



PRESS RELEASE

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GSD's Llamas Fails To Understand How Budgets Work

It is clear that Mr Lawrence Llamas has not understood the issue that the Chief Minister took up with controlling officers on 5th December.

For the purpose of ensuring Mr Llamas can better understand the points made and how they are not in conflict with the position set out in the GSLP/Liberals highly successful "Strongest Foundations" manifesto (the only manifesto at the last election, given the GSD's failure to publish one), Her Majesty's Government of Gibraltar will once again set out the position as follows:

1. The Government has defended and will defend the work done by controlling officers in the Civil Service to bring spending in on target with estimates.
2. The spending in companies, authorities and agencies has not been as well controlled.
3. In all areas, there is a spike in spending in the last quarter of the financial year. That includes the Civil Service. The spike includes both the spending on overtime and the acquisition of goods. The spike appears to occur both because of the belief that the budget assigned by Parliament MUST be spent to ensure at least the same budget for the following year OR because controlling officers purchase items that are not strictly necessary. The same is true of overtime.

The Chief Minister, the Hon Fabian Picardo QC MP, said: "What Mr Llamas therefore has to understand is that even spending to the approved budget but on items that are not required or on overtime that is not strictly necessary is not acceptable. The taxpayer expects us to spend to the budget and exceed it only if necessary. Even where departments spend to the budget, it should be on items and overtime which are necessary. There is no rocket science to this and I don't quite understand how Mr Llamas is defending the opposite, namely that we should spend on items not required or approve overtime that is not necessary. Given he was a Civil Servant until he was propelled into Parliament ahead of a number of his party colleagues, and that he has defended an agenda of austerity during the election campaign, I am surprised he is taking issue with this proper management of finances which does not involve cutting anything and is just about buying what is required and overtime being done when necessary. What is clear is that the GSD defended austerity and made allegations of waste being £50m per year when they thought that would be popular, and are now trying to cosy up to Civil Servants with their contradictory positioning on this issue. The fact is that Civil Servants and controlling officers outside the Civil Service have been working closely with the Government on this since the 5th December. The Opposition have only reacted after the Government answered GBC questions almost two months later, demonstrating



both that the proper control has not adversely affected public sector employees and that the GSD are acting on a media story rather than because of any genuine concern expressed to them by any constituent. Their contradictory position is transparent and will, once again, persuade no-one."