STATES OF JERSEY

PROCUREMENT BY THE GOVERNMENT OF JERSEY (P.A.C.2/2025): EXECUTIVE RESPONSE (P.A.C.2/2025 RES.) – COMMENTS

Presented to the States on 3rd October 2025
by the Public Accounts Committee

STATES GREFFE

COMMENTS

The Public Accounts Committee (PAC) has reviewed the Executive Response to its report P.A.C.2/2025 'Procurement by the Government of Jersey' and has the following comments to make in respect of the response to the recommendations:

Action Plan

The Action Plan for the Executive Response (see appendix one) commits to several actions to be implemented by the end of 2026. Whilst these actions are welcomed by the PAC, it has not seen sufficient evidence within the response to provide full assurance that the issues raised in its report will be sufficiently addressed by Government. There are several comments on specific recommendations which have been identified by the PAC, and these are outlined below.

To test the Executive Response against stakeholders perspective, the PAC wrote to key organisations that it engaged with during the review, namely the Institute of Directors (IoD), Chamber of Commerce (CoC) and Jersey Construction Council (JCC) to gather their views on the Government's response to the recommendations. The following sections include both the PAC's comments on the Executive Response as well as the comments from those organisations. The PAC would like to thank the organisations for reviewing the response and providing their feedback.

Recommendation One

Recommendation	**RECOMMENDATION 1** The Government of Jersey should report expenditure on unavoidable utilities payments to the States owned entities (i.e. Jersey Electricity) separately to that of overall procurement expenditure to provide a more accurate picture of where spend is being made from procurement activity. This should be implemented by Quarter Four 2025
Risk of non-implementation	If the Government does not report in the way recommended, then the spending profile may not be provided with and an accurate picture of the services bought in by GoJ, which include these utilities. However, there may be a risk that implementing this recommendation reduces transparency by excluding certain suppliers and creates complexity in reporting
Risk Profile	Low
Other Considerations in prioritisation	This will be considered as part of a review of commercial expenditure reporting parameters but will not be delivered by Q4 2025.
Is the recommendation agreed?	Not agreed.

Improvement theme	No specific action at this time but will be considered as part of continuous improvement.

The PAC notes that Recommendation 1 (in respect of utilities reporting) was not agreed. Whilst this recommendation has been rejected, there is a commitment to continuous development in this area. Without a clear timeline for this, the PAC is concerned that opportunities for improvements may be missed. Given that Government is a major shareholder the PAC would question why it wouldn't call for the reporting of expenditure on unavoidable utilities to enhance transparency, especially when there is minimal cost implication to the recommendation. Where genuine procurement exercises have happened, these should be kept separate. The PAC would like to know when and how this will be considered as part of continuous improvement. It is the view of the PAC that the earliest that Government could complete this work would be 2027 if not delivered by end of 2025.

The IoD note that the risk associated with rejecting this recommendation is the perception that Government is avoiding granular scrutiny of major utility payments. The following comments were provided:

> *The Recommendation required that the Government reported "unavoidable utilities payments" separately to that of overall procurement expenditure. One of IoDs key findings, as part of its own contribution to the Scrutiny Panel was a lack of transparency. Ensuring that States Owned Entities and Arms' Length Organisations funding is scrutinised was highlighted as a priority by the Government CEO (notably in his speech at the Chamber Lunch) and therefore it seems at odds with this public declaration to avoid detailing the exact spend to ensure the public is apprised of this expenditure breakdown.*

The PAC notes that this view was also mirrored by the JCC who questioned why Government had not agreed to have transparency in this area.

In summary, given the feedback from organisations who submitted evidence and the PAC's own analysis of the response to recommendation one, the PAC would encourage Government to revisit this response to confirm how the commitment to continuous improvement in this area can be monitored given that no action is planned in the action plan.

Recommendation Two

Recommendation	**RECOMMENDATION 2** The Government of Jersey should continue to monitor the implementation of the guidance surrounding breaches to ensure it is being followed throughout the organisation. This guidance should also be updated to include clear information on how officials will be held accountable for breaches in procurement practices.
Risk of non-implementation	If breaches and exemptions to procurement guidance are not monitored, there is a risk that procurement rules are not being followed, and

	public money is not being spent in such a way that creates impact and value for money.
Risk Profile	Medium
Other Considerations in prioritisation	Guidance on exemptions and breaches is published and available to all Government of Jersey employees. Management Information on recorded exemptions and breaches is already produced by Treasury and Exchequer and departments are expected to have an established process for remediation planning for breaches and exemptions that occur. Additional information will be provided periodically for the CEO and Accountable Officers on a regular basis.
Is the recommendation agreed?	Partially agreed. Whilst work to better monitor breaches and exemptions is already under way, mandating specific sanctions in relation to failures in following procurement guidance is not appropriate. For example, breaches in procurement may be indicative of issues in pipeline planning or that more training might be required. Where a performance management issue is identified, this will be a matter for the Chief Executive in respect of AOs, or line managers in respect of less senior officers.
Improvement theme	Procurement refresh.

