



Corporate Services Scrutiny Panel

Government Plan 2022 - 2025

Witness: The Chief Minister

Friday, 5th November 2021

Panel:

Senator K.L. Moore (Chair)

Deputy S.M. Ahier of St. Helier (Vice-Chair)

Senator T.A. Vallois

Witnesses:

Senator J.A.N. Le Fondré, The Chief Minister

Deputy S.M. Wickenden of St. Helier, Assistant Chief Minister

Mr. P. Martin, Interim Chief Executive

Mr. R. Bell, Treasurer of the States

Mr. J. Quinn, Chief Operating Officer

Mr. M. Grimley, Group Director, People and Corporate Services

[14:01]

[No audio for first 2 minutes]

The Chief Minister:

-- which is I think we expect in 2024 and then there is provision made in the plans for that for the "one front door" to be operational.

Senator K.L. Moore:

In the interim, how will the public access that one front door in all of that advice?

The Chief Minister:

At the moment, as far as I am aware, there is no great change to what we have had for the last few months, which is at the moment, as I understand it - maybe Paul can correct me - they ring in, get an appointment.

Interim Chief Executive:

That is the position currently and I think our view is that that is proving to be a productive and effective way of meeting customer needs. We are alert to the experience we have had during the pandemic and where customer service has been enhanced and where we have been able to see more customers than we might otherwise have done. So the intention is to retain that for the time being and to continue to monitor it.

Senator K.L. Moore:

Is there an intention perhaps to move more services and certainly support and advice for members of the public online so that they may have more fluid access?

Interim Chief Executive:

Most certainly. I think the future of customer services is a combination of digital delivery, which is increasingly convenient for many people because they can access services 24/7, wherever they are, but alongside telephone-based and face-to-face services. In terms of cost effectiveness, of course, for the taxpayer, for Islanders, the most efficient form of service is self-service digitally, which is also the most convenient for many people. The telephone service is more expensive than that and the most expensive of all is face to face. Therefore it makes sense, as far as we can, to migrate as much customer service as we can to more economic digital self-service means, but there will always be a need - of course there will - for a continuing telephone and face-to-face service for certain customers.

Senator K.L. Moore:

Thank you. Has there been any consultation with the public with regard those changes?

Interim Chief Executive:

Part of the Jersey performance management framework, which we have developed over a period of time - particularly this year - is to incorporate within all of the performance metrics at our disposal, customer feedback. So we certainly incorporate as much customer feedback that we receive, by way of complaints and in other forms, into that overall evaluation quarter by quarter of what residents are telling us. Yes, we continuously listen to residents and want to hear that feedback.

Senator K.L. Moore:

What is the average volume of customer feedback per quarter?

Interim Chief Executive:

I do not have those figures in front of me. But it will run certainly into hundreds of pieces of feedback every quarter.

Senator T.A. Vallois:

I have modernisation and digital strategy. I had this on Monday with P.A.C. (Public Accounts Committee) so trying not to cover exactly the same ground so it is more kind of trying from the political answers in terms of this. I suppose the simple question to start off with is about an explanation around the information technology project spend and how it continues to evolve and change each year and why, if we were to compare it with other areas of spend, there is no firm budget, as such, that is required when bidding for fund allocation in this area?

The Chief Minister:

I think for technicalities obviously I have to hand over to Scott and John but the principles ... so if we go back to the fundamentals, which I think is what you are asking, is there was, and have been for a long time, fundamental underinvestment in I.T. (information technology) to the extent that ... so, for example, the main financial programme - I will use that word - which was JD Edwards, John will correct me, but I would say was not ... when I say "supported", I think since 2005 from memory in terms of upgrades and things like that it was already a system on its way out, I suppose would be my terminology - I might be slightly wrong - when I first came to the Assembly, which I never appreciated. Obviously to my slight interest, as somebody who was formerly involved in computer auditing, there are still, I think, at least one AS400 around, which is a piece of kit, which I attempted to do a little bit of an audit on in the early 1990s, and I think others. So we have old equipment and essentially systems that are getting close to not being fit for purpose for the 21st century. The principles there are we have also got a set of budgets in there for various pieces of work and obviously, and I take great pleasure in praising the team for the fact that they actually brought in Office 365 as part of that initial transformation programme, which frankly I think saved (a) the organisation and (b) the Assembly, or the other way round depending where you want to put it, in terms of being able to deal with COVID, because it came in on a timely basis even when we were being criticised then for the level of spend on I.T. Obviously the principles, and I will hand over very shortly, is that there has been an initial budget before and then there has been effectively a discovery phase. That discovery phase continues to an extent in certain areas. Probably as anticipated, we are discovering a lot more issues in various areas. Obviously one of the big challenges, which a lot of work has been going on, has been about breaking down the silos so you do not have an I.T. team in Treasury and a fundamental one in what was Computer Services and a separate one in Health. We are trying to bring all that together. That is kind of the simplistic layman's view of what has been going on. What we are then trying to do is bring the systems to a state where is what we call that

golden thread of bringing data together that you can then have almost one record for the Islander, which then gives us that amount of data. That means our service going forward will be a lot better. But it is a work in progress. You do not do something of this order of change, given the poor state the systems were in, in 2 years. But progress is being made. What have I missed?

Chief Operating Officer:

I think you have covered it all. In terms of spend, if we exclude the I.T.S. (integrated technology solutions) programme, the spend envelopes are the same. So MS Foundation, if you go back to the 2020 Government Plan, it was £9 million over 2 years; we are going to spend £9 million over 3 years. The same with cybersecurity was £13.8 million over 2, it is now over 3. That extension is partly the result of discovery, as the Chief Minister has highlighted, but also because of the impact of COVID. Both programs were impacted in different ways. The MS Foundation programme, we had to fundamentally turn it on its head in March 2020 because rolling out Office 365 and making Teams available across the estate was the priority so that everyone could work from home. That meant that we had to take a very different approach to the one we had originally planned. Cyber was more delayed because of the use of external parties and contracting the external parties and letting those contracts during COVID was more difficult. The one programme which has gone up is the I.T.S. programme, and we published the full business case in the first quarter of this year and we are still running online with that published full business case.

Senator K.L. Moore:

Previously when this panel recommended to yourselves that the spend on those projects should be smoothed over a greater period of time to enable greater affordability we were told that it was not possible due to concerns about cybersecurity. So what has changed the opinion of the people managing this project now and why do you feel more comforted to spread it over a longer period?

Chief Operating Officer:

I do not feel more comforted to spread it. I have been forced to spread it. When I sat in front of this panel in 2019 the word "COVID" was not on my agenda.

Assistant Chief Minister:

It was not about affordability, it was about capacity, and capacity we cannot be asking for money that we know we are not going to spend. That is not a prudent way to allocate taxpayers' money. The wonderful thing about moving from M.T.F.P. (Medium Term Financial Plan) to a Government Plan is that we are able to review on an annual basis and reassess what is needed. I think it is very prudent for taxpayers' money that we are assessing and we are amending to make sure that we are only asking for money so we are not taking money out of other important projects that need to be done to deliver for the Island.

Senator K.L. Moore:

It is just interesting the approach to taking advice from Scrutiny Panels, which we are here to be a critical friend, but we move on to the next question.

Senator T.A. Vallois:

If I can then, which will probably be helpful, page 136 where it defines the various areas of the major projects, whether that is MS Foundation, cyber, integrated technology solutions, there is a significant estimated allocation of money for 2022. Just in, I suppose, laymen's terms for those who do not understand I.T. or those particular areas; £5.5 million on MS Foundation, £4.3 million on cyber, what does that do? What does that mean to the person in the street?

Assistant Chief Minister:

The MS Foundation was what saved us over COVID. That was bringing in the Office 365, Teams and we had to change the profiling. We had a longer lead out to deliver that programme but as COVID hit and we had to work more remotely from home, so that we could keep government services running we had to reprofile and bring that forward. Because we had that plan in the Government Plan and we were able to do that and we would set out to do it, that is what enabled us to move forward. That is what the MS Foundation was about. We were always looking to move towards the Office 365 and the Teams working going forward. That was the normal plan. We had to do it a lot quicker than we expected.

Senator T.A. Vallois:

Okay, so you have done that. But we have £5.5 million for next year so what are you doing with that next year?

Chief Operating Officer:

There is continuous rollout of 365 because we have not finished it. There is still a chunk of Health that needs 365 rolled out to it.

[14:15]

Police do, they are not currently on our 365 estate. But the remainder is the bit we were going to do first before we did 365 which is the Azure estate. So we have to tidy up our current Azure estate. Azure is our cloud estate. We will start to migrate applications out of the data centre into the Azure estate.

Senator T.A. Vallois:

The cyber, £4.3 million? I can make an assumption here but I am not going to.

Chief Operating Officer:

We set out 2 tranches for the cyber programme. Clearly in a public hearing I am not going to go into what those were but I am very happy to do a private briefing, if you would like. I think we did include the cyber briefing in the private briefing that we provided you previously. The money for this year is for tranche 2 and that is about picking out some of the remaining high-risk areas and addressing them.

The Chief Minister:

Cybersecurity is about obviously keeping systems secure so from ideally external ...

Senator T.A. Vallois:

I understand. I just did not want to make assumptions.

Assistant Chief Minister:

That is why we set that out.

Senator T.A. Vallois:

That differential to the I.T.S., the I.T.S. is purely to deal with the legacy that the Chief Minister has referred to in terms of the old systems and moving to cloud and having all those bits and pieces, that is what I.T.S. is predominantly about?

Chief Operating Officer:

I.T.S. has put 4 releases to it. The first release is the one the Chief Minister described, which is the replacement of JD Edwards and Supply Jersey. That takes out one of the biggest risks we have in our legacy estate of I.T. The second release replaces our current H.R. (human resources) systems, and you will know that they are not the best at the moment both in terms of usability but also in terms of the quality of data we have. The third release will replace our current disparate asset management systems to bring them all into one integrated system, and that will then link in. Because it is part of the I.T.S. that will join up directly with finance. That will include all of our major assets, so real estate assets, our linear assets; by that I mean things like sewer pipes, seawalls, roads as well as our movable assets like trucks and lorries and anything else that you can move around, cranes, et cetera. In the fourth release, is around building on the first release around our commercial work. The first release will put in a purchasing system that replaces Supply Jersey. What the fourth release will do is put in the supply chain management and supply management activities. In total I think we retire about 23 different systems with the one system.

