

Urgent oral question

13th September 2010

5.1 Deputy T.M. Pitman of the Chief Minister regarding discussions about reducing the number of departments and outsourcing/privatising essential areas:

I appreciate this question was lodged before the rather hurried press release. Would the Chief Minister advise whether discussions have taken place among Ministers to reduce the number of departments and outsource and privatise many essential areas including taxation and, if so, will he advise why these proposals were not made available to States Members in order that the Annual Business Plan could be debated meaningfully?

Senator T.A. Le Sueur (The Chief Minister):

Through the comprehensive spending review the Council of Ministers have put in place a structured, thorough and realistic process to meet the structural deficit. This process will achieve £50 million worth of savings over the next 3 years and forms the basis of the 2011 Business Plan. It is clear that there is a strong desire from some quarters to increase the level of savings over this period, perhaps by as much as £30 million. While there is little information to support how this should be delivered, it is clear if that were to be agreed a radical review of the plans already in place will be required. So as a way of preparing for the possibility of a requirement for additional savings the Council of Ministers held an informal meeting in order to undertake some blue-sky thinking about possible scenarios for the future. This informal meeting was based around a discussion document which was designed to facilitate discussion and debate about how to meet an even greater reduction in public sector expenditure while still maintaining a level of service acceptable to the public. As is now public knowledge this discussion document included within it a wide range of possible future scenarios, including reducing the number of departments and the possibility of alternative methods of service provision. However, no decisions whatsoever have been made and the Council of Ministers has not given any formal consideration to these matters. The Council remains fully committed to delivering its agreed strategy of achieving £50 million savings by the end of 2013.

5.1.1 Deputy T.M. Pitman:

Does the Chief Minister not concede that whatever the explanation from within his department now attempting to justify the discussion of these measures, the very fact that one of his own Ministers allegedly was concerned enough to leak the document can only damage already strained industrial relations and what action does he plan to take to try and put employees' minds at rest?

Senator T.A. Le Sueur:

While clearly the article in the *Jersey Evening Post* was not helpful, we took immediate steps to contact employees in order to put their minds at rest. I do appreciate the concerns that our staff will have over this sort of matter and indeed that is why we did that reassurance as soon as possible. But I would point out that the discussions we have been having with staff have been going on over many months now and this press comment was, to my mind, inappropriate.

5.1.2 Deputy P.V.F. Le Claire:

I finally find out what it was that was upsetting the Chief Minister and all the other Ministers: it was the *Jersey Evening Post* article on this subject. I did ask the question in an email to all Members but I did not get the answer. Can I therefore ask why is it impossible for Ministers and their departments to spend time telling me exactly how many people they have when Ministers can go off and do some blue-sky thinking which is not time-wasting, sitting until 10.30 p.m. at night and do this kind of an exercise? May he also, please - seeing as the media seem to have a copy - circulate to the rest of us the paper that was used for this blue-sky thinking?

Senator T.A. Le Sueur:

If Ministers choose to spend time over and above the call of duty, that is up to Ministers, but I think to require staff to do unnecessary work at extra costs is not something I want to encourage. As far as circulating documents are concerned, when we come to a situation of having a meaningful agreed policy then that certainly will be circulated. But I see no point in circulating a discussion document which was no more than that when it contained a variety of hypothetical ideas, many of which sadly may be misinterpreted and regarded as definite policy.

5.1.3 Deputy P.V.F. Le Claire:

May I press the Chief Minister? Is this the paper not in the hands of the media and is this not the paper that so deeply upset the Council of Ministers? If this is in the hands of the media and it has been reported to the Island, is it not wise or is it not fair to circulate that paper to States Members?

Senator T.A. Le Sueur:

The Council of Ministers is not upset by the content of the document. Certainly, speaking for myself, I am upset that a misleading impression has been given that this document is far more significant than the actual document is which is merely a discussion paper.

Deputy P.V.F. Le Claire:

How can we satisfy ourselves that that is the case without the document?

The Deputy Bailiff:

I come to Deputy Higgins.

5.1.4 Deputy M.R. Higgins:

At the beginning of the C.S.R. process we were told that the C.S.R. process was going to consider everything; basically nothing was going to be ruled out. Now we are being told they have not even considered some of these things previously. Is the Chief Minister saying that the Minister for Treasury and Resources has misled us; that it was not as comprehensive as we were led to believe and therefore there must have been information previously that must have been discussed on these issues?

Senator T.A. Le Sueur:

The comprehensive spending review was part of a process designed to address a deficit of £100 million by a combination of 3 measures: one was to reduce public spending, one was to increase taxation and the third was to improve the economic performance of the Island. That was planned, and has been planned, for many months and part of it was a savings plan of £50 million. That plan is being developed and is part of the Annual Business Plan process and that is documented in the Annual Business Plan.