The PAC notes that periodic information will be shared with the CEO about breaches to inform appraisal processes. The PAC needs to understand what this will entail and the format that the information will take and how often it will be provided to the CEO. It would also like to know what the Government are using this information for in terms of holding people to account across procurement breaches. The PAC needs further detail of the system for breaches where they are not being actively reported and how are these being identified and people held to account accordingly. It will be following this up further with the CEO in upcoming quarterly hearings.

Recommendation Six

Recommendation	**RECOMMENDATION 6** • Government should update the Procurement Strategies to include a narrative-based consideration of the various social value impacts attached to a particular procurement or tender. This should also provide evidence of outcome-based measures as to how the procurement will relate directly to the Island Outcome Indicators and Future Jersey Vision. • Clarify the timescale for periodic reporting on delivery of social value commitments. If this is

	not undertaken on a regular basis, then it should seek to mandate quarterly reporting from departments on the delivery of social value commitments. • Make a version of the annual Social Value report publicly available to enhance transparency around how social value commitments are being met through the procurement process in the Annual Report and Accounts 2025. This should be implemented by the end of Quarter Two 2026.
Risk of non-implementation	If social value is not delivered as part of contract delivery, other benefits outside of the economic benefit of contract aware may not be realised.
Risk Profile	Low
Other Considerations in prioritisation	All government contracts should deliver value to the community and should be aligned to the delivery of the Common Strategic Policy. Procurement Strategies already include narrative on this matter. However, it is a matter for the tenderer to consider how they deliver any further social value and social legacy, e.g. training of apprentices, as part of the tender process, rather than have that specified as part of the service requirements. Commercial Services offers guidance to the procuring department as to outcomes suppliers may wish to work towards through social value activities, and these are confirmed at the Recommendation to Award stage. Commercial Services requests updates from departments on a quarterly basis. However, this is more regular for new contracts and this frequency reporting is captured in the supplier contract. We will publish the social value report following year-end 2025, with reasonable allowance for report production.
Is the recommendation agreed?	Agreed, already in place appropriately as part of business as usual. Agreed, already part of business as usual. Agreed.
Improvement theme	Transparent outcomes.

The PAC notes that Government has agreed the three points raised in response to recommendation six. It is particularly pleased to note that Government has provided a commitment to publishing social value reporting from 2026 onwards. The PAC would like to see further evidence of what this report will contain and how it will be presented.

It notes also that parts one and two of the recommendation are accepted, albeit as part of business as usual. The PAC would like to see further evidence of how this is being undertaken as part of business as usual as it did not receive sufficient evidence of this during its review. Unless the additional benefits of local procurement are accurately reflected in tender evaluations, there is a risk that procurement activities will fail to deliver the best available outcome for the Island as a whole. It will follow this up as a matter of course.

The PAC would like to also see further evidence as to what Government understands its role to be in delivering social value when it is expected that an organisation tendering for a particular procurement will deliver this as part of its overall pitch. The PAC is also concerned to note that no reference is made in the response to the specific economic contribution that local businesses can make in terms of overall social value.

The IoD also noted that Recommendation 6 was notionally agreed, but it identified that the commitment to the timetable for reporting on social value was possibly vague in the Government's response.

> *There is no firm timetable for quarterly reporting despite PAC's explicit timeline. This was a major finding among our members, and we do not feel that the Executive Response adequately addresses this. Transparency over the local weighting process, in addition to feedback delivered to local providers to provide a sharpened tender, to ensure that the local economy benefits would be a more appropriate response.*

Furthermore, the JCC questioned why the responses did not provide further detail as to what Government is doing to examine what organisations are already doing as part of the overall social value piece.

Overall, the PAC would expect to receive a greater level of assurance as to how social value is being incorporated in business-as-usual practice (especially for local businesses that are contributing directly to the economy) and a firmer timeline on reporting social value benefits.

