

#### **4.13 Deputy T.A. Vallois of the Minister for Treasury and Resources regarding plans to revisit the managed print contract:**

Could the Minister advise whether his department has any plans to revisit the managed print contract?

#### **Senator P.F.C. Ozouf (The Minister for Treasury and Resources):**

I am going to answer that. This is the fourth question on managed print service, and I think that I need to come in support of my Assistant Minister and the Minister for Education, Sport and Culture. So I would like to answer the question with a quote from a school: "Managed print services at Le Rocquier have enabled the school to operate a more effective and efficient system. Fewer, more efficient, modern machines have given the school the opportunity to manage print systematically and consistently throughout the school. The new machines, along with a concerted effort to print less, should lead to cost savings this year." It is difficult to save money and change behaviour. We have heard numerous inaccurate assertions about GE Capital. That is about factoring, a normal industry practice. We have heard comments about Grainville School not having one printer from the managed print contract yet. We are dealing with leaked information that is confidential, and in any other jurisdiction or parliament would not be allowed to be traded in terms of political insults. So Deputy Vallois wants an answer to the question. The answer is no, I need her help in supporting change that saves money.

#### **Deputy G.P. Southern:**

Is the Minister allowed to state that he has been insulted or that there are political insults on the behalf of one of 2 Members?

#### **The Bailiff:**

Political insult seems to me a regular trade in the political arena. [Laughter]

#### **Deputy G.P. Southern:**

Can I take the opportunity to insult the Minister now then? [Laughter]

#### **The Bailiff:**

Personal insults are not, but political insults seem to me to be ... Very well. Deputy Vallois, do you wish to ask a supplementary?

#### **4.13.1 Deputy T.A. Vallois:**

The Minister knows too well that I try to help with savings and any form of reform in the States, but I expect it to be done properly and I expect it to be evidence-based, and that seems to be a typical trait of the Ministerial areas at the moment where they do not need to provide proper evidence yet Back-Benchers do. All I am asking and all I did ask was whether there was any plans to revisit the managed print contract, and also could the Minister explain whether should any of the information that has been discussed earlier today come out as showing that we are not saving what was originally intended, will he revisit them?

#### **Senator P.F.C. Ozouf:**

Of course. This Assembly and political consideration should not be on the basis of insults, but we have had inaccurate and confidential information, that has been leaked from a school that is about contractual numbers that people win contracts on that is effectively used in the political trade of yaboo politics. That is not right. We are trying to save money, and it is evidenced. The Deputy is correct to say it has been extraordinarily difficult to work out what the actual print costs were in the States. That is because there was not capital accounting, as the Minister for Education, Sport and Culture explained. Schools were acting on revenue expenditure without the full cost of capital. We are doing that. It is evidence-based. We are making improvements and we are saving £250,000 a year in relation to a £1.6 million contract. That is good work, and

if I am the head prefect of the Treasury and Resources Department and she is President of the Teacher's Association, we need her to be supporting us, - as I know she does - not dealing as some other people do, which is trading insults, which she is not doing.

**4.13.2 Deputy G.P. Southern:**

Surely the significant leak that the Minister should be talking about is the leak when the tenders were given, the details of one bid leaked to the other bidder.

**Senator P.F.C. Ozouf:**

My Assistant Minister has answered questions previously in relation to that, and there is nothing further to add. There is certainly nothing on the Treasury and Resources Department side that should be criticised in relation to any leaking.

**4.13.3 Deputy M.R. Higgins:**

Just a number of things here. First of all ...

**The Bailiff:**

Well, a question, Deputy, not ...

**Deputy M.R. Higgins:**

Okay, Sir. No, I would like to seek clarification first of all before I ask my question. The Minister stated: "I quote from Le Rocquier." Can we ask who made that quote and when it was made? Was it in the last week, the last day, last 3 years? When was the statement made? That is the first question.

**Senator P.F.C. Ozouf:**

I have not got the date of that, but I know that there are schools that are across the Minister's portfolio which have got savings in relation to it.

**The Deputy Bailiff:**

Well, the question simply was do you have the date.

**Senator P.F.C. Ozouf:**

No, I do not have the date. I do not think it matters because Le Rocquier is very happy and indeed dealing with efficiency and economies in the way that we have got ...

**Deputy G.P. Southern:**

Who was it was the question.

**Senator P.F.C. Ozouf:**

I am not revealing an individual in this Assembly, as Members will know.