Senator T.A. Vallois:

That is a great deal. But in terms of that, and it is a big project, and there are always risks to every project that is carried out. From a political point of view, how do you assure yourself that the funds are being spent in the right way and that direction is not fundamentally 360 change in half a year? How do you assure yourself that what is being spent on these projects is right?

Assistant Chief Minister:

I have regular briefings with the Modernisation and Digital Team. I have meetings with the senior leadership team. I think I am in a fortunate position where that was my history of work before I came into politics. I have a really good understanding of large I.T. programmes, of project management and enablement in that area. So I spend weekly meetings, meeting with my senior teams to discuss how the project is going, where the risks are, where the challenges or reprofiling need to be made, and why that is happening. If there are challenges then I am there politically to go and see where I can work with other departments to try and get those challenges gone.

Senator T.A. Vallois:

One of the risks that could potentially arise, which has been noted in the mid-year report as an example, is of course the ability to find the right stuff to carry out these projects. In terms of the difficulties to recruit, is that still a risk and, if so, how high a risk? Therefore, what does that mean for the project for 2022?

Assistant Chief Minister:

Yes, it is a risk. I.T. skills globally are - very much like in nursing I suppose right now - in much demand. They are very expensive. If we put our price up too much then the competitors will bid their price up even more and try and entice our staff to move out. It is a challenge. It is about working with whoever comes and joins us and having the right discussions about the exciting work that we are doing and what we are delivering and being part of a team that is doing very exciting work that is on the cutting edge. But it is always a risk because everyone is trying to move more digital and those skills are in high demand.

Senator T.A. Vallois:

Considering the competitiveness of the world of I.T. or information technology, whatever we call it these days, around the world, are we being competitive enough?

Chief Operating Officer:

Some skills are very rare and cyber is one area where you have a cyber qualification you can command considerable reward. We are having to look at different models. So more contracting for services of outcomes rather than employing people directly to achieve things. In other areas we are

doing reasonably well. We have attracted, and you have met some of the senior team in other meetings, some very good people from the private sector both on-Island and off-Island to our business. It is a mixture. Cyber is the one area where I think we would all say it has become the hot topic and if you want to make a lot of money get yourself some cyber qualifications.

Assistant Chief Minister:

That means full-time staff is the challenge more than ... there are plenty of services out there that we can bring in to use their expertise, but full-time recruitment can be challenging for that area specifically.

Senator T.A. Vallois:

It was indicated in the hearing I was in earlier this week at P.A.C. that a replanning exercise for I.T.S. is underway. Are you able to outline what this is and whether there are any additional costs anticipated?

Chief Operating Officer:

There are no additional costs anticipated and the planning exercise is largely looking at how best we have sequenced the 4 releases to maximise the use of resource and minimise the cost of resource. There is a point in the whole programme when all 4 releases are in different phases. We have 2 things we want to avoid. One is trying to use the same person twice in the same day in 2 different parts of the programme because that is simply not possible. As I have said to you in that hearing earlier in the week, one of the characteristics of Jersey Government is that it is a very shallow organisation. In many cases there is only one person who does something. If you want them for 2 workstreams at the same time you cannot have them for 2 workstreams at the same time, particularly if they have a day job as well. There is a bit of sequencing around resource planning. There is also, with our contractor partners, making sure that we avoid bringing in 2 of anything. If you take a solution architect you do not want to run 2 workshops at the same time, which require a solution architect. You want to phase those workshops so that a solution architect can hop between one one day and one the next day. There is an element of that. As I said, the area where there is most pressure at the moment is around testing resource and the current plan has testing for finance happening exactly when the annual report and accounts need to be produced. We are looking about can we reschedule that testing in a way that allows us to free up some of the resource that we might call on. So sort of longer and thinner rather than shorter and fatter testing. The overall cost to the programme remain within the agreed budget. So it is more about when you use the resource rather than what resource you use.

Senator T.A. Vallois:

You also mentioned in the hearing about the police and education asset infrastructure that is currently being analysed to a certain end of life. If there is further funding required where will that be drawn from if that is the case in 2022?

Chief Operating Officer:

As you are aware, we have a replacement asset budget, wherever possible, where kit becomes end of life that is what it is there for. It is the same way in your own home, when your fridge wears out you make provision for the fact that at some point you are going to have to buy a new fridge or a new television or whatever. If we find that there were substantial requirements beyond that which could be accommodated within the asset replacement budget then they will go into the 2023 Government Plan.

Senator T.A. Vallois:

That is the £3 million that is allocated?

Chief Operating Officer:

£3 million allocated, yes.

Senator T.A. Vallois:

It has been mentioned in the C. and A.G. (Comptroller and Attorney General) report and P.A.C. hearing, but it is I think a direct question to the Chief Minister or Assistant Chief Minister from a political point of view about having a technology strategy or having a digital strategy are 2 different things, as I understand. I do not profess to be an expert in this. But it was indicated in our last hearing that a technology strategy will be communicated this year. Just an indication of whether there will be a strategy coming forward or not.

Assistant Chief Minister:

As we are working through and we are looking at what the challenges are, and we are delivering these programmes, we need to lay out a roadmap and a plan for once we get the solutions in place how that then affects other services going forward and how we bring things on. That is all being looked at, at the moment. So there will be a kind of roadmap strategy that we will have.

Chief Operating Officer:

Just as a non-political comment. The next meeting on the strategy is at 4.00 this afternoon.

Senator T.A. Vallois:

So there will definitely be a strategy coming forward?

Chief Operating Officer:

Yes.

Senator T.A. Vallois:

Is that an I.T. strategy or a digital strategy?

Chief Operating Officer:

It will be an I.T. strategy.

Senator T.A. Vallois:

Because I need to understand the difference between the 2 because of course the C. and A.G. has made a recommendation. We are not following up C. and A.G. recommendations of course but this is about politically taking it forward what does that mean and what does that look like.

Assistant Chief Minister:

The difference between I.T. strategy and digital strategy, the I.T. strategy looks at your systems that you are putting in place. Your digital strategy looks at your services and how they are used for government services.

Senator K.L. Moore:

What funding do you predict will be made available to make it happen?

Assistant Chief Minister:

The digital strategy, that is a future strategy. When we have the correct underlying components and technology strategy in place, that is when you bring it on. That will have to come forward in another Government Plan because it will not be an instant thing now. We still have the I.T.S. programme and other areas that we are trying to get the technology into the right place so that we can then create a digital strategy. As the C.E.O. (chief executive officer) said earlier, it is about the future of how people will deal with Government. Certainly about how children now, that when they start using government services, will expect digital enablement within the way that they work.

Senator K.L. Moore:

So the digitisation services that were described earlier is not funded yet?

Assistant Chief Minister:

No, because it is not going to be ... what we are doing right now, we deliver some services that are funded through the department from the digitisation, and most of them are more efficient ways of working. Future digital enablement and how we deal with that is not funded yet because we have

not come up with the plan on what we do. We need to get the technology and the cybersecurity in place before we start bringing all of our services into a digital way.

Senator K.L. Moore:

When the workforce is such a considerable percentage of the annual spend of the organisation as a whole, 42 per cent, let us say, to give round figures, that surely would be a focus of drive and intention because delivering greater digitisation therefore helps to reduce the spend on workforce.

Assistant Chief Minister:

Absolutely. But we cannot come up with a digital plan if we do not have the technology set up. We can make it up but again it would just be pie in the sky. We need to make sure we know where we are with the technology to do the digital strategy. It will be something that will be rebuilt on and rebuilt as we go forward. If we build a digital strategy now we know how fast technology and the like moves, it would be a wasted exercise right now to go to a forward plan in that way. Do you disagree, John?

Chief Operating Officer:

No, what I was going to say is we have not stood still. We have - I cannot remember the number now; I can get back to you with the number - hundreds of forms online that you can do today. We do that because that is part of our business-as-usual capability. Putting particularly the request for service from the citizen to the organisation online is something which is now business as usual. It is not a project. We have a capability to build forms and every time we do services they come to us. Also within the Government Plan, you will see there is do £1 million next year for service digitisation. That is to continue to build on the platform, and the 2 key elements about the platform are identities. So one of the challenges we have, if we go to 2-way communications ... most of what we do currently is one-way communications with the citizen.

[14:30]

They can send us things but we then do not respond back. To do that we need 2 things. We need a digital I.D. (identification), which we have one but we are conscious that there are people who are unable to use that existing digital I.D. or do not wish to use that digital I.D. and we are offering an alternative digital I.D. through Jersey Post, and that will go live next year. We also have started work and will develop next year a portal, so effectively a citizen hub which will be the point where you, as a citizen, will be able to go and collect information that we send to you. That then opens up a new way of doing services. On your point about staff and digitisation, it is an interesting challenge and one which I have wrestled with since I arrived here, that on the face of it, it looks like there are lots of things you should be able to alternate. The problem is the volumes are very low of what we

do. Individual items. When we looked at automating name and address changes and the “Tell me once” project, which we did do and we have done a chunk of, but when you look at the number of address changes we get every day it is a handful. Automation is expensive. We have really struggled to find business cases for things like robotic process automation. I have had every single major supplier of those products come to me and say: “We can save you money” and we have sent them round to C.L.S. (Community and Local Services) and they have come back and said: “Ah, maybe we cannot.”

Senator K.L. Moore:

In those circumstances, economies of scale is a well-known phenomenon. Most organisations struggle whether they will balance that in some way. What efforts have been made to go to our neighbouring island, the Bailiwick of Guernsey, to discuss shared effort or shared investment because surely they are trying to achieve similar things at the same time?

Chief Operating Officer:

That has not happened.

Assistant Chief Minister:

I do know that Guernsey have outsourced all their I.T. to a company so they just let somebody else deal with what they are doing.

Senator K.L. Moore:

Do you know offhand what the level of investment is?

Assistant Chief Minister:

No, I do not offhand. I have been trying to sort out a meeting, I just have not been able to get it.

Interim Chief Executive:

I think this time next week I will be in Guernsey and perhaps I will take this agenda to discuss with them. I know, as John said, they have Agilisys, I think.

Chief Operating Officer:

Agilisys is their partner.

Interim Chief Executive:

They have a single major contract there and I will be interested to see how that works and what state they are in.