Recommendation Seven

Recommendation	**RECOMMENDATION 7** The Government of Jersey should ensure that procurement practices are benchmarked against metrics used in the UK and that any gaps identified within current practices are updated as a matter of priority.
Risk of non-implementation	If procurement practices are not benchmarked against UK metrics, we will not be able to identify is good practice is being implemented from developments in other jurisdictions.
Risk Profile	Low
Other Considerations in prioritisation	The PFM and procurement toolkits are already based on good practice. However, GoJ does

	regularly consider new UK Procurement Policies, as outlined during the recent PAC hearing: *The Cabinet Office are just rewriting theirs based on not being part of Brexit, which has taken a while. I am reviewing those. I am also reviewing the National Audit Office recommendations, but we are looking at both of those at the moment.*
Is the recommendation agreed?	Agreed, already part of business as usual.
Improvement theme	No action at this time.

The PAC notes that this recommendation is agreed, albeit that it is already part of business-as-usual. Whist this is accepted and positive to see, the PAC would like to see further evidence of how this benchmarking is undertaken in practice.

Recommendation Eight

Recommendation	**RECOMMENDATION 8** In respect of Information Technology Procurement, the Government of Jersey should: • Consider the development of a project selection criteria for prioritising Information Technology programmes on a corporate level. • Establish standard supplier performance KPIs, monitored centrally by the Digital Services Team and shared with departments to ensure that there is a clear line of accountability for the delivery of Information Technology procurements given the scale of investment within this area by Government. • Implement all the learnings set out by the Comptroller and Auditor General on effective procurement within the Learning from Previous IT Implementations – A Thinkpiece report. This should be implemented by the end of Quarter Two 2026.
Risk of non-implementation	If projects are not appropriately prioritised, resources may not be assigned to the projects that will have the most impact for the organisation and the overall systems architecture may be less controlled. However, the project prioritisation process in respect of Digital Projects was successfully implemented in 2024, and the guiding principles continue to apply to new projects in development. If contracts are not monitored effectively through KPIs the result could be increased costs or inability

	to achieve value for money within existing contracts. If the learnings are not considered, opportunities might be missed in maximising the benefits of IT procurement.
Risk Profile	Low Low Low
Other Considerations in prioritisation	The project prioritisation exercise which commenced in the summer of 2024 has seen departments prioritising their projects. Digital Services then works on projects in order with the priorities. The guiding principles continue to be applied to new projects in development. This recommendation is already addressed. The Budget process is also the overall corporate level management tool that drives capital project prioritisation, the above supports and assists immediate month by month sequencing priorities of projects at a Departmental level to ensure the end users / business systems owners priorities are being met wherever feasible. There is significant diversity across over 650 Digital suppliers of GoJ IT applications and IT infrastructure systems, and therefore standardising KPIs would require a significant amount of resource from both Digital Services and Commercial Services, and also questionable whether aligned to best practices. On balance this cannot be taken forward at this time. Digital Services will continue to work with Commercial Services to ensure new or revised contracts have KPI's appropriate to agreement, some of which may be standardised that can apply to a wide range of systems. This will include the importance of the roles and responsibilities related to Business System Ownership. A formal response was provided to the Chair of the Public Accounts Committee from the Chief Executive Officer dated 28 March 2025, which outlined how GoJ will take forward the suggestions around the key areas in the Thinkpiece. Officers would be prepared to brief the PAC on how the principles are built into procurement practice.

Is the recommendation agreed?	Agreed, already part of business as usual Not Agreed Not Agreed.
Improvement theme	No action at this time.

The PAC notes that only one of the three points raised in this recommendation has been accepted by Government. The PAC considered a number of aspects in relation to Information Technology (IT) procurement during its review and is pleased that Government has adopted an approach for developing project selection criteria for IT programmes. Given the significant exercise that was undertaken to reduce the open IT projects from 300+ to c.100 the PAC would expect to see further evidence as to how this prioritisation will be applied moving forward as part of business as usual.

Part two of the recommendation (standardising KPIs across IT suppliers) has not been agreed by Government. The rationale given is that there is significant diversity across over 650 Digital suppliers of Government IT applications and IT infrastructure systems, and therefore standardising KPIs would require a significant amount of resource from both Digital Services and Commercial Services, and also questionable whether aligned to best practices. A commitment is, however, given that Digital Services will continue to work with Commercial Services to ensure new or revised contracts have KPI's appropriate to agreement, some of which may be standardised that can apply to a wide range of systems. This was noted by the IoD and the following comments were provided to the PAC:

> *Whilst it is appreciated that standardising KPIs across existing contracts (not up for renewal imminently) might not be practical we would encourage the Executive to put in place a process whereby new and renewing contracts are updated with standardised KPIs (where appropriate dependent on service). This will ensure that monitoring and assessment is more coherent and transparent and will allow Government to assess whether to re-tender where service providers are not performing according to service level agreements.*

The PAC will continue to question the Government as to how this is being applied in practice moving forward with new or revised contracts.