**The Bailiff:**

Right. Do you wish a supplementary, Deputy?

**4.13.4 Deputy M.R. Higgins:**

Yes, thank you, Sir. One of the concerns about this contract - there are many concerns in fact - is when does it start? My understanding of the downward contract is that it starts when the last machine is installed in the States. We have just heard from the Minister for Education, Sport and Culture today that the last machine going into an education establishment is after Christmas. The contract then runs for 5 or 6 years. I think it is 6 years. So in other words, we have been going through this already and reports are coming from schools, including Le Rocquier, that they are overrunning on their budgets. What does the Minister say about that?

**Senator P.F.C. Ozouf:**

I say to the Deputy the same answer that my Assistant Minister gave, that if he wants to use his privileged position in the States to try and score political points, let him get his facts right. He has been invited into the department. He has been invited to attend the independent internal audit people that have carried out a review of that, but he does not do that. Instead, he chooses to use his position in the States to put scuttlebutt across which is absolutely wrong. There are savings that are being made, and that is correct, and taking money out of departmental budget is difficult and there will be resistance to change, but as the Assistant Minister said, we need States Members to be supporting us, seeing the information, and then engaging in appropriate challenge. At the moment, this is an unfair challenge based upon inaccurate information which the Deputy simply does not want to trade on accurate evidenced information.

**Deputy M.R. Higgins:**

I have a meeting tomorrow with the Comptroller and Auditor General on this very issue of bringing evidence of people who are ... I asked the Assistant Minister for them to contact me. They claim they did. I have got no record of them contacting me, and I asked them to do so. I was quite prepared to give evidence to BDO.

**4.13.5 Senator S.C. Ferguson:**

I find this a little confusing. We are told that we are going to have more transparency and openness, and this is taxpayers' money we are talking about. So can we really say that this matter is totally confidential? Perhaps the Minister would like to explain how transparency and confidentiality go hand-in-hand.

**Senator P.F.C. Ozouf:**

Let me have a go. I will try and answer the question instead of getting a running commentary. When a contractor applies for a tender and puts confidential prices in their tender, that is their unique selling proposition, and they win a contract on that basis. It is not right that that information is then put into the public domain, which means that they are unable to win other contracts in other places. That is confidential information. This is not a publicly traded figure, like going in to buy a single car. This is a complex number which people win contracts on in a public authority, and this is, I am told, a perfectly normal arrangement in any other place. Any other member of any other parliament or county council in the U.K., using confidential information, passing it to journalists, would effectively be held up by a standards commissioner. I am told that is the case.

**4.13.6 Senator S.C. Ferguson:**

Supplementary, Sir. But surely we are talking about the savings that people are not making or that they are saying they are not making, and this is taxpayers' money.

**Senator P.F.C. Ozouf:**

Absolutely, and that is the issue which I am fully prepared to be completely transparent about but not the individual unit prices, and I have 2 examples of a secondary school that its previously monthly cost of printing was £3,835, now £2,158, a saving of 43 per cent. A primary school that had a cost of £1,233 compared to the average current cost of £776, a saving of 37 per cent. Those are examples, and I am happy to be completely transparent with the Corporate Services Scrutiny Panel and P.A.C. (Public Accounts Committee) being proper with confidential information and being properly transparent, and I would expect that Senator Ferguson and P.A.C. would be supportive of these difficult decisions that are being asked of us to save money and change behaviour.

**4.13.7 Deputy T.A. Vallois:**

The Minister for Treasury and Resources will know that we are not saying we are not supportive, P.A.C. I asked this question as a Member of the States. It was a concern raised to me by a few people. I have referred them to the Comptroller and Auditor General who is doing a procurement review anyway, and that is rightly so because it is a complex area, but I would ask the Minister for Treasury and Resources to advise Members as to how much of the education budget was removed to tailor for the savings of this managed print contract.

**Senator P.F.C. Ozouf:**

As I recall, I think the total managed print contract, of £1.6 million, I think 30 per cent of that is education. I can give any supplementary detail of that to Deputy Vallois. Finally, this is part of £65 million worth of savings that this Assembly asked us to do; £8 million of procurement savings were asked of, and this is £250,000 of £8 million. I hope Members can understand just how difficult it is for departments to accept money being removed from their departments, delivering taxpayers' money more efficiently. It is difficult and tough work, but it requires support from Members, and I am grateful for Deputy Vallois' ongoing support for this difficult endeavour.