

Deputy Inna Gardiner
Chair
Public Accounts Committee

By Email

12 December 2025

Dear Chair

Re: Arm's Length Bodies, Grants and Subsidies Review

Thank you for your letter requesting further clarification to assist the Public Accounts Committee's review of Arm's Length Bodies (ALBs), Grants and Subsidies.

Please find the answers to the Committee's questions, below.

1. Clarify if you have a set budget for grant allocation each year, and if so, how is this set and altered?

The following ALBs are each listed as a separate service area within the Cabinet Office budget (see page 9 of the [Proposed Budget 2026 to 2029 Annex](#)). As a result of the adoption of the Amendment to Amendment 3, the Public Service Ombudsperson will be added to this list of service areas in a future iteration:

- Statistics Jersey
- Safeguarding Partnership Board
- Care Commission
- Children's Commissioner
- Charity Commissioner
- Jersey Advisory and Conciliation Service (JACS)

These organisations are provided with funding by the States Assembly in the annual States Budget, except for the Charity Commissioner, whose office is funded by an allocation from the Jersey Reclaim Fund (which receives monies from dormant bank accounts). This is provided for under Article 3(3) of the Dormant Bank Accounts (Distribution of Fund Money) (Jersey) Order 2020.

In practice, the Charity Commissioner's budget is set in the same way that the budgets of the other ALBs are set. This follows the requirements of the Public Finances Manual (PFM) which states that "income and expenditure Budget submissions for States Bodies... must be submitted to the Treasurer of the States prior to the preparation of the draft Government Plan, in accordance with the timetable (and any associated guidance) issued by the Treasurer of the States and in the format requested by the Treasurer." These organisations are "States bodies" for the purposes of the PFM, as defined under Article 1 of the Public Finances (Jersey) Law 2019.

The Care Commission receives a proportion of its funding via fees which are included as 'Income' within the Budget to provide a net budget allocation from the States. Most of these fees are set by the Minister for the Environment under the Regulation of Care (Fees) (Jersey) Order 2022. The department supports the Minister to set fees with advice from Treasury & Exchequer when appropriate and in accordance with the requirement to consult the Treasurer under the PFM, if the Minister is considering uplifting fees by more than 2.5%.

It should also be noted that JACS is treated differently from the other ALBs as its budget is paid as a grant. The other ALBs are treated – for administrative purposes only – as employees employed by the States Employment Board and utilising the services of Government of Jersey's People Services, Finance and Digital Services without additional charges.

The Department provides a contribution to the Government's wider grant to Citizens Advice Jersey. The Minister for Social Security is responsible for ensuring that appropriate advisory and conciliation/mediation services are available in relation to the Discrimination (Jersey) Law 2013. The Cabinet Office provides the funding to enable CAJ to deliver an advice service in relation to discrimination 'not in employment' in pursuance of the Minister's statutory duty. For 2025 the sum allocated to CAJ for non-employment related discrimination advice was £12,668. This funding has been in place since 2014, following the introduction of the Discrimination Law in 2013. Funding remained static for several years, but now the grant is increased to account for non-pay inflation.

The Chief Minister's 'Pilot Fund' also provides short term financial support to organisations where existing departmental budgets prove inadequate or they have suffered from unforeseen problems with cashflow. The current Chief Minister has sought to focus this funding on charitable organisations who support those in need or are vulnerable. Payments are made based on an approved business case or comparable assurance, and endorsement by the responsible Department. In 2025, this included payments to Sanctuary House, Brighter Futures, and the Battle of Flowers in response to their financial shortfalls.

For completeness, also reported as a Cabinet Office grant is funding provided to Andium Homes to run the Minister for Housing's First Step assisted home ownership scheme. £10m was allocated to the Scheme in 2024 and a further £2m was allocated in 2025. This grant funding is non-recurring and was provided pursuant to a business case to support the Minister for Housing and the wider Council of Ministers' policy to support more Islanders to become homeowners. This was provided to Andium Homes to administer the scheme on the Government's behalf. There is no funding allocated for this purpose from 2026 onwards, although it should be reasonably expected that further funding may be considered by future governments. While funding for the Scheme has been paid as a grant to Andium Homes, the funding is provided to homeowners in what could be described as a long-term loan, whereby funds will eventually return and will be available for future re-investment.

2. Identify, given the Public Finances Manual establishing that there should be consideration of either periodic or ad hoc structured reviews of any or all Arm's Length Bodies, if you have undertaken or plan to undertake any periodic or ad-hoc reviews?