Finally, the PAC notes that the recommendation to implement all of the C&AG learnings outlined in the IT Implementation Thinkpiece was not agreed by Government. The rationale given to the PAC for not agreeing this part of the recommendation was as follows:

> *A formal response was provided to the Chair of the Public Accounts Committee from the Chief Executive Officer dated 28 March 2025, which outlined how GoJ will take forward the suggestions around the key areas in the Thinkpiece. Officers would be prepared to brief the PAC on how the principles are built into procurement practice.*

The PAC was provided with a response earlier in 2025; however, the response did not provide sufficient detail as to how the points laid out in the C&AG report would be implemented in practice, nor the timescale that would be applied to this work. It does, however, note the Government's commitment to brief it on how the principles are built into the procurement practice. The PAC has considered this response, and the information provided to date and would like to encourage Government to take the opportunities presented to it to improve practice across this area. The Government of Jersey has previously stated a commitment to being a learning organisation and the PAC would continue to press it to take forward the learnings in the C&AG report. It will be seeking a briefing in due course on how the principles are being applied and also seeking further assurance over the timescale for implementing these learnings.

Recommendation Ten

Recommendation	**RECOMMENDATION 10** The Government of Jersey should urgently undertake a 'lessons learned' exercise in respect of the failed joint tender process for the ferry contract to provide assurance over the steps to be taken during future joint tender situations/contracts. This should be completed and presented to the Public Accounts Committee by the end of Quarter Four 2025. It should also conduct a benchmarking exercise against the UK or EU and identify joint procurement case studies for bi-jurisdictional tenders to use as examples when planning future joint procurement ventures. The PAC also recommends implementing this in collaboration with Guernsey counterparts. This should be completed by the end of Quarter Two 2026.
Risk of non-implementation	If not implemented, then lessons may not be learned and issues faced may recur.
Risk Profile	Low
Other Considerations in prioritisation	Several relevant learning points from the CI ferry tender project, have already been shared with PAC in the hearing held 12th March 2025. There are generally a very low number of bi-jurisdiction tenders undertaken by GoJ, therefore each process will need to be designed given its own circumstance. However, some of the learning points have been adopted into a current bi-jurisdiction tender (it is quite anomalous for two examples to occur within such a short period). A structure and mechanisms to manage both a joint and separate award outcome have been agreed and documented in advance between the two jurisdictions.
Is the recommendation agreed?	Agreed in principle and lessons exercises have already been undertaken. A further formal review is not deemed to be proportionate, given the low frequency of joint tender exercises.

Improvement theme	No action at this time.

There has been considerable coverage of the failed joint ferry tender process since 2024 and given the timing of the PAC's review, it was deemed important for it to cover this within its procurement review. Noting the potential reputational risks to Government for any future joint procurement exercises, the PAC recommended that a lessons learned review should be undertaken, ideally in collaboration with Guernsey. The Government has agreed this recommendation in principle, noting that a lessons learned exercise has already been undertaken and that a further formal review is not deemed to be proportionate given the frequency of joint tender exercises. The IoD made the following comments in respect of this response:

> *Government argues a further review is not proportionate. This dismisses PAC's concern about reputational risk and appears a little complacent, particularly given the political sensitivity of ferry services. We note that the response states "some of the learning points have been adopted into a current bi-jurisdiction tender". It is not clear if the final sentence indicates that a policy and procedure has been agreed between the Channel Islands. It appears that ensuring this is in place, incorporating the lessons learned is a logical way of addressing the matter without the need for a formal review.*

This view was also echoed by the JCC who stated that conducting a "lessons learnt" exercise and publishing the outcomes of these is very important. The IoD echoed the PAC's concern about the potential reputational risks to Government given the political sensitivities in this area. The PAC is, therefore, disappointed that Government has not committed to taking forward a further review.

Further assurance is also needed over the learning points that have been adopted into a current bi-jurisdiction tender. The IoD also highlighted a question over the clarify of whether a policy and procedure has been agreed between the Channel Islands in respect of joint tender processes. The PAC would also like to see further evidence as to whether this is the case. If not, then the PAC would like further assurance over the timeline for implementing this.