Chief Operating Officer:

Without wishing to get overly technical, the problem with robotic process automation is it applies to an individual process. You could only share if they did it exactly the same way on exactly the same system. What I would say is that if you look at what we are doing as we develop new systems, and that is where the opportunity does come to us easily, we are putting in full automation. If you look at the process that probably everyone has been through now, going in and out of the Island and the testing process. So that process of going on to the website, registering, getting your Q.R. (Quick Response) code, getting your results back, getting the text that says you have now got your negative result or you have your positive result, all of that is fully automated. Where we start with a blank sheet of paper then it absolutely makes sense to automate. What is harder is to go back and retrofit processes. In many cases, if you were a private sector organisation in this position, your best option is probably to offshore it to a low-cost economy, keep the manual processes. That is what a private sector organisation would do in this situation.

The Chief Minister:

Going to your comment around Guernsey, I think there will always be, and certainly from my side, the political desire to try and do more than we started. We had a very good relationship in 2019. I think the issues come down to when you get down to the technicalities they are all at various different places and they are in their evolution, if that makes sense. If you do not have the same process here and here it is how you get there. Sometimes that process might be driven by a slightly nuanced difference in their law, for the sake of argument, and then of course you get into the politics of how do you bring it together and also a timeframe. But there were issues we could deal with, I think in places like that, which I think there was some work done at the time.

Senator K.L. Moore:

The suggestion there was that perhaps a private sector organisation might be looking to outsource or offshore in this situation as a more cost-effective alternative. Is that something that politically is something that you have explored?

The Chief Minister:

I think we briefly contemplated it but the issue you then get into is it is government data and it is where the location of that government data sits.

Chief Operating Officer:

You may or may not want your tax data in Manilla.

Senator T.A. Vallois:

Just briefly, in terms of the funds that we are spending on the integrated technology solution in particular, you are building this new platform. What future-proofing are you making sure that is in place so that we do not go back to square one again?

Chief Operating Officer:

One of the key design decisions and part of the choice of technology is that it is cloud-based. So it will not be running on old boxes, because it is always going to be in a modern data centre up in the cloud, and that it is evergreen. By evergreen, we mean that it gets renewed on a regular basis. If you think about your mobile phone you get software updates on a regular basis. Those software updates come normally with 2 types. One is background, which simply changes the operating system that we operate, sometimes they are fixing bugs, fixing patches, et cetera, then new features and new functionality. It is the same with the I.T.S. solution. We will get on a regular basis updates to the system. It can never be more. In fact, contractually it can never be more than 6 months out of date because we are compelled to upload the patches within 6 months.

Assistant Chief Minister:

Where we failed with JD Edwards is we customised it heavily. We could not update to the latest version because it would have just broken all the customisation when JD Edwards was put in. So we are doing more what is called O.O.T.B. (out of the box) with what we are doing going forward so that as suppliers - the contractors - as the versions go up and it changes it is not going to have the same problems as we have had with JD Edwards.

Senator T.A. Vallois:

On that basis, surely there has to be some resilience built in to the business-as-usual processes for when those out-of-the box changes happen every 6 months, as an example. There might be something significant that changes within one of these applications. How do you make sure that people are on top of it and that the systems can change quickly because everyone will tell you historically it has not necessarily been very good at that as a public sector?

Chief Operating Officer:

Within the code drops there will be 2 types. The background ones will just go in and people will not see them. For the ones that people will see, in the vast majority of cases they will be optional so we will have a choice whether we turn them on or not. We are, within Modernisation and Digital, creating as the programme develops a centre of excellence for the I.T.S. solution. Part of the role of the centre of excellence will be to test those code drops when they come and to work with the process owners to decide whether they want to take advantage of any enhancements that come along. That will include then updates of training material. So within the centre of excellence all the training material we are currently developing will be owned within the centre of excellence. That training

material will be updated if processes change. Similarly, any forms or anything like that will also get updated. So we are creating a capability to continue to exploit that. That was one of our key principles to this programme, that we would never get back into the position that we were.

Senator T.A. Vallois:

In terms of having your centre of excellence, it is great to have a central theme to understand what is going on, but I suppose the wider impact there may be something ... I cannot think off the top of my head. Like I say, I am not an I.T. professional but, as a case in point, there may be something within one of these changes that affect a part of the organisation that are not necessarily a part of that centre of excellence. Investment in training for the individuals to understand the utilisation of the changes, how will that be recognised in terms of support?

Chief Operating Officer:

In the same way that as we roll out we are creating a change network. So individuals within each of the departments and within each of the directorates within the departments, who will perform various roles of floor walker or superuser or trainer. If we take an example, say the way you purchase we want to change, we have control over when we change it. It is not inflicted on us. It is something we would switch when we want to. We would simply effectively do a mini-implementation, so within the centre of excellence they would develop the training material, we will then push it out. Either if it is formal training we will use the L. and D. (learning and development) capability within People and Corporate Services to run formal training. If it is more information - in many cases it is a bit like your iPhone, you do not go on a training course to know how to use your iPhone - it will be simply saying this is the new functionality and this is how you have to use it. That infrastructure that we are creating for the programme will be sitting down inevitably because it is not of the scale but will be available to support future rollouts.

Assistant Chief Minister:

Nowadays you can roll back so if we did implement something and we chose to go in the direction and realise that it was worse for the business we could always turn it off. Roll it back and put it back to the way it was before.

Senator T.A. Vallois:

Would there be a cost implication to that though ?

Chief Operating Officer:

Minor. Rollbacks are minor costs. But, yes, there would. But one of the things we will have is a user group going forward. In the way that we have created the change forum, which has representatives of each of the departments on it to support the main implementation, that will morph

into a user group, so we will have representatives of each of the departments in a user group. So we will discuss with them changes before we start the process of implementing the change. We will rely to some extent on the process. One of the key principles of the programme is that every process owners is not owned by I.T. The process for how you record and report our finances or how you pay an invoice belong to Richard ultimately. Within his team he will have process owners who own those processes. The first discussion will be with the process owner: do you want to implement this? The process owner will then take a view of: "I know all the parts of the organisation that pay invoices therefore I will go and make sure that it works for them."

Senator T.A. Vallois:

Thank you, I will pass over to Deputy Ahier.

Deputy S.M. Ahier of St. Helier:

Will we continue to be reliant on consultants to achieve the technology programme?

Chief Operating Officer:

Absolutely.

Deputy S.M. Ahier:

None of them can be resourced locally?

Chief Operating Officer:

We just talked about the challenges of recruiting. I think it is fair to say that where possible we are bringing in and we are constantly looking to recruit, but for a programme like the big I.T. programmes like the I.T.S. programme, there are very few, if any, S.A.P. (system analysis and programme) resources on the Island. One of the things that we have done, as part of the I.T.S. programme in our social value part of the programme, this is where we ask the partners to do things for the benefit of the Island, is we have got some licences for Highlands College on S.A.P. So Highlands College can now run S.A.P. training courses. In 5 or 6 years' time hopefully we will start to find some people coming out of college with S.A.P. experience.

Assistant Chief Minister:

We have partnered up in the I.T.S. programme with a local company to do the social value area. So there is a local company that is part of it that could deliver part of that programme. We do invest significant amounts of money in the I.T. companies within the Island across a number of different areas in the business as usual and the running of different services within the Island.

Chief Operating Officer:

By consultants I took it you to mean all external parties on-Island or off-Island, and, yes, we will ... in fact we will probably do more with them than less really to the point of the previous answer, as we find areas where it is hard to recruit or does not make sense for Government to recruit then we will look to buy outcomes as a service rather than try and recruit.

Deputy S.M. Ahier:

It is understood that a bespoke I.T. system was created for the Island's track-and-trace system. What has been done to ensure that expenditure is put to good use in the coming years and post-COVID?

[14:45]

Chief Operating Officer:

When we say "bespoke", I think we need to just take a slight step back in that it is bespoke but it is not written as code. It is a low-code solution. So effectively what we have is a number of containerised products from Microsoft, which we have bolted together to deliver the solution. One of the things that we did at the beginning was when we looked at the architecture was (a) it is cloud-based, (b) it is containerised solutions, low-code solution, and (c) it is reusable. It started off its life as a booking and testing system, and it was for booking COVID tests at the airport and at the port. It then become a way of booking other COVID tests. If you can book and test you can book and jab. So it became the booking system for all of the vaccination products up at the Fort. Should we decide that we want to do M.O.T. (Ministry of Transport) type tests on vehicles on the Island, and were Government to be the provider of that service, it could become the booking and the M.O.T. testing system it is a set of products that are bolted together to provide booking and testing. Going back to the conversation about the I.T. strategy, one of the most fundamental parts of the I.T. strategy is reusability. We are going to go away from the likes of developing bespoke, single product solutions to particular problems as we have done in the past, to using ideally off-the-shelf products, if they exist. Unfortunately, of course, the COVID booking system did not exist off the shelf anywhere in the world. Our second choice would be low-code solutions.

Deputy S.M. Ahier:

The Government Plan outlines that the COVID-19 test-and-trace programme technology will be funded as required. That is on page 44. Has the development of several bespoke technology solutions cost more than adopting systems developed in other jurisdictions?

The Chief Minister:

I think John has just answered that question.

Chief Operating Officer:

When the Chief Minister said to me: “We need to open the ports in July 2020 and you have got 4 weeks to put in place a system that will allow us to test everyone who comes through the ports” I do not think there was a system on the shelf that we could have gone out and bought. I know there was not; there was not a system. No one else had developed it. The next best thing is to work with a firm like Microsoft to use containerised products. We did offer it out, we did offer our intellectual property out, because we were one of the first, and a number of jurisdictions did look at our solution, but ultimately chose to do their own thing.

Deputy S.M. Ahier:

Would it be fair to assume that the cost of this project and other technology projects could be near limitless if controls are not put in place?

Chief Operating Officer:

I think “limitless” is the wrong word.

The Chief Minister:

Yes. Also if you do not have controls then there becomes a supposition that it is not controlled and it goes somewhere.

Chief Operating Officer:

We have got the corporate portfolio management board team that has been put together that all projects have to go through, so they have to upload their updates on their project plans, on their project delivery, on their finances. There is a central team that is being set up to make sure that there are controls in place, that there are checks and balances and that we know what is going on.

The Chief Minister:

This is not a buffet of unlimited cash that is going into a black hole. It is carefully controlled under the auspices politically of Scott but of John.

Chief Operating Officer:

As we said in the Government Plan, we described each of the individual projects and we put a budget against them. I cannot overspend those budgets because he gives me a hard time.