As I referenced in the review hearing with the Committee on Wednesday 24 September 2025, an informal strategic review of the Care Commission was undertaken in 2022 to determine its efficiency and effectiveness in providing health and social care inspections and regulatory functions. This was precipitated by the then Council of Ministers' decision to extend the Care Commission's remit to include hospital and ambulance services.

The review enabled the Department to prepare a business case, following consideration of the entirety of the organisation to ensure the Commission provided value for money. It was only then that an initial growth bid within the internal budget process could be justified. The review and subsequent business case enabled ministers to take the funding request to the States Assembly as part of the Government Plan 2023-26.

The Department holds quarterly meetings with ALBs which are co-chaired by the relevant senior official in the ALB and myself as Accountable Officer. This provides an opportunity to consider whether there are key risks to the performance of an organisation which I consider would warrant a wider organisational review.

Whilst I currently have no plans to commission a review of a specific organisation, I am assisting the Chief Executive to explore options for a smaller and less expensive public service, which includes consideration of the overall ALB estate. This work has been commissioned by the Chief Minister and will culminate in an all States Members workshop in February 2026, when a blueprint for future reform will be discussed.

3. Provide confirmation as to whether any consideration on the size of the boards of any Arm's Length Bodies has been undertaken, and if so, what direction has been given?

The Care Commission and the Jersey Advisory and Conciliation Service (JACS) both have statutory Boards, the constitution of which are governed by the Regulation of Care (Jersey) Law 2014 and the Jersey Advisory and Conciliation (Jersey) Law 2003, respectively.

Members of the JACS Board are unpaid, with a statutory maximum of 7 members. There are currently 7 members of the Care Commission Board, and under the Law there must be between 4 and 8 Board members. Members of the Board are appointed by the Minister for the Environment, on the recommendation of the Chair. However, the Department provides advice to the Minister as appropriate and seeks to keep the running costs of the Board as low as possible. The overall costs of the Care Commission Board were £60,000 in 2024.

4. Confirm what direction has been given by the Government of Jersey to Arm's Length Bodies or those receiving grants or subsidies within your remit to work collaboratively and deconflict actions with each other and government?

The functions of the organisations that fall under the Cabinet Office are set out clearly in Law, except for those of the Safeguarding Partnership Board (SPB). However, as the core function of the SPB is to co-ordinate with all organisations which safeguard children and adults and to monitor and challenge the effectiveness of Jersey's safeguarding arrangements overall, I am satisfied that it performs a distinct role that largely does not conflict with the remit of other organisations.

Despite holding clear statutory remits, it is nevertheless important that regulators work collaboratively, particularly where their remits may intersect. The Department has worked to encourage regulators – the Care Commission and Charity Commissioner – to agree ways of working with other relevant agencies. For example, the Care Commission has signed up to the multi-agency work-related death protocol and there is a memorandum of understanding which governs the working relationship between the Charity Commissioner and the Jersey Financial Services Commission.

5. Identify what direction has been given by the Government of Jersey to Arm's Length Bodies within your remit to increase productivity and become more efficient?

Since the formation of this Council of Ministers, the Cabinet Office has saved almost £3.6 million in total. On a like-for-like comparison, it has reduced by 32.6 full time equivalent staff to a new total of 173.7 FTE, a 16% reduction. Savings requirements have largely been passed on to ALBs on the same basis as the core department, in line with the Council of Ministers' intention to curb the growth of the public service. While statutorily independent offices cannot be compelled to meet central government requirements in respect of reducing spend on consultants and adhering to the States

Employment Board's recruitment freeze policy, I have written to all Cabinet Office ALBs requesting that they do so.

6. Would establishing joint premises for Arm's Length Bodies of various types, including States established delivery entities and States established independent bodies and office holders, provide efficiencies?

Jersey Property Holdings is exploring options with a group of ALBs in respect of making efficiencies in accommodation by sharing office space. While sharing space would not be appropriate for all bodies due to their size, scale (and timing/length of extant lease agreements/break clauses), the Government of Jersey will continue to encourage ALBs to consider opportunities for efficiency.

7. Would establishing joint boards for Arm's Length Bodies of various types provide efficiencies?

It would be a matter for Ministers and the States Assembly as to whether to amend the governance arrangements for the ALBs for which I act as Accountable Officer. Officials advise and Ministers decide. Nevertheless, conceptually it could be possible to rationalise governance arrangements for some ALBs, including establishing joint boards where appropriate. As noted above, I am assisting the Chief Executive to explore options to deliver a smaller and less expensive public service. I look forward to discussing a potential blueprint to achieve this with Assembly Members in February.