Recommendation 11

Recommendation	**RECOMMENDATION 11** The Government of Jersey should seek to implement a simplified SME tender track or light-touch submission process for contracts below £100,000 to assist SMEs who have limited resources to submit quotes for works/contracts. This should be implemented by the end of Quarter Two 2026.
Risk of non-implementation	There is no specific risk involved in the non-implementation of this recommendation. See comments.
Risk Profile	Low
Other Considerations in prioritisation	A simplified process for SME below £100,000 is not required as procurement opportunities below

	£100,000 only require three quotations to be requested and submitted. It is considered that this process should be within the reach of SMEs. In addition, procurement rules are balanced to not favour any particular organisation capable of delivering the requirements, and implementing this recommendation could skew this balance.
Is the recommendation agreed?	Not agreed.
Improvement theme	No action at this time.

The PAC made this recommendation to Government on the basis of feedback received from local business representative bodies who all stated that the process for smaller businesses could be onerous and discourage local businesses from taking part in the procurement process. It was also noted that the resource level required for smaller businesses was not proportionate to the potential benefits and contract values for many of them. The IoD reiterated this point in its comments on the Executive Response:

> *This has been flatly rejected despite the feedback from IoD, Chamber of Commerce and the Construction Council and PAC's findings. The Executive Response does not address the issues noted in relation to the process. A light touch approach was suggested because an onerous process requiring a SME to spend an inordinate amount of time (consequently unchargeable) preparing the tender was not considered proportionate for lower value contracts.*

The PAC notes that the Government's response provides the rationale that the process should be in reach of SME's, despite the feedback received providing evidence to the contrary. This is a disappointing response from Government and the PAC would urge greater communication with local business to understand the concerns of SME's in this area. The PAC shall be seeking further assurance as to how Government will interact with SME's to better understand this feedback.

Recommendation 14

Recommendation	**RECOMMENDATION 14** The Commercial Services team should bring forward the intended survey of local suppliers to understand the challenges they are facing within the procurement process (as well as use of the Connect Suppliers ARIBA system) as a matter of priority during 2025 with a view to reporting by the end of Quarter Four 2025. The findings of this work should be reported to the PAC with a clearly defined action plan for addressing recommendations identified from the survey results.
Risk of non-implementation	If not implemented, then improvements may not be possible based on feedback.
Risk Profile	Low

Other Considerations in prioritisation	Whilst feedback is an important mechanism, it is not envisaged that implementing this recommendation will result in a significant value for money improvement. In addition, support to organisations is already in place where supplier face challenges – see comments on Recommendation 12. There are also certain constraints on customisation of 3rd party provided core systems (as they are designed to provide best practice processes), as well as cost and people implications, should suppliers provide feedback that might require changes to systems. However, Commercial Services has consulted with GoJ Customer Experience and Stats Jersey regarding supplier survey. The result is that a supplier survey will focus initial on a specific aspect of the procurement process due to the complexities in surveying customers end-to-end. The intention is to identify a prioritised aspect of the process for supplier surveying in 2026 – due to conflicting commitments and resource constraints.
Is the recommendation agreed?	Partly Agreed, deferred. We intend to upskill internal staff that will in turn support supplier experience.
Improvement theme	Procurement refresh.

This recommendation follows on from some of the concerns identified in recommendation 11 and the comments made by local organisations that feedback around the procurement process had been dismissed largely as hearsay without significant data to highlight the concerns. The PAC noted during its review that a survey was planned by Commercial Services and it also gathered limited feedback through its own survey which did provide some indication that further data is required by Government to highlight issues faced by local businesses engaging with the SAP Ariba system. Whilst it should be acknowledged that this survey is not representative, it nonetheless does provide information to Government on the need for further engagement. This recommendation is agreed; however, it has been deferred with an indicative timeline of 2026 for completion. The PAC would like further clarity over when in 2026 this work will take place once known by Government.

The IoD provided the following comments in relation to the response to this recommendation:

> *We do not believe this addresses the issues raised in the Scrutiny Panel hearing attended by IoD, Chamber of Commerce and the Construction Council. We were told that the Executive rejected our assertions as "hearsay". Without the data which could be gathered from a survey we do not understand how the challenges facing our members can be addressed.*

Furthermore, the JCC highlighted the following comment:

Ariba training for new organisation and new to Ariba States employees would be of great benefit to speed up the process, which with trained users is a speedy process, but can be painfully slow, if the users have not setup the order correctly

The PAC would urge Government to provide an indicative timeline for the completion of this work and continue to seek new ways to engage with suppliers to gather their feedback and have this informed by data. The PAC would also like to see details of how staff will be upskilled to support supplier experience.

