

**WRITTEN QUESTION TO THE PRESIDENT OF THE
POLICY AND RESOURCES COMMITTEE
BY DEPUTY G.C.L. BAUDAINS OF ST. CLEMENT**

ANSWER TO BE TABLED ON TUESDAY 5th APRIL 2005

Question

The Committee's proposition on 'Public Sector Re-organisation: Five Year Vision for the Public Sector' (P.58/2004) was adopted by the States on 26th May 2004.

- (a) Paragraph (a) of the proposition stated that the purpose of the re-organisation was to seek savings of £20m. and 'value improvements' of £9m. per annum. Will the President advise whether the offer of final salary pensions and index linking of them to new employees will be reviewed as part of those savings and, if not, why not?
- (b) Paragraph (d) enabled a reduction of up to 300 posts to be achieved by various means and the accompanying report stated, at paragraph 4, that *'it is expected that the public sector will reduce by approximately 300 posts over a 5 year period'*.

In answers to oral questions on 1st March 2005, the President intimated that there might be no post reductions. Would the President therefore advise –

- (i) whether the Committee has abandoned this goal?
- (ii) how the Committee justifies an expanding public sector headcount at a time of reducing private sector workforce and possible population reduction also?
- (c) Under the 'Red tape reform' initiative, Committees have recently been seeking examples from interested parties of areas where bureaucracy might be reduced.

Does the Committee accept that asking people to, effectively, examine their own efficiency is unlikely to achieve any real benefit towards achieving either the savings or value improvement goals in the visioning proposals and will the Committee therefore consider using part of the £9.4m. set aside for achieving the proposals to employ external persons to undertake efficiency/streamlining auditing?

Answer

- “(a) I confirm that the public sector pension scheme is not being considered in the context of the £20 million efficiency savings that have been highlighted in P.58/2004. However, I am able to assure the Deputy that the financing of the Public Employees Contributory Retirement Scheme is kept under constant review. In this context, an actuarial review is due to be held this year and the Policy and Resources Committee will be looking closely at the outcome of that review.

It is important for the Deputy to note that index linking is not guaranteed for new employees. Whilst the policy of the Committee of Management of the Scheme has been to seek to pay pension increases in line with adjustments in the Retail Price Index, this will only occur where employer and employee representatives agree that the funding of the scheme is sufficient to allow this to happen.

- (b) (i) First, it is important to note that I did not suggest in my response of 1st March that no post savings would arise as a result of P.58/2004. What I pointed out was that the total number will become clearer as the Change Programme is implemented and that it is envisaged that they will not exceed 300. However, I confirm that the principal policy objective is to deliver £20 million in savings from public sector expenditure over a 5 year period.

- (ii) Recent increases in headcount can be attributed to the front-line services of Health, Education, Police and Prison where specific service requirements led to increases in staff. These increase have, however, already been partially offset by reductions elsewhere. The Change Programme described in (i) will result in further post reductions in back office and other non-frontline operational staff. In this connection, the Committee's policy continues to be one of reducing posts by means other than compulsory redundancy wherever possible, for example through natural wastage.
- (c) The Red Tape Reform project is one facet of the programme to improve the efficiency of the public sector. In accordance with P.134/2004, the project is aimed at reforming legislation and regulation, although, during the consultation process, when the public and organisations were invited to highlight areas which could be improved, issues unrelated to regulatory reform were also raised. In parallel, public sector employees were also encouraged to highlight areas of unnecessary bureaucracy and inefficiency. The response has been good and the suggestions are currently being considered and dealt with as part of the wider drive for improved efficiency.

As well as internal staff seconded from States departments, the Change Programme, which is responsible for reviewing processes and performance across the organisation, already has access to the services of external consultants with specific expertise where necessary.