Cabinet
Office

Government of Jersey
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Deputy I Gardiner
Chair of Public Accounts Committee
By email

14th November 2025

Dear Deputy Gardiner

Re: Public Accounts Committee – Follow up matters

Thank you for the Committee's letter dated 20 October 2025. Please find responses to the questions below.

Information committed to providing during hearing

1. **Further information pertaining to absence and turnover numbers in the last 3 years, and how you track data relating to this.**

   Turnover percentage for the last 3 full years is outlined below.

Year	Turnover Percentage
2022	8.9%
2023	8.0%
2024	7.1%

   Sickness absence figures are outlined below and are as published in the States Annual Report and Accounts for each year. 2025 figures will be published in next year's report.

Year	Total Days Lost	Average Sick Days per Employee	% Working Time Lost
2022	67,586	8.8	4.4%
2023	58,020	7.1	3.5%
2024	75,317	8.8	4.4%

   Employee absence (specifically sick leave), is tracked using MyView, which is integrated with ResourceLink and Connect. This enables us to generate real-time and monthly dashboards that provide detailed reporting and insights. Turnover data is tracked in Connect.

2. **Further information on how the Government of Jersey is rolling out the use of Artificial Intelligence, including which products and over what timescale?**
   Digital Services chairs a cross-Public Sector AI Steering Group that has developed an AI Policy and AI Guidebook to ensure AI is deployed in an appropriate, responsible, ethical, legal and

secure manner. Communications to support the rollout of these materials are in their final stages, and once available, Digital Services would be pleased to share them with the Committee.

AI capabilities are embedded within many of the tools and applications we use. This includes the Microsoft Copilot suite as well as our security tooling; providing advanced threat detection and automated response capabilities to strengthen cyber resilience. Similarly, project and knowledge management leverages AI to automate routine tasks, and enhance information discovery, supporting more efficient delivery across Government.

As part of the Government IT Strategy published in the summer, one of the focus areas is the development of exemplar AI projects. Two of these have now commenced, including the M365 Copilot trial and the rollout of Copilot Chat to the Jersey Public Service.

Engagement with Digital Jersey following their launch of the AI Council for private and public sector representatives across the island has progressed with Government staff now attending the AI Council.

3. **What were the reasons for the respective request to retain the £50 million in consolidated fund made in P.70/2025, and what is the projected 2025 consolidated fund deficit, if the £50 million transfer to the Social Security Fund takes place?**
The £50m reduction in the States Grant in 2025 was part of a package of measures to deliver a balanced budget. Action was needed due to lower income forecasts than in the previous Budget, and higher inflation forecasts (highlighted on page 23 of the budget).

> In 2024 our income was £17 million (1.4%) less than forecast. The updated income forecast shows continuing pressures, with income forecasts £22 million lower in total than previously anticipated across 2025 and 2026 before recovering in the latter years of the plan. At the same time, the slower reductions in inflation put upward pressure on our expenditure of over £200 million, which is only partly met by increases in income later in the plan. In the formulation of Budget 2026 we have had to adjust our plans to address the changes in income and expenditure that fall outside of our direct control and ensure that we continue to deliver balanced budgets.

The Budget shows an updated forecast for 2025 as part of Table 1 (page 25), showing a forecast deficit of £8.5m.

4. **How you have tracked growth curbing measures in Q1 and Q3 2025, and can you forward any relevant data?**
Monthly dashboards are provided to the States Employment Board. These include changes to headcount and FTE, by department. Two examples shared with the Committee in confidence.

5. **Any further thoughts you may wish to share on the use of Retail Price Index in pay settlement awards rather than the Consumer Price Index.**
The preference for RPI is mostly around the main use cases for the index. RPI is specifically designed to measure inflation impacts for local households, rather than consumers in general. It is therefore regarded as more suitable for the purpose of doing things like uplifting of pensions, and similar adjustments where the impact population tends to be better reflected by this methodology. There is also an element of continuity of what the headline measure is to ensure inflation can be analysed over longer time periods. Whilst Jersey does not calculate CPI, the RPI calculation is also not the same as the UK's and therefore this can cause some confusion. The economic team will often use RPI(X) which is more similar to the UK's CPI and is not unduly influenced by interest rate changes.