Recommendation 16

Recommendation	**RECOMMENDATION 16** The Government of Jersey should review the current funding cycles for charities with a view to moving towards a guaranteed 3-year funding cycle. This will assist charities in terms of financial security and also feed into the long-term vision for Government services to the public. This should be completed in time for inclusion in the Budget 2027 – 2030.
Risk of non-implementation	If not implemented, relevant organisations may have less certainty about future funding arrangements, which could place key services at risk of non-delivery and therefore impacting Islander outcomes.
Risk Profile	High
Other Considerations in prioritisation	GoJ has recently responded to the Association of Jersey Charities 'Power of Partnership' report. This recommendation mirrors one of the recommendations included in that report. It is appreciated that both GoJ and external organisations need certainty that key services will be delivered. However, GoJ is currently operating in a challenging financial context and implementing this recommendation will depend on budgets, service and planning cycle.
Is the recommendation agreed?	Agreed but deferred. Linked activity will be deferred until such a time as public finances allow for such a commitment, that presents a different set of risks to GoJ.
Improvement theme	None at present, deferred.

The PAC received a submission from the Association of Jersey Charities (AJC) which outlined several key points for Government to consider in order to better support the Charity sector in procurement practices and commissioning of services. One recommendation highlighted in the 'Power of Partnership' report was that 3-year funding cycles would benefit local charities and provide stability over their funding arrangements, especially where a significant amount of their funding was provided by Government. The PAC acknowledged this recommendation and reiterated it within its report to further highlight this to Government.

The PAC would reiterate the comments of the AJC within its 'Power of Partnership' report which was also highlighted in a news article in the Jersey Evening Post shortly after the PAC published the Executive Response:

> ***Power of Partnership Report:***
> *One of the biggest causes of frustration and stress among charities is around the processes of short-term funding cycles, with some charities reliant on annual grants of over £1 million, not receiving confirmation until December the year before the funding is due.*
>
> ***JEP article – Monday 8th September 2025***
> *"This exposes charities to significant financial risk in a sector where cash flow is so critical, and can deter those who would otherwise fund or work for the charity,"* according to the report. The Association of Jersey Charities recommended that multi-year funding arrangements should be standard.

"A number of charities spoke of agreed funding arrangements being withdrawn last minute, or funds taking months to be received.

"They spoke of operating skeleton staffing structures while waiting for funding confirmation, of pending redundancies or even insolvency risk.

"No organisation can work effectively in this way. It puts charities under significant pressure and exposes them to financial risk.

"Charities are key delivery partners for government and should be treated with more respect than the current funding practices demonstrate."

At the time, the chair of the Association of Jersey Charities said that guaranteed three-year government funding cycles would give charities "much-needed stability".

Marcus Liddiard explained that the move "would allow them to plan services, retain staff, and invest in long-term improvements instead of focusing on short-term survival".

Government has accepted this recommendation albeit with the caveat that the activity will be deferred to such a time as public finances allow for such a commitment given the current financial challenges faced by the public sector. As such, no action is intended to be taken by Government at this time in response to this report and recommendation.

The IoD noted this response and that this was a pragmatic approach to take, however, it also noted that without a roadmap to address this recommendation, charities remain in uncertainty. The PAC would echo this sentiment. It is a balance to strike between public finances and the needs of the wider charity sector, many of which are providing not insignificant services on behalf of Government. Whilst a commitment may not be possible at this time, the PAC will continue to seek further assurance that this matter will not fall off Government's radar and is being considered and monitored against the backdrop of public finances.

Recommendation 18

Recommendation	**RECOMMENDATION 18** The Commercial Services team should ensure that all departmental officers tasked with providing feedback for unsuccessful tenderers are provided

	with a refresher update on the processes to be followed when providing feedback to ensure that this is being routinely done in a consistent manner. This should be completed by the end of Quarter Four 2025.
Risk of non-implementation	If not implemented, then local businesses will not be able to influence changes to procurement thresholds. However, any limits suggested by external organisations may conflict with the financial risk appetite of GoJ (Minister for Treasury and Resources, Treasurer and Accountable Officers).
Risk Profile	Low
Other Considerations in prioritisation	The specific risk profile to GoJ operating context is low, as this is not considered likely to have a significant impact on value for money. However, it is appreciated that securing contracts can make a big difference to suppliers, particularly local suppliers to support the local economy. Guidance on providing feedback is already included on the GoJ intranet and in procurement toolkits.
Is the recommendation agreed?	Agreed. Commercial Services will promote the guidance periodically across the organisation and is committed to supporting departmental colleagues who have the responsibility to deliver feedback to unsuccessful suppliers.
Improvement theme	Transparent outcomes.