Deputy S.M. Ahier:

The budget for Modernisation and Digital has grown significantly in the last few years and is forecast to rise from £25.6 million in 2022 to £38.6 million in 2025. What is being done to ensure that this department is as efficient as possible?

Chief Operating Officer:

We did our target operating model and we did it based on industry best practice. We have a set of advisers who advise us on that. Clearly, it has had to flex and change since we did that because we did not know that we were going to respond to COVID, for a start. It is fair to say that we continue to evolve around the industry best practice. We work with Gartner on a regular basis to look at our model and how it compares to industry best practice and we constantly review our target operating models. I think that the area where we are - like the rest of the world - most vulnerable is in licensing costs and we have to continue to work, and again we work with Gartner around what are the right licensing costs, but unfortunately, and we see this particularly in health, inflation of capability comes with inflation of cost.

Deputy S.M. Ahier:

I notice that in your department over the next 4 years the number of F.T.E.s (full-time employees) remains steady at 364 people, and yet in the staff costs over the next 4 years they only increase by 1 per cent. Is there no possibility of any wage rises for your employees at all?

Chief Operating Officer:

Wage rises are fortunately funded by my colleague in the corner.

Deputy S.M. Ahier:

Separate? Okay. Thanks very much. I will pass back to the chair.

Senator K.L. Moore:

Could you perhaps give us a couple of points as to why that figure does remain static at 1 per cent?

Treasurer of the States:

As to why the 1 per cent?

Senator K.L. Moore:

There is not an indication of an increase over that time period.

Treasurer of the States:

I thought you said you had counted the numbers of staff.

Deputy S.M. Ahier:

The staff costs. Neither change.

Treasurer of the States:

The staff costs. John would be best placed to say in those increasing costs where they are falling. Why pay awards are not in place is the longstanding principle that we hold pay costs centrally until pay awards are agreed and then we transfer them across to the department.

The Chief Minister:

They are held outside of the budget, basically.

Senator K.L. Moore:

Thank you. Okay. So as we hear very regularly, COVID and its ongoing impact has significantly changed a number of factors, but placed upon us issues such as the difficulty of finding staff, with staff shortages across the board, both in the public and private sectors. The capital project remains however quite an ambitious programme in the Government Plan. Has that been prioritised in light of the difficulties of staff shortages and other impacts of COVID or do you anticipate that it will carry on regardless?

The Chief Minister:

I will let Richard and Paul talk to it more but the budget for the capital programme is obviously still an estimation process. There is flexibility built in it, because the theory is that under each section within the capital programme there is flexibility between each line, would be the best way of putting it. There have been discussions certainly between the bids and capacity and being able to achieve and timing, and that has affected some of where certain projects have been and also Ministers have gone through that prioritisation process in terms of where we thought we also needed to take into account some of the decisions of the Assembly, and where decisions should sit in terms of prioritisation. You cannot guarantee, bearing in mind the plan was put together initially in June and published in September for a debate in December, we are not able to guarantee that by June of next year we will have spent X on project Y as specifically identified there, because there will be factors that come into play. That is why it is always the same on every figure you get, that is why it is a budget estimation process ultimately but we have a reasonable expectation that the majority will take place as planned.

Senator K.L. Moore:

Could you give us an insight into the Government Ministers' prioritisation as they see it?

The Chief Minister:

It is what is laid down at page 136, so in other words each section where it affects a particular Minister. So Education, Scott will have gone through it and obviously wearing a different hat today, but looking at the capital side, and anything that affects specifically Ministers they will have gone

through. I will have made some observations about certain things, and that is what then came together as part of that programme that was brought together.

Senator K.L. Moore:

A prioritisation process normally would be a list of items with the absolute most important thing to complete at the top and then perhaps those falling off at the bottom but this list on page 136 is simply divided by departments.

The Chief Minister:

No, but there will have been earlier programmes that this then arrived in at.

Senator K.L. Moore:

Right, so this is a finalised process?

The Chief Minister:

Yes.

Senator K.L. Moore:

So you have all committed to achieving these programmes and there is no further room for manoeuvre?

The Chief Minister:

No. Maybe I am not expressing it very well. This is flexible.

Interim Chief Executive:

This is the proposition, I guess, in the Government Plan as it is described there, and I think it is probably presentational that it is described by department, so rather than perhaps you are suggesting that it might have been done in a prioritised way, the prioritisation I think has preceded the production of the Government Plan, such that my colleagues in E.L.T. (executive leadership team), and then subsequently in the Council of Ministers determines, as it does with the revenue budget overall, that this is the programme that we wish to put forward.

Senator K.L. Moore:

Could the Chief Minister perhaps explain why he describes it as flexible? What do you mean by flexible?

The Chief Minister:

Well, for the sake of argument, if Le Rocquier School and the community sports facility for some reason hits a problem in 2022 it could be that under C.Y.P.E.S. (Children, Young People, Education and Skills) they say: "Okay, that programme has stalled but we can bring something else forward" so you might bring something in from 2023 into that programme instead, if it is ready to go.

Senator K.L. Moore:

In terms of expectation management, said school has an expectation that that project is to be delivered, and therefore they might be somewhat disappointed, or it might impact on other plans if it was suddenly moved to another project.

The Chief Minister:

It is not out of political whim.

Assistant Chief Minister:

Planning could get in the way. All the people who deliver around the outside might say: "We do not want this where it is, we do not agree with it." They could go to Planning, make an argument, Planning could turn around and turn it down. You have got that in anything you do on a capital programme where there is building involved. If that did happen, we would know we would be back in the profile. It is out of our control, even though the will politically was there, but that is why we do an estimate and, unlike the Medium Term Financial Plan which has a fixed amount, at least year on year we can assess and come back to the Assembly and explain what is going on.

Senator T.A. Vallois:

Can I follow that up? It will be Richard who will probably have to answer it. Summary table 5(ii), which is on the main proposition, which is page 20, that is specifically what the States Assembly approve, bearing in mind the States Assembly approve only 2022. Am I correct in that assumption?

Treasurer of the States:

I think the Senator is referring to the proposition, so the proposition deals with it at a high level. The heads of expenditure, if I was looking at the Chief Minister's page, would be the income and what that gives is departments the opportunity ... not the opportunity where they say they are going to delay this project, it gives them the opportunity because as the Minister for C.Y.P.E.S. has just said, there will be many factors within each of those schemes. It may mean that one delays, which may mean you can pull one forward slightly. So those are the heads of expenditure at total level but then there are categories that allow for flexibility in-year. To add on to that, because it is a very good question about capacity, the 2 constraining elements here are finances and capacity, probably this as well within the economy. We are going through a process now with departments to understand where their forecasts for the end of the year will be, to aid the year-end forecast, and part of that

challenge is: “What is the capacity for the coming year given that you have these programmes that are in the Government Plan? Do you still think that they will start at this point, or will they be slightly later?” It is just a factor for how you put the plan together. It evolves over time and different factors come in at different points, whether it be planning permission, whether it be supply chain constraints, be it delays in recruiting key members of the team, whatever it might be. Instead of stockpiling cash to enable projects to go forward at some time in the future what we are now doing is saying: “Let us keep monitoring more actively and put money where it is able to be spent on the projects that are envisaged within these headline heads of expenditure”, which is probably a long answer to your question.

Senator T.A. Vallois:

I was going to ask, because I cannot remember off the top of my head, which might shock you, the Public Finances (Jersey) Law, does it or does it not for this particular area require us to agree the lines, or is that just heads of expenditure for revenue?

[15:00]

Treasurer of the States:

It requires us to agree the lines but the way that have we constructed it, it says: “These are the projects within those heads of expenditure.” That is a simple way of dealing with it.

Senator T.A. Vallois:

Talking about capacity, £210 million under this table alone, bearing in mind £85 million is for the hospital, approximately £40 million around the I.T. MS Foundation, all the different acronym things that we can put in the I.T. world, but that is still quite a significant amount, recognising the moveability of the requirements around capital, one being significantly planning. Has there been consideration, Chief Minister, about whether some of those funds could be more aptly spent on trial revenue areas for 2022 for projects that might come on board going forward, rather than going in capital spend?

The Chief Minister:

Trial revenue like recurring expenditure?

Senator T.A. Vallois:

Well, it might be a trial project. I know for example historically a trial project might have been done in a department for something in particular, to see if it does or does not work. I know it happens in education, purely because of my previous role, for example trialling something like the bus service as an example, whether it does create the impact that is expected.

The Chief Minister:

What I would say is, using the buses as an example, that I have a trial budget and so the hoppa bus trial that is coming through, which hopefully will start in the next few months, is funded from that, and so it has not gone near the capital programme. It is a revenue expense but it is funded out of a trial that we have got a pot of money for, for pilot programmes.

Senator T.A. Vallois:

I suppose the question is, next year, if it comes to the point maybe you are closely monitoring the capital spending and you come 4 or 6 months in, which will probably be election time, but it will come to that point where you say: "Yes, we are not going to cut it, we are not going to reach that amount of capital spend" at what point do you say: "Well, maybe we can put on a trial" or can we do that under the law that allows us to spend money?

Treasurer of the States:

Legally, yes. The Minister for Treasury and Resources could, with the safeguards that are in place there, transfer money to projects. We do not just allow for projects that are traditionally what we would call the capital programme. We call it the project programme and not all are necessarily what we would describe as capital; some may be projects and some others may be within revenue as one-off items of expenditure. From my perspective, we do consider projects that are not necessarily capital projects at the same time that we are considering capital. The point I think I would come back to is yes, finances are a limiting factor but, as I think you can probably gather from other questions, capacity constraints do not just apply to capital projects. As we see, already with the growth in some departments it is difficult to spend to that profile, partly because of capacity. It is not an issue that is limited to capital. We also see it in the case of being able to get revenue projects going to where they were originally intended, and part of the tension there is trying to challenge and make sure that we are not just putting money in from January all those projects as well, just that challenge to say: "Can it be delivered?" and work that is going on in the project management office to try to improve the extent to which we are ensuring that what we are setting ourselves up to do is not beyond our capacity financially or people-wise or even on the Island or off-Island contractors.

The Chief Minister:

I think also, and I will probably be corrected here, it is my understanding there are major projects and funds that if not achieved in that year can go forward.