5.1.5 Deputy M.R. Higgins:

Can I have a supplementary on that? Again, we are being told that it was those 3 areas. We have also been told repeatedly we were going to be thinking out of the box; it was going to be blue-sky thinking; we were going to think the unthinkable: "Let us review everything." It appears that that was not the case. Does he not agree?

Senator T.A. Le Sueur:

I am not quite sure what the Deputy is getting at. It is up to Ministers to come forward with policy proposals for the States to decide upon and either accept or reject. That blue-sky thinking has commenced by Ministers and it is not in a state yet for putting forward as a policy proposal.

5.1.6 Deputy G.P. Southern:

Given that potentially £80 million worth of cuts leads to wholesale closing down of departments and privatisation of an entire tranche of services, does the Minister not accept that £50 million worth of cuts will be enacting major frontline service cuts and when will he bring those service cuts to the House?

Senator T.A. Le Sueur:

While I do not entirely follow the Deputy's confusion about the £80 million requiring wholesale closure, I do agree that £50 million will be a challenging process for all of us to deliver but is something which we must deliver and that is something which Ministers will be considering in the next couple of weeks. The outcome of the reviews have been going on over the last few months in order that we can come to the House with measured and reasonable proposals for the delivery of £50 million savings over the next 3 years in a way which is deliverable and achievable with the co-operation of all concerned.

[17:15]

5.1.7 Deputy G.P. Southern:

Can I just seek clarification? The Chief Minister is absolutely stating that we will have to debate 2 per cent cuts before we even see what 10 per cents might mean.

Senator T.A. Le Sueur:

I am saying we have a Business Plan which gives a 3-year programme and sets out the timetable for doing that, including the delivery of cuts of about £10 million to £12 million in 2011 and greater cuts in 2012 and 2013. We will be having that debate in the rest of the week and I am sure the Deputy will have time at that stage to indicate whether or not he is satisfied with proposals being put forward.

5.1.8 Deputy A.T. Dupre:

Does the Chief Minister not think that he should really try and find out who leaked this information to the *J.E.P.*? Thank you.

Senator T.A. Le Sueur:

That may be of interest to myself, but I am more interested in debating the right policy for the future and ensuring that the proper decisions are made on a proper basis.

5.1.9 The Deputy of St. Mary:

The Chief Minister just used a very good phrase there: make the proper decisions on a proper basis and that is the whole problem, is it not? As Deputy Higgins suggested, when there is blue-sky thinking it gets in the paper and all the pigeons fly up into the loft and everyone gets uptight about it. This is the sort of fundamental thing that at the briefing in June the Chief Minister himself told us it would take 5 years to do the job properly: to look at services in the round, take the public with you, take the workers with you and end up with some restructuring that really makes sense and it is just all falling apart. I just want the Chief Minister to comment on that. The timescale is completely impossible.

Senator T.A. Le Sueur:

Yes, well, on the contrary the timescale is completely essential. What I was saying in June was that the total changes will take more than 3 years to implement but we have to implement over the next 3 years, savings which will deliver to us at least £50 million in order to resolve the issue which is facing all of us of dealing with a £100 million deficit in the most practical way.

5.1.10 The Deputy of St. Mary:

Can I ask a supplementary? Does the Chief Minister not agree that if it takes 4½ months for the J.C.R.A. to get consultants to review the efficiency of Jersey Post which, in comparison to E.S.C. (Education, Sport and Culture) or to Health and Social Services, is a small and simple organisation in comparison, can the Chief Minister really say that 2½ months is enough to do a proper review of major government departments?

Senator T.A. Le Sueur:

What I am saying and keep trying to say is that we are obliged to deliver by 2013 balanced budgets which will require us to find a combination of savings measures, taxation cuts and economic measures which will total a reduction or a balance for the £100 million deficit. If we had the luxury of time to spare it would no doubt be better to do it over a 5-year period but we do not have that luxury. We have an obligation to deliver it and deliver it now.

The Deputy Bailiff:

A final supplementary, Deputy Trevor Pitman?

Deputy T.M. Pitman:

As a gesture of goodwill on our first day back, I am happy to pass it up to anyone else who wants it.

The Deputy Bailiff:

The Deputy of St. Mary was just about to ...

5.1.11 The Deputy of St. Mary:

Is the Chief Minister contemplating getting things wrong and getting it wrong quickly?

Senator T.A. Le Sueur:

A decision was made by Members of this House and I hope that they will make the right decision to deliver a Business Plan which will be for the benefit of the Island as a whole for many years to come.