8. Would narrowing scope or objective of any Arm's Length Bodies of various types provide efficiencies?

As noted in the response to question 7, consideration of whether to amend the scope of the functions of an ALB would be a matter for Ministers and the States Assembly. Narrowing the scope or objective of an ALB would, conceptually, provide scope for efficiency as the organisation would be required to do less, providing such changes are implemented effectively.

9. Would amalgamation of any Arm's Length Bodies into single entities provide efficiencies?

Please note my answer to question 8, above. Amalgamating some ALBs could, conceptually, provide scope for efficiencies as organisations might be able to reduce back office and governance costs, providing such changes are implemented effectively. Crucially, this would only take place in accordance with a clear strategy set by Ministers.

10. Would joint procurement by any of the Arm's Length Bodies provide efficiencies?

The Department's ALBs have been established, as far as possible, to rely on Government of Jersey provided services, including Finance and HR Business Partnering and use of central IT systems and services. This has prevented the need for ALBs to undertake separate procurement for these core services. In some cases, ALBs must diverge from the Government's systems. For example, it would not be appropriate for JACS staff to be employed by the Government. However, as far as possible, the Department works to ensure that back-office services will be provided by the Government as this represents the best value for money for the public.

Where the Department's ALBs are required to procure services from external providers, they are required to follow the requirements of the PFM unless these may interfere with their statutory

independence. I would expect ALBs to work together to procure services if there is scope for an overall saving to be made. In most cases, as the services that the Department's ALBs would be likely to commission would be specific to the function of that organisation only (given that core administrative functions are provided centrally), it is unlikely that there are many significant opportunities for efficiencies through joint procurement.

11. Please provide an update as to your progress in meeting consideration requirements for approval of executive remuneration established within the Public Finances Manual?

Except for JACS, staff of the Department's ALBs are all employed as civil servants on contracts of employment with the States Employment Board (SEB). This means that ALBs must follow the SEB's policy on pay, adopt the SEB's pay scales and evaluate job roles externally in accordance with SEB rules.

Statutory office holders who are employed – including the Chief Statistician and the Children's Commissioner – must have their roles evaluated in accordance with SEB rules and are remunerated accordingly. Statutory office holders who act as contractors – including the Charity Commissioner and Care Commissioners – have their pay set following an evaluation of the work they do compared with rates of remuneration for equivalent offices both in Jersey and other comparable jurisdictions.

As Accountable Officer, I consider all pay requests where the role falls outside the SEB's remit and either directly accept, reject or modify the pay of office holders, or I advise Ministers and make recommendations, as appropriate.

12. Are you able to provide any more detail to the PAC around the changed notice period of funding alterations from six months to two weeks in some proposed partnership agreement with Arm's Length Bodies, what consultation has been undertaken and what impact will this have?

This question does not apply to the Cabinet Office. As set out in response to question 1, above, the Department's ALBs are States bodies for the purposes of the Public Finances Law and so funding is provided to those organisations under the annual States Budget.

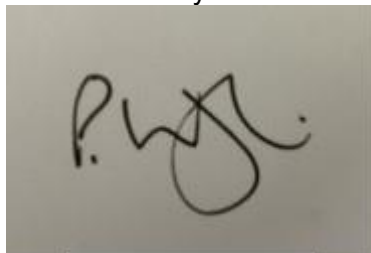
13. How does the department determine when to commission services and when to provide funding to organisations through grants?

The Cabinet Office does not usually commission services on an ongoing basis. Grants are paid to support organisations or individuals pursuant to ministers' policy objectives where appropriate. The Chief Minister's 'Pilot Fund' is currently focused on providing extraordinary support to organisations who assist the vulnerable, those in need in our community, or more generally, to promote positive community outcomes. This has been primarily focused on organisations that have suffered an unforeseen and temporary reduction in cashflow that could jeopardise services to islanders.

The Minister for Housing's First Step assisted home ownership scheme is an example of grants provided to assist individuals. In this case, the Scheme provides a contribution of up to 40% towards the purchase of an open-market property to support more Islanders to become homeowners, pursuant to the Minister's policy objectives. Whilst this is reported as a grant, it is in-effect a long-term loan to homeowners, and funds will therefore return with time.

Should you require any further information on the above or on any other matters relating to the Committee's ongoing review, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Wylie', on a light-colored rectangular background.

Paul Wylie
Chief Officer

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