

From a technical perspective you can slow down the programmes but, as I say, as you reduce ... the main revenue elements in there are in the first year it is mainly Microsoft products and the cyber

stuff as in year 2. So the first 2 years you would not. You then start picking up the revenue costs of things like the electronic patient record, so you could decide to slow down electronic patient records, the downside of that is, first, you will lose your potential efficiencies of getting rid of all the paper; secondly, when you come to build a hospital you have to build a record store, which you will not do if you can get on with it and digitise all those records.

**Senator K.L. Moore:**

It does not seem very likely that we will be at that point.

**Deputy K.F. Morel:**

The trouble here is that none of that is explained in this document. The £17 million appears in 2022, it does not tell us why that is appearing in 2022 so I think you can understand why ...

**Chief Operating Officer:**

I can circulate it again but I believe we did circulate the full Green Book business case.

**Deputy K.F. Morel:**

Yes, I am talking about this is what the public got and so the public wants to understand why there is £17 million in 2022, it is a lot of money.

**Senator K.L. Moore:**

We have been through that.

**The Chief Minister:**

To an extent there is always a trade-off though between the commercial confidentiality potentially, which is why it goes to Scrutiny, and hopefully the public have confidence in the Scrutiny process who say: "Yes, it is a good thing to do" or: "No, it is not a good thing to do." That is the barrier in it.

**Senator K.L. Moore:**

We are running 10 minutes over the time we had allocated already so I apologise for allowing that to happen in the first instance. We do have, as I mentioned, a further 4 questions which I would very much like to pose to you if you could all spare the time for us. We can try to get through it in 10 to 15 minutes. Would that be all right?

**The Chief Minister:**

Okay, that is fine. Can I just make the point, just to finalise on that last question? The point is there are consequences of delay and there are consequences potentially that have knock-on effects which will either cost us more money - well, do cost us more money - whether they outweigh the original

benefit of delaying things is a question depending on what the circumstances are. Potentially you either hit the efficiencies programme in 2023 or, as John referred to, you have to build bigger things which you do not need.

**Senator K.L. Moore:**

In a quarterly hearing with Corporate Services on 3rd October, the Minister for Treasury and Resources described the Government Plan as a vision. She also went on to say it did not need to deliver the necessary detail that one would expect in an M.T.F.P. Do you, Chief Minister, believe that it is appropriate to produce a vision months in advance of the actual costing documents, particularly when you are asking the public to pay a further 12 per cent in terms of increased spending?

**The Chief Minister:**

I think we are conflating 2 things there. In terms of ...

**Senator K.L. Moore:**

It was called a vision document. Do you think that is the right way to describe your Government Plan?

**The Chief Minister:**

I am glad somebody is calling it a vision because I think I was described some months ago as somebody who was lacklustre, did not have a vision and did not have a plan. We have the C.S.P. as the strategic vision, we have the Government Plan, which is the plan, so I am a man with a plan now, and now we have details to implement it if it is approved in November.

**Assistant Chief Minister:**

Any future plan is a vision anyway, is it not?

**The Chief Minister:**

Exactly, and we know that any future plan is also an estimation process, so does that answer the question or help answer the question, briefly.

**Senator K.L. Moore:**

Kind of. When you are going out to the public and asking them to back your 12 per cent additional revenue spending every year is that an appropriate way to ...

**The Chief Minister:**

I think the public are very clear when we are all elected, as I am sure hopefully all of us were in this room, that some of their priorities were housing, mental health, children's services, all those type of areas. What we have tried to do and I think the C.S.P. was unanimously approved by everybody in the Assembly at the time, that is what we try to accommodate or take into account when we put all of our views together in producing that document. This then implements that vision ...

**Deputy K.F. Morel:**

Plus the stick.

**The Chief Minister:**

Modernising Government has always been in there - and I have lost the page again - and it was, as we know, an ongoing initiative which specifically says: "A modern, innovative public sector that meets the needs of Islanders effectively and efficiently." It is in there.

**Assistant Chief Minister:**

It would have looked weird if we did not try and say, when we are doing so much change and so much modernisation, that we did not ...

**Deputy K.F. Morel:**

What I am trying to get at is the tension between modernising Government, which means the Government focusing on itself as opposed to delivering the priorities which were agreed which are about delivering ...

**The Chief Minister:**

All right, I am going to challenge you there, Deputy, because modernising Government is not a Government focusing on itself, it is trying to produce ... and bearing in mind, which I absolutely agree with Senator Ferguson's views on, some people do not have I.T. access, which we must not forget, a lot of Islanders require or would expect modern efficient services in the way they are delivered. What has been very clear is that, for all sorts of reasons, and they go back a long way potentially, that investment has been put in there in the first place. To deliver the 5 visions or objectives in the C.S.P. you have to get the underlying foundations built. That is what we are doing. We doing the legacy issues but it is around putting Islanders first to deliver the better services.