Treasurer of the States:

Yes, we would do that and you would expect us to do that in particular on the hospital project where it is such a scale where that money may change between which year it is spent, but the overall project sum is agreed. Similarly, to that project, that project if it carries on quicker and other projects

are falling behind you might use it for those purposes. The other factor to bring into account of course is that there was an amendment to last year's Government Plan agreed by the Assembly that unspent balances should be prioritised among other priorities towards reducing the level of debt.

The Chief Minister:

If you look at it proportionally the major projects are about £70 million of the, if you take I.T., around £110 million.

Senator K.L. Moore:

To be absolutely clear, of course pilot projects come under the Department of the Office of the Chief Executive, because there is not a department for the Chief Minister anymore. You have described it as the Chief Minister's, and I wanted to make that absolutely clear. Thank you. Perhaps we were not aware of that line. The budget for COVID, particularly the test-and-trace budget, is described in 2 ways in the report. On page 122 it is described as £20 million for the next year, and elsewhere it is described as a fund as required item. Given that the Government have now published their winter strategy, is there an indication of any potential saving that will be received through the change in the strategy and the test-and-trace programme?

The Chief Minister:

I think the short answer is not yet. Part of that is around also being an improvement from the point of view of the pandemic and our response to it continues to evolve. Absent my expectations, yes, there will be a saving. I would like to be able to quantify it but I am not able to as yet.

Interim Chief Executive:

I agree with that absolutely. The plan was developed as well at a time during the summer months when the expectation was that there would be a tapering in the demand for test, track and trace and so to a degree it has reflected that I think in the Government Plan as published. Nobody can predict with any absolute certainty how that will play out in 2022. In practice, one's hope is that it will taper still further and therefore there will be a saving here.

The Chief Minister:

If I am right, Richard, it will mean that the debt will be less, if that makes sense.

Senator K.L. Moore:

Yes, so any savings incurred will be transferred to the general reserve?

The Chief Minister:

No, if we are in debt we will not have to borrow as much.

Senator T.A. Vallois:

In the summary table 5(i) you have got £34.3 million for COVID-19 response allocated for 2022. As I understand it, there is quite a significant sum in the general reserve for COVID. I know it is unpredictable, and I know that we do not know what next year is going to look like, but you must have come up with those figures somehow and, if so, how?

Treasurer of the States:

So in the generality from our experience of what we have seen during the pandemic and the level of expenditure that has been there, what we have tried to do is envisage that that pot is sufficient to cover most of the possible outcomes based upon what we have seen we have spent. There were decisions to be made in respect of whatever any future phases of the pandemic look like, what test-and-trace programmes, for example, you need in place to do so, if you have additional health restrictions what that might mean to any reintroduction of, for example, co-funded payroll, just to give us sufficient flexibility that we can be clear to the Assembly and the Ministers that other than in the most extreme examples we have got sufficient funding here to do so. Thank you for saying it is unpredictable. On top of that, just to reiterate the point, the plan would be that what does not get spent just reduces the COVID debt, thus giving us the provision here to adjust. Things like once you get into the test-and-tracing regime, what is the charging regime that goes with that? Those are all the factors that from our perspective in Treasury are still uncertain. We are just trying to provide sufficient for each of those outcomes.

Senator T.A. Vallois:

I asked the question because there is a specific amount in there, £34,319,000. It is unusual to have a specific amount like that in a line.

Treasurer of the States:

Those ones are further to the best estimates from the departments of what they understand the position to be. We then say that on top of that we are carrying a contingency so those amounts you would expect are very likely to be spent and of course the biggest element of the £34 million is £10.2 million in respect of economic recovery measures. We know that there are some funds ring-fenced from that already to see the fixed cost schemes through to March. That is where that will come from in that respect, so we are working towards building up the programme within that £10.2 million. The others, yes, are in some cases potentially very precise business cases, but in some cases they relate to service recovery measures that the departments might like. They have costed them up and it has come to these sums and therefore within the business case we have put that there, but given ourselves flexibility to adjust to the pandemic within the provision.

Senator K.L. Moore:

A final one on this section, Chief Minister. Whether it is conducted before or after the general election next year, why is a public inquiry not accounted for in the Government Plan for next year?

The Chief Minister:

I think there has been no decision to do one yet, and I guess if the decision were made you would need to know how much it was going to cost. I suspect it would be quite a number of millions of pounds and I think that would be a decision for the Assembly and may well be a decision for the next Assembly. My take is that we need to be very clear. There are 2 things. If it is, let us say, in the run-up to March next year there would be quite a significant impact on the teams that have got us to this stage, in terms of dealing with COVID. I think John has expressed it very well, that the organisation is shallow, i.e., we have got some very good teams and very small, so if we have got one person developing policy here who ends up spending 50 per cent of their time in front of a public inquiry that 50 per cent of the time they are not dealing with policy and with COVID. My preference is to get us through COVID and the pandemic, rather than worrying about doing an exercise into what went wrong, while we are in the middle of it. Hopefully all right, as well, thank you. So from that perspective if the States decide to make a proposition or someone puts an amendment through you will have to find out where the money is going to come from and quantify it. I make the point, and Scott hopefully or Tracey can correct me, when the Children's Inquiry came through I have got £5 million or £6 million in my head originally and obviously we know that finished up at above £20 million. It is not a simple process, it is not going to be £500,000 and if you are going to do it you do the whole lot. Part of that is understanding the impact post-pandemic and I would guess it is only going to be 2023-2024 when we realistically are able to assess that. Yes, we did this in terms of economic assistance and we got people through to summer next year, let us say, but was that support over the top or not? That is really only an assessment, I think, you can do a year or so after the event. On the health side, yes, we have had no excess deaths. We have had less deaths as a whole to date, certainly on 2020 terms as I said I think previously, but what has the impact been in the longer term because of cancelled operations? I think that will be an issue that is going to face all jurisdictions and, to an extent, it will then be looking back when we did not have a crystal ball to guess or estimate what those impacts might be.

Senator T.A. Vallois:

On to a slightly different topic, but a simple question, or perhaps that is the wrong thing to say. How does the Government Plan aid in addressing vacancy management? Vacancy management has been made a lot of, whether that is in the efficiencies plan debates we have had or whether it is because we cannot carry out projects because we do not have the staff ...

Interim Chief Executive:

Sorry, your question was how does it aid?

Senator T.A. Vallois:

Yes.

The Chief Minister:

Sorry, I heard "aim" which is why ... when you say how does that aid?

Senator T.A. Vallois:

So is there a project in here? Is there something in particular that maybe I have not read? Is there anything in here that says: "This is how we as a Government are going to handle, improve, support, change the way that we handle vacancy management?"

[15:15]

Interim Chief Executive:

It is a big question and it is a very important question. Perhaps it does not have the profile in the Government Plan explicitly that it might, but I think it is in here. My starting point would be that vacancy management and getting the right skills and expertise within the civil service is about a battery of things, of which remuneration is one element, but there are many other elements as well related to our offer to employees around training and development, investment in colleagues as individuals, in team ethos, in an environment in which people choose to work. These are many of the things that the Scrutiny Committee considered in its People and Culture Review. These are all factors that will help us with managing vacancy management, I think. For example, the development of an excellent programme of managerial development so that professional managerial development is an integral part of the offer of the employer will help with vacancy management, alongside all of the other things that the States Employment Board oversees. The Team Jersey piece is relevant as well. I know that there are different views about Team Jersey. What I have seen here is that it has been a very helpful and coherent programme for cultural change. It comes to a conclusion in terms of the current programme during the course of 2022 and then is mainstreamed into the work of the People and Corporate Services Department under Mr. Grimley to my left. I think that all of these interventions will help us ensure that we are an employer of choice, which is what we aim to be.

Senator T.A. Vallois:

On page 76 there is a mention of a flex positive initiative. Can you outline or explain what that is, please?

Interim Chief Executive:

I think it is the kind of constant development of our approach to remote and flexible working; so agile working, one might say. One of the positive developments in the pandemic is that in a situation of duress we have identified new ways for many colleagues to be able to work remotely and flexibly. I think the flex positive programme, as I see it, and again Mr. Grimley might want to add to what I am saying, is what has the experience of our team, our staff teams, been in working flexibly and how can we ensure that as we move out of the pandemic that those new and innovative ways of working are embedded in our employment practices? I think it is looking forward to ask what the changes are to the ways of working that we can sustain, especially based around how our colleagues can have the maximum level of freedom and autonomy in the way in which they use their time to be productive. One of the most positive findings in the Be Heard survey, maybe the most positive finding, was around our employees' perception of their ability to manage their own time and to be more productive with a greater degree of autonomy. There is a real positive there that I think we can utilise and the flex positive pilots are the capturing and distilling of that, to make sure it is embedded in our long-term employment practice. Everywhere, but particularly in Jersey, people are looking for an employment offer that provides work-life balance, which enables everybody to work productively and effectively, which is not necessarily about working in the old model of 9.00 a.m. to 5.00 p.m. going to the office for office-based staff, but working wherever that work can best be accomplished.

Group Director, People and Corporate Services:

That was a very comprehensive answer. I think to your original point about vacancy management, and Senator Moore earlier mentioned about skills shortages and a competitive work market, the way we manage and plan for our workforce needs to be our competitive advantage, that even though we are public sector we can still compete in the market. Part of our strategy going forward around talent management is creating opportunities for people from the community to come back into work or through apprenticeships and part of the attraction strategy needs to shift our policy from being a 9.00 a.m. to 5.00 p.m. employer, even though we are 24/7, those fixed contracts and permanent contracts, into contracts that offer more. We want to address the gender pay gap and the way that we structure our contracts and our work now sometimes precludes flexible working, which then means that people cannot progress through their careers in different ways. It is much more than just allowing work-life balance. It is a genuine employer offer that says that we will start from a position of flexible working, so the law requires us to consider requests for flexible working. We are flipping that into it becoming our default mode as part of a strategic decision for our competitive advantage, but we also need to move away from permanent and fixed-term contracts. We need to start looking at the types of work that is coming through, so that we can optimise the workforce. That may mean a smaller workforce, but we are competing in a market where salaries, particularly in key areas like cyber I.T., our salary levels do not allow for that at the moment, so we could move

to a more condensed workforce but with more competitive terms and conditions. Flex positive allows us to manage vacancies differently, because it means that we have more part-time workers, more ad hoc workers and project workers, and it also allows us to look at condensing the workforce over a longer-term period and manage that down and still deliver the same quality of services.

Senator T.A. Vallois:

Has this all been carried out under the budget that already sits within People and Corporate Services? There are so many different names.