Arm's Length Bodies, Grants and Subsidies

1. **During the February and May 2025 hearings you highlighted the absence of a clear guiding framework historically in which to monitor the overall landscape of ALOs. Could you update the Committee on whether work has now begun to develop such a framework, what role the Arm's Length Bodies Oversight Board (ALBOB) will have and what are the intended next steps and timeframes for these steps?**
   As I explained, historically the creation and management of Arm's Length Bodies has been a matter for individual Ministers and Departments. This continues to be the approach, with some central requirements across all such bodies being set by the Public Finances Manual.

   There is no current plan for such a framework to be delivered in the terms outlined by the C&AG and the Committee. However, as I described during the recent hearing, the Council of Ministers is considering options for reform of the public services landscape, including ALOs. This work has analysed changes in the cost and size of the public service between 2018 and 2025 and has considered the drivers for those changes in order to curb the growth of the public service without delay. The work will inform options to be considered by current Council of Ministers and next Government for how the public service landscape, including ALOs, could be reformed.

2. **In your letter of 26 August 2025, you noted the revisions to the Public Finances Manual. What steps are being taken to monitor how these updated requirements are being embedded in practice by Accountable Officers and consistently applied across departments?**
   As noted above, the general approach taken to financial governance is to provide a degree of central direction (via the Public Finances Manual) coupled with decision making and accountability sitting with individual Accountable Officers. No specific additional steps are being taken to monitor how the updated requirements are being embedded in practice by Accountable Officers and consistently applied across departments. I do, however, expect Accountable Officers to "comply or explain" when challenged in the case of Principles, and to comply (or request an exemption) in the case of Requirements.

   I would also expect compliance to be part of Internal Audit coverage on a periodic basis, and expect Accountable Officers to give open and honest feedback on their compliance with the Public Finances Manual as part of their Annual Governance Statement. This requires internal assurance work within the Accountable Officer's area of responsibility in order to be able to give that feedback. The C&AG and, of course, your Committee can also play a role in holding Accountable Officers to account.

3. **During the February 2025 hearing, you highlighted the role of Accountable Officers in overseeing ALBs. How do you view the division of responsibility between individual departments and the central coordination, and where does ultimate accountability sit for both individual ALBs and ALBs generally?**
   See the response to Question 1 above. There is a degree of central direction within the Public Finances Manual coupled with decision making and accountability sitting with individual Accountable Officers. Ultimate accountability is with the individual Accountable Officers.

4. **You have also referred to new requirements on conflicts of interest. *"Change to make it mandatory for written agreements to include arrangements for identification and management of conflicts of interest."* Can you advise the PAC how will these requirements be embedded in agreements, and how will this be monitored?**
   It is for each Accountable Officer to be aware of the new requirement, following the notifications issued and training offered by the Treasury. No specific monitoring will be undertaken, but I would expect compliance to form part of departmental assurance work and Internal Audit review on a periodic basis.

5. **Recommendation 1 (Grants & Subsidies) states you should implement a framework for deciding and awarding grants; can you update the PAC on why this is only agreed in principle and what needs to happen next? Would you share current guidance for deciding and awarding grants for organisations and events in addition to that contained in the PFM?**
   As noted in the response, the Recommendation was agreed in principle subject to prioritisation of this deliverable amongst other initiatives within available capacity. As part of the action committed to as part of the response – which has a target date of June 2026 – we are considering whether more detailed decision support would be helpful. Other current guidance in respect of awarding grants will be shared with the Committee, although please note that some of this is shared in confidence.

6. **Recommendation 6 (Commissioning of Services) states you should use a standard way to review contracts and track performance; can you update the PAC on your overall approach to putting this in place and provide three detailed examples of this in practice?**
   Contract management guidance is available on the Government intranet. In addition to this, the Jersey Commissioning and Partnership Model has been produced, which includes the Jersey Commissioning Framework, User Guide and Toolkit (still in draft form and work in progress).

7. **Recommendation 6 (Grants & Subsidies) states you should set clear, proportionate monitoring requirements in the PFM for existing individual grants and grant schemes awarded; can you explain to the PAC why this is agreed in principle, and can you advise the PAC how you plan to take this forward?**
   As noted in the response, the Recommendation was agreed in principle subject to prioritisation of this deliverable amongst other initiatives within available capacity. As part of the action committed to as part of the response – which has a target date of June 2026 – we are considering how the PFM should be updated in respect of grants and monitoring requirements.