[16:45]

So it is not about Government supporting itself, it is about Government improving itself. It depends how it is presented, Government improving its services to support Islanders ultimately.

**Chief Executive:**

It is not a matter for me in terms of the political priorities but a large number of public have said how they do think it is a reasonably strong narrative that justifies expenditure. That it is clear and that it is simple to follow and to work through. The other thing that I think has come out is that there is a long-term set of ambitions with an investment programme attached to it. Too often we have taken short-term decisions. Too often there have been what I would call pet projects which have been at the cost of efficient public services. If you talk to a lot of Islanders who access our services they do not feel that it represents good value for money or that it is what they would expect in a place which is as competitive and as important economically as Jersey is. I think that is really important when we are looking at this. I understand the temptation to chop and change profiles, to make decisions about: "This is a large amount of money, should you do this, should you do that?" You have to look at this over a longer timeframe because if you do not do some of this the cost will be potentially prohibitive.

**Deputy K.F. Morel:**

I accept that. The trouble is while you always want to look over a longer timeframe, you also have to look at the short-term timeframe of what the average Jerseyman has in his pocket and you cannot go beyond that because you are taking more out of the pockets in order to fund that.

**The Chief Minister:**

We are not taking very much out of people's pockets and we have all set that by the increase in ... every budget in the business plan or M.T.F.P. or whatever it was has always taken money out of people's pockets.

**Senator K.L. Moore:**

It does not mean you have to do it.

**Senator S.C. Ferguson:**

But we have to deliver.

**The Chief Minister:**

But what I do, if we go right back to the conversation we ended on last time around, if a WannaCry attack hits here equivalent and operations are cancelled because we did not want to spend the money on a boring I.T. system which nobody will understand, that is the equivalent and that is the decision we have got to make.

**Deputy K.F. Morel:**

I am not in no way criticising you, I was talking about the tensions ...

**The Chief Minister:**

No, no. We believe - we have had these kind of discussions around the table - this the size of the Council of Ministers or larger, but that is those tensions where you are trying to essentially budget for the different priorities and make sure you can continue delivering the services and that is what we think we have achieved.

**Chief Executive:**

The big issue, I think, is when you look at the demographic changes that are occurring and if you do not deal with some of the structural problems, Long Term Care Fund is a good example, those things are, for whatever reason, something that has a cost attached to it but it is important for those people who will be the beneficiaries of it. If you are not doing it, as the F.P.P. says, and in the same way dealing with the Stabilisation Fund and dealing with efficiencies as an ongoing issue, which is not just a one-off issue, then you will not be creating the opportunity for all members of the Island to benefit in their different requirements. If you are old and you are sick and you do not have good health care and/or if you are in any - and I hope this is not going to happen - downturn where you lose your job or if you are a young person who is experiencing problems with our Children's Services or if you are someone who has mental health problems or if you want to see the long-term sustainability of our Island and also you need to retain the competitive base, therefore improve your skills and training, there is a price. What needs to be done now is some serious decisions about prioritisation. The plan attempts to do that in an environment where it also has to deal with some really quite important structural changes economically, physically and socially in the Island.

**Deputy R.J. Ward:**

Are we not basically saying that the low tax high-spend model is broken? That is a political question for you.

**Deputy K.F. Morel:**

That is the discussion that needs to be ...

**Senator K.L. Moore:**

Shall we just stick with one question at a time? Sorry, Senator.

**Senator S.C. Ferguson:**

Sorry, yes, when you talk about the cost ...

**Senator K.L. Moore:**

There was a question there.

**Deputy K.F. Morel:**

That is a genuine question because I mean ...

**Senator S.C. Ferguson:**

Have you talked of the fact that I know that small businesses who are going to have their fuel costs increased by 25 per cent because of Falklands on the cost of fuel?

**Senator K.L. Moore:**

I think that is a political question and I think ...

**Senator S.C. Ferguson:**

I know it is a political question, I know, but we need perhaps to say more about if you make these sort of decisions for the public, you need to explain to the public how much it is going to cost them. When you are my ...

**Chief Operating Officer:**

I think you were going to just have the implication figures ...

**The Chief Minister:**

Yes, I am just thinking through, there is a brief analysis of, for example, the budget in the document; I would hope in a reasonably readable form. Sorry, we ...

**Deputy R.J. Ward:**

It was just a political point ...

**Deputy K.F. Morel:**

A party political broadcast, yes.

**Deputy R.J. Ward:**

Let us take the opportunity. You know where I come from, but quite genuinely it is a discussion that needs to be had about the low-tax economy that we have with the type of services that we want to provide, given the lack of investment for so long, that needs repair and it does need repair.

**The Chief Minister:**

I think the extent in there is what we have I think achieved is we have managed to balance by keeping reasonably down tax increases, okay. It does depend on what we put long-term care in it to then meet what we believe are the reasonable expectations that can be achieved in the period of

Government Plan. We are still a reasonably low-tax jurisdiction. Your question is, yes, you can tax us up until 50 per cent and you can watch a whole variety of people leave the Island, I suspect, and watch the economy take the impacts on that. The other is ...