Group Director, People and Corporate Services:

It is all part of the investment in the workforce that is coming through the people strategy in People and Corporate Services.

Senator T.A. Vallois:

Okay. In terms of there is another mention, I think it is page 77 on the next side, is the impact and I cannot remember which phase it is, I think it is phase 2, the H.R. What impact is that going to have on People and Corporate Services? I think it is important to understand that amount of money that is going into a particular project and what that means for the public sector.

Group Director, People and Corporate Services:

I think it will be utterly transformative for public services. At the moment with the multiple systems that we have got we place a lot of onus on managers to know how things work. Phase 2 allows us to predetermine the processes of signoffs, and even preapprovals. I know one of the biggest frustrations for colleagues is the recruitment process, so the quest to recruit. With the integrated H.R. and finance systems we will have a single source of the establishment, you will be able to click on and recruit preapproved posts, so you do not have to wait for that, and then everything will be automated. Again, we lose candidates at the application stage because the process takes too long to let them know when they are being interviewed or when they have got the job. We have to reengineer that whole employee experience, that onboarding experience. That will benefit managers with less workload, with less lead-in time, less vacancy gapping and it will also benefit employees as they come into the organisation to be more productive, because they will have a lot more of their induction done upfront. The other benefit will be around compliance and assurance, so we have much better sight about the mandatory training that we should be doing, for example health and safety, for the qualifications that nurses should have, the safeguarding, and that all comes into one system. I think the final bit is the capability of the new system gives us much more than we have at the moment. It allows us to look at performance management, look at our high performers, look at succession planning, address key skills within the workforce. Again, the staff survey tells us that people want to have opportunities for progression and development. We are very immature in

our internal movements and our ability to find and seek out talent in the organisation because we just do not know. That will be a real booster for the public service. To give you an example of the complexity, we have 70 different career paths that we have mapped out. The U.K. civil service only has 48. There is a lot of opportunity for people to move, have careers, and stimulating work in a very complex organisation. That will help our talent management, our retention, but longer term our employee satisfaction.

Senator T.A. Vallois:

Finally from me just in the meantime; until we have all these wonderful things up and running, there is potential that there will be funding sitting in departments for vacancy management, no fault of their own, purely because of shortages or not finding the individuals. In terms of how that budget is used, and keeping on top of the fact that that budget is not necessarily used for revenue that may require further bids going forward, how is that being assessed and kept a close eye on, to make sure that we are not falling into the trap of hidden revenue spending, which I suppose is the best way to put it?

The Chief Minister:

I think that is a very good way of putting it. I will point to Mark and Richard.

Group Director, People and Corporate Services:

Can I just check, by hidden revenue spending do you mean moving from budgets for employees into other lines and vice-versa, because that does not happen?

Senator T.A. Vallois:

Yes, so if you have got a vacancy, and I know historically where the department might have had quite a few vacancies, they have used that budget to support some deficits in other areas. I am not sure whether that still happens, but that is why I asked the question of how is that being handled now and how will it be handled going forward in the Government Plan?

Treasurer of the States:

The departments will have their own, more granular level of reporting, but even at a corporate level we are monitoring within spend what is as a result of not spending base budget, what is the result of not spending growth, or overspending, either of those, what is the result of not achieving for example an income line within the budget and what, for example, is as a result of not delivering your departmental efficiencies or rebalancing total. We are monitoring very carefully that money that was for one purpose is not used for another purpose and in terms of the Public Finances (Jersey) Law making sure that unspent growth is not just passed into the base and then given as a problem on

an ongoing basis. Growth is for and limited to spending. Unless the Minister for Treasury and Resources gives permission it is limited to be spent on those programmes in the Government Plan.

Group Director, People and Corporate Services:

To add to that, one of the things that we have been putting in place over the past year are workforce plans; so the way that the Government Plan works is we can look forward, look at demand, anticipate employee numbers. When we worked previously we did not have that foresight and therefore as soon as the Government Plan was approved you would then go into a recruitment cycle and that could delay recruitment for 3 or 4 months. That is a profiling. What we are doing with workforce planning is we are looking forward for a couple of years, we are looking at potential changes and impacts of programmes like the I.T.S., we are looking at potential legislative changes and we are looking at ways of working in efficiency changes. That plan allows us to then anticipate when we are going to the market we are able to look at the market skills and availability and we are working with the Jersey Employer Group and with Skills Jersey to start to think how we better commission a forward plan of skills and training so that people are job-ready when we need them, as opposed to going to the market to see what is out there at that time and point.

Senator T.A. Vallois:

This is not a part of the question, and I was just about to hand over to Deputy Ahier, but you made me think of the legislative changes. Will there be a separate budget for the States Employment Board going forward? Will there even be a budget for the States Employment Board going forward?

The Chief Minister:

Not in this one.

Group Director, People and Corporate Services:

There is nothing within the Government Plan and funding from the States Employment Board, because my department holds the funds for any of the work commissioned for the States Employment Board. If there is any particular liability, that sits within each of the departments who employ where that liability sits. So when Treasury look across the organisation and ask for the contingent liabilities, that comes from the departments who are employing. The States Employment Board, if they need funds, comes through my governance team.

Deputy S.M. Ahier:

The Government Plan will authorise the Minister for Treasury and Resources to spend £102.4 million from the reserve heads of expenditure. Is there enough certainty in the Government Plan to reassure the Assembly that this should be adopted? That is on page 127.

Treasurer of the States:

I think as with my answer in respect of COVID there is great uncertainty in the coming year in particular, as there has been in the last year, particularly arising from COVID. We have endeavoured to be transparent in saying where there is an amount that could be spent, and I think we have provided additional information to the panel that has set out those numbers within the general reserve I made up. The greatest area of uncertainty relates to provisions for COVID, but they are ring-fenced for those purposes. It does provide enough detail but if further detail is required that detail can be provided to the panel.

[15:30]

It covers pay awards, it covers the general low level of contingency that we have in the plan, so if benefit spend goes over or there are things that we need to spend money on in-year that cannot wait until the following year's Government Plan, they are quite modest amounts of money, but pay awards over the period of the plan grows to quite a considerable sum and there are areas for any restructuring costs for example. But they are held essentially by the Minister for those purposes and will only be released for those purposes, or if not for those purposes transparently explained to the Assembly what they would be used for going forward. COVID spend, in particular, is hardwired in. If it does not get spent it reduces the debt; it does not become available in accordance with a Minister's decisions for spend elsewhere.

Deputy S.M. Ahier:

There are 8 items in the Government Plan that are funded as required; 2 of them concerning COVID, one border control, Brexit transition, 4 environmental, that will be held in the general reserve. To your knowledge has funding for preidentified programmes with uncertain financial needs been held in reserves previously?

The Chief Minister:

I am presuming this is to me?

Deputy S.M. Ahier:

This is to you, Chief Minister, yes.

The Chief Minister:

I am presuming we are looking at page 44, which oddly enough is the COVID test-and-trace programme for technology which is fund as required, but that is always up to a maximum I think is the point.

Treasurer of the States:

The thing about the reserve in terms of how it is presented in the Government Plan is that it does not automatically roll forward. What we do is we say: "This is what we think the reserve should be for the next year." It might be that there was something in respect of testing and tracing that does not get spent in this year, but it does not automatically get rolled forward. These are the amounts of money that we expect to be needed for 2022 or potentially under certain scenarios needed in 2022. If there is unspent money in 2021 the default position will be that that will be utilised to reduce the COVID debt, not just rolled forward. We did roll some of it forward last year because as we went through last Christmas we were into a second phase and there was uncertainty as to whether additional funding would be needed during the year. This is what is required for 2022. What is required or could have been required in 2021 does not get rolled forward to add to this number automatically. The Minister will look at that at the end of the year and say: "Well, we said this is what we needed for 2022. If we do not need to carry it forward that should be returned to the reserve."

Assistant Chief Minister:

In the Medium Term Financial Plan whenever it was written out the Strategic Reserve was almost allocated into a lot of different projects, whether it was needed to be spent as well, so it is something that has happened in the past. Am I wrong there?

Senator K.L. Moore:

Could you give us an indication, Treasurer, of the amount of money that you anticipate might be rolled forward, now that the end of year is fast approaching?

Treasurer of the States:

We are only now just going through that process, so one of those will be where the departments expect to spend against the £193 million before the latest hospital decision. We have the September numbers. Those September numbers look to be in the order of £155 million to £160 million on the basis of forecast to date, but we are going to challenge departments as to whether that is the case. That is one example. We have also got the reserve numbers. The reserve numbers do not automatically trip into my head, but we will have that and we will be forecasting forward the extent to which they can be returned and the debt reduced.

Deputy S.M. Ahier:

There are 2 additional contingencies held in the general reserve, A.M.E. (annual managed expenditure) contingency and demographic S.E.N. (special educational needs) that are not detailed in the Government Plan. Can you please outline these and why are they not outlined descriptively?

Treasurer of the States:

A.M.E. is annual managed expenditure. Annual managed expenditure is predominantly income support, for example, but could be in the case of student finance. It is where there is a formula that says either in legislation or a scheme approved by a Minister that if a person with these characteristics comes through the door that is the amount of money they would get. If, for example, there were more people claiming income support than is budgeted for within C.L.S. that is where you would go to. The demographic S.E.N. number relates to growth in C.Y.P.E.S. that is uncertain, that we believe needs to be awarded but the amounts are uncertain at the point of putting the Government Plan together. Off the top of my head that is £2 million and that sum will be available for those purposes once the department has confirmed that that is the sum that is required.

Senator T.A. Vallois:

What is S.E.N.? I think I know what it is but ...

Interim Chief Executive:

Special educational needs. In both cases it is needs-based, and those are examples.

The Chief Minister:

There was a challenge process when we were looking at growth bids and the demographics was one that came through. I think it was split in the end, going back to June, when one part was held under central reserves because it was felt that way we could retain a degree of control over it, before it got automatically released.

Treasurer of the States:

That is right. It was pencilled in for the future years in the cash statement or the budgets for the department, because the Government Plan, in particular, is in respect of the coming year, then the uncertainties around that, and the final confirmation was then held centrally.

The Chief Minister:

Yes, there was a view around should it have been predictable, essentially. We know when people are born, so how did that equate in terms of how that sum was arrived at.

Deputy S.M. Ahier:

Thanks. If we move on to capital projects now. In your opinion, Chief Minister, what proportion of government expenditure should be made on capital projects versus revenue expenditure?