8. **Recommendation 7 (Grants & Subsidies) states you should develop analytics showing total spend to each body, can you advise the PAC why this was only agreed in principle, and can you provide an update on current plan around this recommendation?**
   As noted in the response, the Recommendation was agreed in principle subject to prioritisation of this deliverable amongst other initiatives within available capacity. As part of the action committed to as part of the response – which has a target date of June 2026 – we are considering how we might use existing information to inform future decisions and whether any improvements need to be made.

9. **The C&AG Oversight of Arm's Length Bodies Report Recommendation 2 stated *"Update the Public Finances Manual to require structured reviews of all Arm's Length Bodies (comprising States owned entities, States established delivery entities and States established independent bodies and office holders) on a periodic basis (such as every five years)."* This was Agreed in principle, can you therefore advise the PAC whether you believe the spirit of this recommendation is currently being met, particularly given that no structured reviews appear to be scheduled?**
   That Accountable Officers should consider carrying out structured reviews of any or all Arm's Length Bodies for which they are responsible is a Principle of the Public Finances Manual, which I endorse. The Public Finances Manual is clear that Principles (of which this is one) operate on a "comply or explain" basis i.e. if an Accountable Officer is not implementing a principle they need to be able to justify why they have not done so.

10. **You have previously acknowledged limited oversight of the pay, terms, and conditions of ALBs. What visibility do you currently have of these arrangements, how might oversight be strengthened and what are specific principles and guidance around incentive schemes?**
   As noted above, we have undertaken an analysis of public service expenditure, including ALOs, and ALO executive pay, Board costs and premises.

Strategic Property Management

11. **Why does the executive response to the C&AG Strategic Property Management Report focus on P.93/2005 rather than providing a detailed implementation plan for the Island Public Estates Strategy?**
   The executive response was not intended to focus on P.93/2005 more than the implementation of IPES. However, it is important to reference P.93/2005 as the starting point and objective for delivery of the IPES.

12. **What specific improvements are expected from the current action plan, and how will their success be measured?**
   The current action plan focuses on tenants and operators of premises. SLAs have been refreshed by I&E and consulted on with other departments. The plan will also deliver a further consolidation of office space following the move to Unions Street, by exiting buildings at the end of lease contracts, reducing overheads.

13. **How will cultural and operational changes be embedded to support strategic estate management across the States of Jersey Group?**
   Strategic estate management continues to be a theme that the ELT supports. For example, ELT supports shared use of space and associated systems, such as desk booking. Additional buildings will not be brought into operation without a robust case of the requirement for new facilities, which would be considered by the Corporate Property Management Board (CPMB). In addition, Treasury and Exchequer considers the financial impact of any new property aspirations by the CPMB before business cases are approved.

14. **What changes are being made to the Corporate Property Management Board (CPMB) to ensure it can meet its strategic objectives?**
   The CPMB Strategic objectives will be achieved through ongoing coordination of CPMB and RSG work programmes.

15. **How will unilateral departmental actions be prevented to ensure CPMB decisions are respected and implemented?**
See responses to Questions 13 and 14.

16. **Why has the Corporate Landlord Model not been fully implemented since 2005, and what is different in the current approach that will ensure progress?**
The Corporate Landlord Model can only progress with COM support, which is currently not unanimous, and therefore has an impact on delivery of the IPES.

17. **Who holds ultimate responsibility for implementing the recommendations related to Jersey Property Holdings (JPH) and how will officer-level accountability be ensured for delivering both C&AG and PAC recommendations?**
As the Committee is aware, where recommendations are accepted, an owner is assigned to agreed actions and progress of implementation is monitored through the tracking process. Under normal circumstances, the Director of Property would be owner of accepted recommendations that relate to Jersey Property Holdings. However, if the Committee were able to specify which recommendations are referenced here, I would be happy to ask officers to consult the tracker system and provide further information, as appropriate.

18. **How will the updated Island Public Estate Strategy (IPES) align with other Government strategies and those of States-Owned Entities (SOEs)?**
This will be coordinated by RSG. All relevant SOEs are part of the consultation and engagement process that informs the group.

19. **When will a comprehensive delivery plan with clear responsibilities and timelines for IPES implementation be published?**
An IPES review will be undertaken in Q1 2026.

Staff Recruitment and Retention

20. **Noting the fundamental shift in workforce planning that is required to future proof the workforce, why does the improvement plan in response to the C&AG report not commit to specific actions in respect of individual departments?**
Work force planning is in place and the training, toolkit and support in place do ensure that departments undertaking this work fully consider their current position and future needs. Our decision to manage workforce plans as BAU is a reflection of the embedded tools to support development of department plans. As explained at the PAC hearing, departments are at different stages in their development of workforce plans. People Services continue to monitor, review and support quality improvement of department plans through regular structured reviews.