**Deputy R.J. Ward:**

I asked you a political question and I got a political answer.

**The Chief Minister:**

That is definitely a political ... exactly.

**Senator K.L. Moore:**

There you go. We have just got a couple of more questions picking up on previous hearings. The P.A.C. hearing on 23rd September, I am told the C.E.O. (Chief Executive Officer) stated that: "The Government Plan process integrates performance measures in their wider sense in terms of outcomes." Again, we have talked today about performance measures and the fact that they are going to be brought forward soon, however, the measures in the plan, the glossy, there is no baseline; there is no outcome. It is simply a collection of phrases that one could ask: which direction are you wanting to go? Let us open up one, the number of children excluded from school, okay, we would assume that we want that to reduce, but it could be that the indication is that it is going to go up.

**Chief Executive:**

No. It does say that these are the indicators, it does not say what the direction of travel. It says very clearly that is going to come out in the proposed departmental business plans, which I think is the ...

**Senator K.L. Moore:**

But these are all statistics that are available now and so why should we have to go and look for them and then guess which direction of travel you are preparing or proposing in this Government Plan?

**Chief Executive:**

This is the first time, I think, there has ever been an attempt to move towards an outcome performance framework. There will be some data which we do not have for the baseline, correct.

**Senator K.L. Moore:**

I think the majority of the measures, the things that exist ...

**Chief Executive:**

We do also have, as we have made clear and I think we said in P.A.C. - it was a very long conversation - a proposal that will show where we want to start and where we want to go, picking up on Future Jersey and also picking up on the performance framework, which we are going to share with Scrutiny this side of Christmas, as was always planned, in order to introduce from the beginning of next year. You will, as you go forward, then start to be able to measure that, as was outlined earlier, and give you some confidence about the direction of travel. It will not be every year because that would be pointless; it needs to be on a regular basis and we will be seeing that.

**Senator K.L. Moore:**

But one would hope and expect that your baseline will appear in next year's report ...

**Chief Executive:**

Exactly, exactly.

**Senator K.L. Moore:**

... where we are at in 2020, so that people can assess whether any progress is being made. I am sorry that you are no longer at the table.

**Senator S.C. Ferguson:**

May I suggest that everybody looks at the work on outcomes that the International Development team have got? Because I think they are very good on their outcomes, they are ...

**Chief Executive:**

This is J.O.A. (Jersey Overseas Aid).

**Senator S.C. Ferguson:**

J.O.A., yes, overseas aid. It is an excellent piece of work.

**Senator K.L. Moore:**

Okay, the final question. There was a hearing held with the Children's Commissioner on 2nd October and during that hearing she noted that the Government Plan does not say how the Government are going to deliver on projects such as reducing the number of children being bullied. Why were more detailed plans not included within the Government Plan?

**Chief Executive:**

Just on that, the Children's Plan does do that and if you recall the Children's Plan ... let me rephrase that, the Children's Plan starts to do that because I think it is fair to say it is a work in progress. You have a number of documents that will be strategically important for driving some of the activities of

key departments, some of which are outside of the Government Plan but will be where you would reference and link it back. I also understand that the Minister for Education wishes to bring forward, as part of some of her reviews of early years and schools, a whole raft of arrangements about how and what social indicators and proxies will be used around things like bullying, things like, dare I say it, mental health and other pressures. I do not think you can accommodate everything in the Government Plan but I do think you have to read the Government Plan as part of a family of documents that represent the Government's strategic agenda. Individual Ministers will bring that forward and we would expect, in the same way we have had the conversation today, aspects of that to be subject to more rigorous scrutiny where appropriate, business plans to be brought forward. I have had to write to you, unfortunately, but we have got a briefing coming on office accommodation for your 2 Scrutiny meetings coming up, to take you through the fine grain. You would not put that in the Government Plan because then it would not be read by Islanders because the Government Plan would be this big.

**The Chief Minister:**

Yes, and I think that was what I was going to say, at what point do you cut the detail off because you are trying to get people to understand. Talk about drowning.

**Senator S.C. Ferguson:**

As a matter of fact, I think doing outcomes for things like how you decide whether bullying has been reduced, that is quite a tricky one to work out how you detect it.

**The Chief Minister:**

I think that is one of the issues within ...

**Senator K.L. Moore:**

The final, final question, how do you propose working with the Commissioner going forward to ensure that those policies relating to children and I guess the proposals of the Children's Plan are delivered?

**The Chief Minister:**

The bulk obviously of the work is through the Minister for Children and, for your information, I meet the Children's Commissioner at least quarterly and if there is something urgent she comes to me directly. We work quite closely together within the team. I think that is what you would expect.

**Senator K.L. Moore:**

Thank you all. I am sorry to have kept you overtime but I am grateful that you have all given up your time this afternoon and I close the hearing.

**The Chief Minister:**

No problem, thank you very much.

[16:58]