The Chief Minister:

I do not sit down and say it should be 25 per cent of revenue, or anything along those lines. It is essentially, as we are saying with the I.T. side, that balance between what we need to do and what we can afford to do, I would say. What we need to do, we know the issues around, for example, a new fire station and the educational programme. You name it, the challenges that are coming through start driving it, versus the capacity.

Deputy S.M. Ahier:

Does running a large capital programme risk placing pressure upon funding for delivery of public services if the capital projects become too large as a percentage of the total spend?

Assistant Chief Minister:

Do you see an amount of revenue expenditure on services rather than the capital programme, I think is the underlying thing?

The Chief Minister:

Okay, so if you turned around and said that as a principle we spend £800 million in revenue and then we decide to make our capital programme £300 million and therefore revenue drops to £500 million, yes, it would, but that is not how it works.

Deputy S.M. Ahier:

How do we ensure that there is a proper balance between the capital programme and the current future spending that is needed and what criteria have been used to assess how this difficult balance is struck?

The Chief Minister:

Sorry, what sort of balance did you say?

Deputy S.M. Ahier:

A proper balance between the capital programme?

The Chief Minister:

At the end of the day, as I said, it has been around the projects that are a culmination of what E.L.T., Ministers, departments, have prioritised in terms of what needs to be done. Obviously, there is a balance in there that if it is too much in terms of capacity then, as we said, there has been a prioritisation process.

Interim Chief Executive:

It is not formulaic in that sense. In many governments a significant capital programme is reflective of significant ambition.

Assistant Chief Minister:

It is need and political desire, of course.

Interim Chief Executive:

I am not sure there is a formula as such. I think the Chief Minister is right to say that one of the relevant factors constantly that you have touched on in your questioning this afternoon is being realistic about the overall capacity burden it places on the civil service, on the political system, more importantly on the availability of skills to accomplish the capital programme and indeed the road system in the major construction work, and that realistically phasing what can be taken on at any one time is a judgment that one is going to need to return to constantly.

Deputy S.M. Ahier:

Thank you. Will the capital programme place further pressure on the construction industry?

The Chief Minister:

I know that has always been the concern expressed, but we believe that what we put in there, particularly in future years, is realistic in comparison to capacity. Obviously not all of the capital programme is buildings; there is the I.T. side.

Deputy S.M. Ahier:

Will construction prices rise in the coming years and how is this impacted by the capital programme?

The Chief Minister:

I am going to look at Richard a little bit, but certainly I know that within individual programmes there are allowances made for inflation, which would therefore capture that. Having said all that, obviously thinking of major programmes, some inflation is obviously retained elsewhere in the central reserve.

Treasurer of the States:

There is a reserve for inflation and risk held against the majority of the capital programme. Obviously the hospital project carries its own inflation reserves. There are challenges that we are seeing start coming through in terms of supply chains and challenges as we have seen everywhere from inflation. The big question is going to be for how long does that inflation stay in the economy? The Bank of England made some predictions off their decision this week to hold interest rates, but that is a factor that is not just for Jersey, but it is a risk and they have identified it as a risk to the delivery of capital.

Deputy S.M. Ahier:

Will the capital programme require overseas workers and, if so, how will these be accommodated?
There are going to be a great deal coming over for the hospital project, presumably?

Interim Chief Executive:

There is work taking place on that as part of the overall hospital project, so that is being considered and modelled at the moment. Yes, at some point we will be in a better position to define that more precisely.

Assistant Chief Minister:

It depends which part of it. Is it construction or I.T.? There are so many different specialist areas within the capital programme spend that we might not be able to get them on Island.

The Chief Minister:

I have always understood that some of the building contractors do bring people in at times and then they go back again.

Deputy S.M. Ahier:

The Government Plan highlights £20 million of the extraordinary dividend from the recent sale of the Internet of Things will be used to fund investment in I.T. infrastructure. Could you please clarify what projects? That is page 175.

Treasurer of the States:

It is not held against any one particular project. It is held just as a funding source in terms of accountability to say that we know we have quite a financially demanding programme in I.T. and therefore when we are looking at where funding is coming from that we contributed £20 million of that dividend toward being able to deliver the I.T. programme. It is not hypothecated against any one particular project.

Senator K.L. Moore:

Thank you. Remaining on that point, so the £20 million for the technology fund, I imagine that the Economic and International Affairs Scrutiny Panel may have asked some questions about this, but just in case: how do you see the governance and the structure of that fund and its administration working?

Treasurer of the States:

I know that the chief executive will probably want to talk to this one, but if I could just say firstly, to create such a fund there would be a proposition to the Assembly to do so and the terms, conditions

and governance of that fund would be laid out in that proposition to the Assembly, as it would be to any others. The Government Plan itself does not give permission for that fund to move forward. It is just saying that we are reserving that money for that purpose.

Interim Chief Executive:

That is exactly right. In fact that probably says it very concisely, that the proposition will describe how that political oversight will take place and I know that there was an innovation fund in Jersey in earlier years. There has been a lot of reflection in learning from that. A lot of that worked very well; some of it may be lessons learned, not so well, and we will be seeking to incorporate all of that learning and insight in the proposition that comes forward. In a way that speaks to the point you were making earlier, that we should be aiming to capitalise upon Jersey's growing reputation for being a digitally innovative jurisdiction.

[15:45]

I think the avowed purpose of that will be to answer the question of what we could do to capitalise on the outstanding infrastructure that Jersey has and its growing reputation for being an Island of digital innovation.

The Chief Minister:

I think it ties into what I said at the last hearing, which is we have got, I am told, around 6 years' head start or lead on other jurisdictions. One thing that is interesting is we have very recently become globally the fastest jurisdiction for broadband or activity, might be a better way of putting it, and my understanding is that the next one down is about 30 per cent slower than us. I can be corrected on that, by the way, but that is certainly what I have been informed of and certainly I can come back and verify it. I think the U.K. is number 47 at the moment, or was when I was being told, and so that puts it in context. Therefore, if you want to maintain that really good position and also think about diversification of the economy generally, all those type of things that go with it, particularly in the general change towards more the digital line as a whole, you are going to have to put some resource into it. So I have basically said: "We have this dividend that has come through. I would like some of it to go towards ..." I do not know what it is going to exactly look like but that is what is going to come back to the Assembly as a provision. We need some money put there because if you do not, it will just wither away and, in 10 years' time, we will be saying: "If only" and by that point, it looks like it would be an advantage.

Senator K.L. Moore:

What consultation did you do with industry to identify gaps or areas for potential generation because of course we have our predecessors to congratulate for their forethought and their determination to

deliver the broadband services that we enjoy today? It has obviously been extremely pertinent in the last 18 months and we have all benefited from that so it would be good to hear your views on that. Equally, some feedback anecdotally one receives from the industry is that perhaps in terms of the public sector and delivering the right environment for those businesses to arrive in the Island and thrive and for those that are already here to do so as well, perhaps we might be better placed to look at the regulatory environment and how we minimise the friction to delivering, growing and expanding business in the Island.

The Chief Minister:

Well, that could be very well the case. In which case, you might want to fund it from somewhere and therefore that might be something as part of that consultation process. So there is a consultation process planned and obviously then that will lead to a document being published which will then form the proposition. So that is something at hand, and we shall elaborate on that, but the point is I have not been specific at what exactly it is going to be defined as. I am basically saying: "We have this position. Do we or do we not want to assist and maintain it?" I would have thought that was a yes and, therefore, we need a chunk of money that goes in to do that. The dividend from the I.o.T. (Internet of Things) site, the sale from Jersey Telecom seemed the right thing to be applying it from and so that is really what has come through, which is really to highlight that in the plan. The details will have to come through, particularly the governance, as you have referred to, in a separate proposition which I think we are aiming for at the end of quarter one, beginning of very early quarter 2 next year for fairly obvious reasons but it will come back to this Assembly.

Assistant Chief Minister:

Digital Jersey and the Chamber of Commerce, we regularly speak with them and it is about they are there to tell us: "Do we need to put less regulation in or do we need to put more regulation in? Where is the safest place for Jersey to be to create that fertile ground for businesses to start whether they are start-ups or whether they are incoming?"

Senator K.L. Moore:

Well, it is a pretty well-trodden path, is it not? I am sure, as I did, you attended the Digital Jersey workshop where plenty of fantastic ideas were forthcoming and debated during those, but if we could move on. I think, at the moment, we are starting to run out of time because we have received some very lengthy answers this afternoon. If we could just talk about rebalancing and efficiencies. In response to our report last year, it was noted that the change in terminology to rebalancing reflected the increased financial challenge to government expenditure created by COVID and the consequent requirement for greater flexibility in developing and delivering measures. So why have we not, this year, moved back to describing these as pure efficiencies, Chief Minister?

The Chief Minister:

It was also because I thought we had criticisms previously that it was not just, if you like, the shorter or narrower definition of an efficiency, i.e. when I say a pure saving, there are obviously some charges in there which is proportionately pretty small and there are also efficiencies - and I think it is an efficiency - in a more efficient way of raising income, i.e. better tax collection, for example, which is not putting taxes up. It is not an extra charge. It is making sure that more people of those who should be paying a certain level of tax are paying them. So it is really just recognising that, for some people, an efficiency is: "I was going to spend £100 and I spent £90." It is a slightly wider area because, in this instance, it might be: "I ordinarily would raise £95 of what I do but I have looked at what I do, how I do it and I can raise £100." So it is an efficiency the other way. It is a better way of raising income but let us be clear, there are some charges in there as well.

Senator K.L. Moore:

So it was a direct quote that I gave you from your response to our last report so perhaps you can just expand slightly on the thinking because the description that you have just given differs somewhat with the response that I just read to you in the quote.

The Chief Minister:

Apologies. You are going to have to give me a copy of the response or read it out again, sorry.

Senator K.L. Moore:

"The increased financial challenge to government expenditure created by COVID and the consequent requirement for greater flexibility in developing and delivering measures."

The Chief Minister:

Yes, so I think that was not too dissimilar to what I said. We have a range of measures in there which cover both savings and expenditure.

Senator K.L. Moore:

I think what we are trying to understand is that you see that we are still in a post-COVID phase and you are not going to go back to the pure efficiencies of old. Is that what it is?

The Chief Minister:

But even in the 2020 plan, there was a mixture of (a) charges, (b) more efficient ways of raising income and recurring savings and normal savings so I am just saying that it is just a descriptive word. I would not get too hung up on that particular word, to be honest.

