

**STATEMENT TO BE MADE BY
THE CHAIR OF THE PUBLIC ACCOUNTS COMMITTEE
ON MONDAY 9TH MARCH 2026**

Arm's Length Bodies, Grants and Subsidies Review (P.A.C.1/2026)

I wish to make a statement on the Public Accounts Committee's Review of Arm's Length Bodies, Grants and Subsidies following presentation of its Report. This Review was undertaken because the Island is facing increasing pressure on public finances, rising demand for public services, and significant long-term economic and demographic challenges. In such a context, it is essential that public funds are used effectively, that responsibilities are clear, and that publicly funded organisations are working together towards shared priorities.

The Committee wishes to emphasise that this Review was not a criticism of individuals or of the organisations themselves. Throughout our work we met committed and skilled professionals working with dedication and creativity to serve the Island. Many organisations make a positive contribution to Island life and are doing the best they can within the frameworks in which they operate. Our findings therefore reflect not a lack of effort or capability, but a lack of clear direction, coordination and strategic oversight at the centre of Government.

Over time, the Government and States Assembly have established and funded a growing number of organisations to deliver services or advance policy objectives. Many were created for sound reasons, responding to clear needs. However, responsibility does not end at the point that an organisation is created or a grant is awarded. The Government must ensure that these bodies have clear purposes, that success is defined and measured, and that organisations operate as part of a coherent system rather than in isolation.

The Review found that once established, organisations tend to continue operating even when the original need has changed or diminished. In some cases, funding continues through repeat or additional top-up grants, which can blur baseline funding, weaken challenge of continuing need, and obscure the true cost of ongoing reliance on public money. Without regular strategic reassessment, it becomes difficult to judge whether organisations remain the best way to deliver services, or whether roles overlap with other bodies or Government functions.

We found that while the Public Finances Manual includes a governance framework, its application across organisations is uneven. Annual Accountable Officer reviews play an important role but are not a substitute for structured, strategic, periodic reviews. Only one such review has been published in recent years, and it demonstrated how beneficial such work can be for alignment, governance and confidence.

The Review also identified variability in how performance is measured and reported. While the Committee acknowledges that Key Performance Indicators are widely used by Arm's Length Bodies, and that different organisations require different measures, there is no consistent approach to definitions, baselines or target setting. Alignment with the Island Outcomes is inconsistent, and reporting often focuses more on activity than on long-term outcomes.

We also identified areas of overlap or duplication, including in property development and certain public service functions. While collaboration does occur, clearer strategic leadership from the centre of Government would help deconflict responsibilities, reduce duplication and ensure that public resources are deployed efficiently and coherently.

The Committee recognises that many Arm's Length Bodies are already taking steps to improve productivity, manage cost pressures and supplement public funding where appropriate. However, we consider that there is value in a more holistic examination of the overall estate, which could include shared premises, joint procurement, shared support services, streamlined governance models, reduced scope, amalgamation or, where appropriate, discontinuance. Any such changes would need to be carefully considered to ensure outcomes are not compromised.

Cognisant of the resource requirement of staffing, we also considered remuneration within Arm's Length Bodies. While we do not question the commitment or professionalism of employees of the Arm's Length Bodies, greater consistency and clarity in remuneration frameworks would strengthen public assurance. In particular, clearer alignment between base pay progression, civil service pay structures, and additional or bonus payments being linked to organisational purpose would support transparency and accountability.

Overall, following 31 Key Findings, the Committee has made 12 recommendations to strengthen clarity, consistency and strategic coherence. These include:

- providing clearer definitions within the Public Finances Manual, particularly regarding subsidies and the differentiation between grants and contracts for services;
- publication of a complete list of Arm's Length Bodies and the relevant Accountable Officers;
- improving strategic leadership from Government bodies such as the Arm's Length Bodies Oversight Board and the Regeneration Steering Group
- introducing common Key Performance Indicator guidance;
- undertaking internal review to identify potential areas of savings within the Arm's Length Bodies' estate in order to present findings and potential options to the next Council of Ministers; and
- formulating a plan to undertake periodic strategic reviews by the Executive.

Following concerns raised by Arm's Length Bodies and grant recipients we have also recommended that any significant changes to grant funding should only take place with at least 12 months' notice, except in exceptional circumstances, to ensure organisations can plan responsibly and maintain service delivery.

To conclude, this Review does not suggest that Arm's Length Bodies or grant arrangements are inherently problematic. Many deliver substantial value to Islanders. The issue is the cumulative effect of growth without a system-wide, strategic view of necessity, duplication, outcomes or affordability. At a time of economic uncertainty and increasing pressure on public services, Jersey cannot afford a system that is complex but poorly connected.

The Committee's recommendations focus on practical improvements to strengthen purpose, improve accountability and ensure that public money delivers real benefits for Islanders. I would like to thank all officers and stakeholders who contributed to the Review, and I thank my fellow Committee members for their diligence, constructive challenge and commitment throughout.