The PAC notes that the risk profile attached to this recommendation is rated as low within the Executive Response. Given the potential impact of not providing feedback to unsuccessful tenderers, especially to smaller local businesses who commit proportionately significantly greater resource preparing bids, the PAC is concerned to note the choice of risk profile for this recommendation. This is a point which was also noted by the IoD and JCC in their comments on the Executive Response as follows:

> ***Institute of Directors:***
> *Recommendation 18 (feedback to unsuccessful tenderers) is agreed but treated as a low-risk issue. For SMEs, however, I suspect that feedback is crucial.*
>
> ***Jersey Construction Council***
> *Recommendation 18 – Feedback to unsuccessful tenders is, in our opinion medium or high risk, as this is crucial to them understanding why they were unsuccessful and what they need to do better on any future tendering, otherwise this will deter them from tendering for future works and reducing competition in the marketplace.*

Government has agreed the recommendation and has given a commitment to promoting the guidance periodically (the PAC would like to know what this periodic timescale will be) and also committed to supporting departmental colleagues tasked with delivering feedback to unsuccessful suppliers. This is welcomed by the PAC, although it would like to see further evidence of how Government has assessed the risk rating for this recommendation as being low.

Conclusion

In conclusion, the PAC has noted that the Executive Response to this report commits Government to action in some areas, but overall, it is disappointed to note the response has not given indicative timelines for some actions.

The PAC has concerns that the Government has not committed sufficient action for a number of recommendations. The response from the Government of Jersey does not provide adequate assurance, appearing less than proactive in addressing the significant gaps identified. Given that over £444.8 million of public funds was spent on procurement activity in 2024, the recommendations put forward by the Public Accounts Committee offer clear opportunities to improve value for money. However, the limited assurance provided in the Government of Jersey's response suggests that these opportunities may not be fully realised, raising serious concerns about the Government's commitment to delivering better value for public expenditure.

The PAC will follow up on the recommendations and comments outlined above during upcoming quarterly hearings with the Chief Executive and will also raise areas for follow up within its legacy report to be presented prior to the next election in June 2026.

Appendix One – Action Plan within Executive Response

Action theme	Actions	Linked Recs	Target date	Responsible Officer
Procurement refresh	• Review the procurement processes, including thresholds, and commercial resources to support procurement that will deliver a proportionate system of procurement for GoJ and suppliers. • Upskill internal staff on purchasing and requisitioning that will minimise breaches and exemptions and support supplier experience.	2, 3, 9, 14, 17	Q4 2026 Q1 2026	Director, Commercial Services
Enhance accountability	• Provide the Chief Executive with information on procurement breaches and exemptions which will enable him to use in performance management, where appropriate. • Review reporting provision, to ensure that information available, such as breaches and exemptions, can be appropriately used for identifying and improving processes, and performance management, as appropriate. Where reporting process do not seem to be adding additional value, consider resource/benefit in production of such reports.	4	Q1 2026 Q4 2026	Director, Commercial Services Director, Commercial Services
Greater engagement with businesses	• Plan a programme of meetings with local businesses and third sector organisations to support market awareness of upcoming opportunities to secure government contracts. Establish this as a business-as-usual process. • Publish procurement pipelines on gov.je	5, 12, 13 11	Q1 2026 Q4 2025	Director, Commercial Services
Transparent outcomes	• Publish social value report for 2025. • Promote guidance on providing feedback to unsuccessful tenderers periodically across the organisation and offer support to departmental colleagues who have the responsibility to deliver feedback to unsuccessful suppliers.	6, 18	Q2 2026	Director, Commercial Services

11 September 2025

Deputy Inna Gardiner
Chair, Public Accounts Committee
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By email: scrutiny@gov.je

Dear Deputy Gardiner,

Re: Procurement by the Government of Jersey (P.A.C 2/2025): Executive Response (“the Executive Response”)

I am writing in response to a request from your Research and Project Assistance to review the Executive Response and provide commentary that, in turn, may aid your response thereto.