21. **How are you ensuring that Chief Officers are maintaining service delivery models which link to robust workforce plans, address skills shortages and focus on specific training and focused recruitment?**
Chief Officers are responsible for developing and maintaining workforce delivery models to deliver strategic priorities and services to the public in accordance with the Common Strategic Policy.I expect Chief Officers to continually review their delivery models to ensure they can effectively deliver services and meet actual and anticipated changes in service demand or requirements. Any concerns in this area would be managed through the performance management of Chief Officers.

22. **Has a review been undertaken to assess the current recruitment training and that the correct information is included in respect of the Jersey Appointments Commission?**
    a. **If not, what is the timescale for completion of this training?**
    b. **If so, what have been the findings of this review and what actions will you be taking?**

    We have reviewed and piloted our new recruitment training and will relaunch our new session from December 2025, scheduled monthly. These sessions are available for booking by all managers. The training includes details of the legal, regulatory and policy framework, the Jersey Appointments Commission role (including the criteria for engaging the Commission), and JAC the codes of practice (which are set by the Commission).

23. **You have indicated that a record of interim appointments is maintained and provides alerts to line managers. How are you and the Executive Leadership Team reviewing these arrangements to gain assurance over their effectiveness?**
    All contract extensions must be approved by the Chief Officer through the WEAR process. Extensions over £100,000 require approval from the Chief Officer, Minister, Chief People Officer, and the Chief Executive Officer (CEO). Extensions exceeding £150,000 also require approval from the States Employment Board (SEB).

24. **What is the timeline for appointing a permanent Chief Executive, and what criteria are being used to guide this process?**
    A recruitment strategy will be shared with the SEB in November 2025. The competencies that will be used to assess potential candidates during the CEO recruitment process for the Government of Jersey are guided by the Jersey Appointments Commission (JAC) and the States Employment Board (SEB). These competencies will reflect the strategic, operational, and leadership demands of the role. Competencies are assessed through structured interviews, assessment panels, and scenario-based exercises.

25. **The PAC notes that since 2017 over £360,000 has been spent on the recruitment costs associated with the Chief Executive position. Considering this cost to date, why has a low risk profile been assigned to the recommendation to "ensure that a robust strategy is documented and actioned sufficiently"?**
    A low risk profile was assigned to the recommendation as the likelihood and impact were assessed in line with the published Government of Jersey Risk Management Strategy. The likelihood of the risk materialising has been reduced by developing a comprehensive recruitment strategy, succession planning and the presence of competent Assistant Chief Executives to ensure continuity and leadership stability during any transitional period.

26. **What advice has been received to date from the Chief People Officer and Jersey Appointments Commission in relation to the CEO recruitment process?**
    Please see response to Question 24.

27. **How is succession planning being integrated into senior-level recruitment to ensure leadership continuity?**
    We are continuing to strengthen the integration of succession planning into our senior-level recruitment processes. This approach ensures that every leadership appointment not only meets our current needs but also supports long-term continuity and capability development. Key elements of this integration include:

    - Aligning recruitment with succession planning in actively considering internal talent identified through our succession planning processes when recruiting for senior roles.

- Designing roles with development in mind when reviewing and shaping senior roles to include mentoring responsibilities and opportunities for knowledge transfer.
- Assessing leadership potential beyond technical expertise, we are placing greater emphasis on leadership behaviours, cultural alignment, and the ability to develop others.

This integrated approach helps us build a strong, sustainable leadership pipeline and supports our broader people strategy.

28. **How are you ensuring that the standard process for exit interviews has been implemented as noted in February 2025?**
    a. **What review have you done of this to date/when do you intend to review its effectiveness and consistency of implementation?**

We continually monitor the exit process through the review of our leavers data, which is standardised through an on-line leavers form offered to all those exiting the organisation. Themes from anonymised information is regularly reviewed by the Chief People Officer, States Employment Board and Senior Leadership Teams. Following a recent review of the process, we are in the final stages of developing and testing an online form to record exit conversations with line managers or HR Business Partners to replace the current paper based process. However, the leavers feedback process is opt in, so information from leavers will only be gathered from a cohort of individuals choosing to engage with the process.

Yours sincerely

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