Senator K.L. Moore:

No, but it is just interesting that it changes from year to year so we are trying to understand why so, that is all.

The Chief Minister:

We have had rebalancing. We have had efficiencies and we have had rebalancing.

Senator K.L. Moore:

We will move on. So one area where there is potential, it seems, for co-ordinated work that might deliver greater efficiencies would be within the Communications Directorate, Ministerial Support Unit and the Strategic Policy, Planning and Performance Department. Is there any work underway to ensure that there is no duplication of work between those areas?

The Chief Minister:

I think they are 3 distinct areas, I have to say, frankly. So they are 3 distinct areas.

Senator K.L. Moore:

Thank you. No, that is a fair answer, fine. So what is being done to ensure that the Communications Directorate is used efficiently by the wider public services? For example, avoiding the use of third-party corporate communication companies by individual departments or project teams.

The Chief Minister:

Well, in general, we have known comms is here because we have people from comms here previously and we have never got around to it, but we could have brought someone to give us specifics but, in general, the Communications Department have been very, very good at trying to basically bring together all the various comms that used to be spread all over the organisation that you might have had. It was never quantified. You might have had a third of a person, for want of a better expression, doing it in one area and half a person here and it was never clearly budgeted because of all the issues we hear about and how such things are recorded in the finance system. They have brought it together. I cannot remember the exact figures but certainly the savings, by keeping a lot of items in-house, including things like design, and do not forget the comms works - I think it is the website side - it is the communications externally obviously to Islanders but it is also communications to the workforce internally. There will be various aspects of that. It is not just news releases. It might be vaccination programmes, it might be flu programmes or whatever it is. It might be posters that go with it. All of that design is done internally and I know they have saved - and I do have figures for them which I would be delighted to provide - several hundred thousand pounds a year by doing that. So they are very tight and I think they have got that system right and embed, for want of a better expression, that if somebody is doing something, they go to comms.

Interim Chief Executive:

Yes, I think that is exactly right and I think the skills that have impressed me particularly are in the digital skills, the theme of this meeting, in marketing and communications including the use of social media and film. We have some of that capacity in-house, which is fantastic really, and I think you are right in the inference of the question that we need to be careful, that we utilise our staff to the maximum and do not have a third party spend, a third communications activity which we are perfectly competent and capable to do within our own staff.

Senator K.L. Moore:

Thank you.

The Chief Minister:

I think it is interesting how COVID has changed things as well so even I think the production of video clips and things like that has increased on these as well exponentially in the last 12 months and that is about better communication in an easier form. What was interesting when we had the Normandy Summit not so long ago, we did the press conference from where we do the press conferences now, I think they were quite impressed with the setup that has been done. Even though it has been kept pretty tight, it looks professional from that perspective and that is quite important.

Senator K.L. Moore:

Thank you. Is that department due to make any further savings and how?

The Chief Minister:

I think the difficulty is that if the volume is going up and the volume of messaging is going up, it will keep being of course the same. If that communication outlet is increasing, technically it is operating more efficiently. Whether there is scope to trim or not, I would not want to comment. The point about the structure was compared to what we were paying previously in, I am going to say 2017 and 2018-ish and maybe 2016 and 2017, but I would have to go and get the numbers, is that there were direct savings coming out of specific areas but there was also a degree of uncertainty as to how much we were spending because of the way it was accountable previously.

Interim Chief Executive:

There is always scope for greater efficiency I think and there is a schedule which is maybe a little imprecise on page 86, which describes the ambition for general staffing productivity increases and reductions in non-staffing budgets. So I think it is essential that all budget holders and accountable officers can constantly review their practice and seek to find best value.

Treasurer of the States:

So in a bit more granular detail within the annexe on page 135, there are 2 at the top of the page that relate particularly to communications and in terms of targets for them in terms of £75,000 in total.

Senator K.L. Moore:

Thank you. Perhaps we will reach out to the Communications Directorate themselves and send our questions in.

Senator T.A. Vallois:

Yes, just briefly on the efficiencies. Looking at the way that the model of the public sector is working and in terms of looking at efficiencies and what is coming onboard in terms of the investment, whether that is the integrated technology solutions or whether it is the work that People and Corporate Services are doing, is it possible for us to look at what we are contracting out and what we are doing in terms of the service and say: "Can we do it more cheaply in-house?" Is that possible and, if so, is that now, is that next year or is it in 5 or 10-years' time?

The Chief Minister:

I will look at John in terms of the statistical side. Personally, I do not think it is now because I do not think our systems are quite there yet.

Chief Operating Officer:

If we could do the work in-house, we would.

Interim Chief Executive:

Do you mean in I.T. or more generally?

Senator T.A. Vallois:

I think in general. If you look at the investment we are making in the likes of I.T. or in People and Corporate Services and all that, historically, the argument is being made let us have these budgets to do these pieces of work to make our organisation more efficient, more effective, more productive; all those arguments. So I am asking if that happens, then can we do things in-house more cheaply? So will there be a point in which you look at your contracts and say: "Well, we can do this more cheaply."?

[16:00]

The Chief Minister:

I think there are 2 comments there. Number one is - and I am very happy to be corrected by anybody around here - given the time profile on the I.T. systems, the benefits of those systems and then the ability to then achieve savings as a result of that will be ... I am going to say a couple of years away at least, because you have to get them in because of the lead time of getting it. That is because, as we have said, we have been in a very poor position when we came in. If that investment is going in, it takes a while to build these things. It is like the strategy of an office block completed sometime in 2024. You are not going to see the savings coming out of that until, let us say, 2025. It will be the same on the I.T. side and if you then have your systems in the right place and your accounting in the right place, which I think will then give you the ability to look and do the assessment you are saying, I do not know from a more automated way and I doubt if you can do that now within normal management terms and the continued need always to find efficiencies. There are manual processes and bespoke processes that you can go through. The other point I think we need to make on rebalancing efficiencies is whatever you want to use because we have always said that 2022, 2023 and maybe 2024 are going to be harder because you have done some of the low-hanging fruit. That is still coming through and hopefully once you get into 2024, and that is a bit of an estimate, you will then start seeing the benefits of the I.T. systems coming through. That might shift a bit because of where we are at with COVID and also I think you have, I will not say a degree of flux in the organisation, but until we have got out of the uncertainty of COVID and what those challenges are and the organisation beds down into the new norm, at that point, then you can assess: "What are we doing about services and what can we change?" Is that all right?

Senator T.A. Vallois:

That is fine. Knowing the time, I just have one question on funds quickly because the question about I.T. was asked about before but you mentioned that, in the Government Plan, it is mentioned that a proposition will come forward. Do we have a timeline for that proposition?

The Chief Minister:

On the technology fund?

Senator T.A. Vallois:

Yes.

The Chief Minister:

I think it was the end of quarter one.

Interim Chief Executive:

That is right. That sounds right.

Senator T.A. Vallois:

Will we ensure that any deadlines that are put in there are not necessarily hardwired or have to come back to the Assembly like we have seen with the Fiscal Stimulus Fund?

The Chief Minister:

Yes, I think it is going to be a different kind of creation, is my interpretation.

Senator T.A. Vallois:

Just in terms of the future economy programme that is mentioned on that page as well, the economic framework and all those things, you mentioned there is going to be a consultation going on. Has that work not already been carried out?

The Chief Minister:

I said the consultation was on the technology fund.

Senator T.A. Vallois:

Yes, but there is a huge piece of work that has been done on Jersey's future economic framework, or whatever it is called now. I suppose my question is: has that work not already been done and therefore are we not duplicating it or is this for a very specific technology fund or does it come out of that work?

Interim Chief Executive:

The future economy work is much broader than around technology and digital. It is a more wide-ranging strategic piece of work with its own political oversight group.

Assistant Chief Minister:

It probably has some impact into what we do going forward surely.

Senator T.A. Vallois:

I am going to Deputy Ahier for one last question.

Deputy S.M. Ahier:

Just quickly, thank you, on borrowing. There have been public calls for further borrowing to assist in the transition to carbon neutrality by 2030. What are your views on the possibility of seeking finance to fund such an aspiration?

The Chief Minister:

I think it is too early to comment, frankly. With the timeframe we have, I think that is going to be an issue for the next Council of Ministers and the next Assembly, and I understand that there have been pieces of work that will come through around ... if you want to start changing behaviour, one of the ways that you can do that is by charging more for certain things and charging less for other things. The question is we also know there are other pieces of work around the replacement on fuel duty and how that goes. So with that kind of revenue work, there have been discussions and workshops around that. I think those as measures coming through, I do not know if they are going to be included in the carbon neutral roadmap or whatever it is called which is meant to be published before the end of the year.

Interim Chief Executive:

I think it has been published or it is very close to being. Yes, it has been published.

The Chief Minister:

Anyway, people will have to look at what they think is the acceptability one way or the other. Whatever you do, it has got to be paid for, so all the borrowing we have talked about so far has a plan to repay it. If you go down on the carbon neutral side, yes, subject to capacity and all that sort of stuff and markets, I am sure you could borrow more but your question is for that as a project, as it were, you have to have a plan to repay it over that period of time.

Deputy S.M. Ahier:

What role are you taking in the borrowing for our hospital project?

The Chief Minister:

How do you mean what role am I taking?

Deputy S.M. Ahier:

Are you taking any direct role in securing the loans?

The Chief Minister:

Me personally?

Deputy S.M. Ahier:

Yes.

The Chief Minister:

That is very much a role for the Minister for Treasury and Resources, as far as I am concerned.

Deputy S.M. Ahier:

How is that progressing?

The Chief Minister:

I will get feedback.

Treasurer of the States:

We have appointed an adviser and we will be this week on the portal, going out for what we call bookrunners in terms of to assist and advise us and take us through the process of issuing a bond so we have done that. We have also been to the Treasury Advisory Panel to take advice on timing and such like. That advice will be taken through, in the first instance, to the P.O.G. (political oversight group) and to the Minister for Treasury and Resources and then we would expect it to come through updating the Council of Ministers as well.

Deputy S.M. Ahier:

Thank you.

Senator K.L. Moore:

Perhaps the Scrutiny Panel as well.

Treasurer of the States:

Obviously the Scrutiny Panel.

Senator K.L. Moore:

Thank you very much. We do appreciate it. Great, well, thank you all for your time this afternoon. I will close the hearing and wish you all a good weekend.

[16:07]