1. Transparency and Reporting

a. Recommendation 1 (utilities reporting) was not agreed. We note that the risk is the perception that Government is avoiding granular scrutiny of major utility payments. The Recommendation required that the Government reported “unavoidable utilities payments” separately to that of overall procurement expenditure. One of our key findings as part of our contribution to the Scrutiny Panel was a lack of transparency. Ensuring that States Owned Entities and Arms’ Length Organisations funding is scrutinised was highlighted as a priority by the Government CEO (notably in his speech at the Chamber Lunch) and therefore it seems at odds with this public declaration to avoid detailing the exact spend to ensure the public is apprised of this expenditure breakdown.
b. Recommendation 6 (social value reporting) is notionally agreed, but the commitment is vague. There is no firm timetable for quarterly reporting despite PAC’s explicit timeline. This was a major finding from our members, and we do not feel that the Executive Response adequately addresses this.

Transparency over the local weighting process, in addition to feedback delivered to local providers to provide a sharpened tender, to ensure that the local economy benefits would be a more appropriate response.

c. Recommendation 18 (feedback to unsuccessful tenderers) is agreed but treated as a low-risk issue. For SMEs, however, I suspect that feedback is crucial.

2. Accountability and Governance
    a. Recommendation 10 (ferry tender lessons learned): Government argues a further review is not proportionate. This dismisses PAC's concern about reputational risk and appears a little complacent, particularly given the political sensitivity of ferry services. We note that the response states "some of the learning points have been adopted into a current bi-jurisdiction tender". It is not clear if the final sentence indicates that a policy and procedure has been agreed between the Channel Islands. It appears that ensuring this is in place incorporating the lessons learned is a logical way of addressing the matter without the need for a formal review.

3. Support for Local Economy/ SMEs/ Charities
    a. Recommendation 11 (SME light-touch process): this has been flatly rejected despite the feedback from IoD, Chamber of Commerce and the Construction Council and PAC's findings. Th Executive Response does not address the issues noted in relation to the process. A light touch approach was suggested because an onerous process requiring a SME to spend an inordinate amount of time (consequently unchargeable) preparing the tender was not considered proportionate for lower value contracts.
    b. Recommendation 14 (survey): partly agreed. We do not believe this addresses the issues raised in the Scrutiny Panel hearing attended by IoD, Chamber of Commerce and the Construction Council. We were told that the Executive rejected our assertions as "hearsay". Without the data which could be gathered from a survey we do not understand how the challenges facing our members can be addressed.
    c. Recommendation 16 (3-year charity funding cycles): accepted in principle but deferred indefinitely due to finances. This is pragmatic, but without even a roadmap, charities remain in uncertainty.

4. Capacity and Capability

a. Recommendation 8 (in respect of Information Technology Procurement), this recommendation has not been agreed in the Executive Response. Whilst it is appreciated that standardising KPIs across existing contracts (not up for renewal imminently) might not be practical we would encourage the Executive to put in place a process whereby new and renewing contracts are updated with standardised KPIs (where appropriate dependent on service). This will ensure that monitoring and assessment is more coherent and transparent and will allow Government to assess whether to re-tender where service providers are not performing according to service level agreements.

Yours sincerely,

Alex Ruddy
Chair, IoD Jersey

APPENDIX THREE

JERSEY CONSTRUCTION COUNCIL

COMMENTS ON PROCUREMENT EXECUTIVE RESPONSE

Generally speaking, it is positive that many of the recommendations following our meeting with the Public Accounts Committee, along with Chamber of Commerce and the Institute of Directors, have been agreed in some form.

Here are specific comments on some of the recommendations:

Recommendation 1 – Why not agree to have transparency?

Recommendation 6 – Why are responses not looking at what organisations are already doing as part of their Social Value?

Recommendation 10 - "lessons learnt" and publishing these is very important

Recommendation 11 – Simpler tendering process for under £100,000, would allow more engagement with other businesses that may not be able to justify the time investment in tendering

Recommendation 12- Pipeline visibility is very important for confidence for organisations to invest in their future and develop skills

Recommendation 13 – Consultation at an early stage of a project or policy change is very important

Recommendation 14 – Ariba training for new organisation and new to Ariba States employees would be of great benefit to speed up the process, which with trained users is a speedy process, but can be painfully slow, if the users have not setup the order correctly

Recommendation 18 – Feedback to unsuccessful tenders is, in our opinion medium or high risk, as this is crucial to them understanding why they were unsuccessful and what they need to do better on any future tendering, otherwise this will deter them from tendering for future works and reducing competition in the marketplace