

2014.09.09

**3.8. Deputy G.P. Southern of St. Helier of the Chief Minister regarding the 2 per cent reduction to pay budgets in the 2015 Budget:**

How does the Chief Minister justify the 2 per cent reduction to pay budgets in the 2015 Budget?

**Senator I.J. Gorst (The Chief Minister):**

Budget 2015 proposes a number of measures, as we appear to have just been discussing, to deal with reduced income forecasts. One of those proposed measures is to require departments to find a 2 per cent saving in 2015, not, as the Deputy suggests, a 2 per cent reduction in the pay budget. Each department will identify how they can make their efficiencies and savings in the next few months.

**3.8.1 Deputy G.P. Southern:**

So switching from the pay element to the general revenue element. Is that a recent change, is that a new change because the proposal in the documents we received said “from the pay budget”?

**Senator I.J. Gorst:**

I am not sure that that is correct. I do not have those documents in front of me. It is my understanding that it has always been 1 per cent from the pay in uprating line.

**3.8.2 Deputy M. Tadier:**

I believe that the Council of Ministers at least in theory operate under some kind of collective responsibility. How does the Chief Minister therefore feel about the soon-to-be outgoing Minister for Social Security’s comments that taxes and contributions will have to go up? If in fact that is the case, how would the public sector feel about having their pay frozen or potentially reduced, given the fact that their taxes and contributions are likely to go up imminently?

**Senator I.J. Gorst:**

The proposal in Budget 2015 is to not quite allocate the same amounts on the budget line for uprating so the Deputy is simply scaremongering when he tries to say that salaries might be frozen or reduced. It is absolutely not the case. Senator Le Gresley quite rightly raised an issue about how are we going to provide for what we know is the increased cost of healthcare into the future. By the end of this M.T.F.P. we will already be putting £30 million extra into health care. Again, I ask all those Members who have been criticising the Council of Ministers this morning, is that wrong? Is that the wrong policy? Did they stand up and vote against it when we brought it forward? No, they did not because they recognised the need in our community to provide the very best health care that we can. There is going to be a challenge over the next few years and that challenge is what Senator Le Gresley spoke about. We hear some Members suggesting that: “Well we should simply give free doctors’ appointments.” No, we should look at the issue in the round. We know that health is going to cost us more. We have provided for some of that already; we are going to need to provide more. That is what the pieces of work that Health and Social Security are doing: to work in a joined-up fashion, to consider how we are going to provide funding for primary care, to consider how we are going to provide funding for secondary care and to consider how those elements of care are going to work together. There are some difficult issues facing members in the community at this election.

**Deputy M. Tadier:**

Would I be allowed a supplementary?

**Senator I.J. Gorst:**

We should not shy away from them. We should bring forward plans to deal with them.

**The Deputy Bailiff:**

Chief Minister, I wonder if you could please try and contain your responses to the question that is directly put to you. Deputy Le Fondré.

**Deputy M. Tadier:**

May I have a supplementary? We ask questions on the basis that we have supplementaries. When we have a filibuster which does not even address the initial question, I think it is only fair that I have a right of reply, given that is the usual.

**The Deputy Bailiff:**

It is question time rather than a debate, Deputy, but you may certainly ask a further question.

**3.8.3 Deputy M. Tadier:**

The point I was making, the Minister has accused me of scaremongering. I have had it on relatively good authority that a pay freeze may well be on the agenda given the financial climate. So if I am scaremongering it will help allay the fears of workers across the Island if the Minister gives a categorical assurance that there will not be a pay freeze in the forthcoming years. Will the Minister take that opportunity to clarify this before 15th October?

**Senator I.J. Gorst:**

Of course that will depend on who this Assembly decides they want to give the role that I currently am honoured to occupy and they sit on the States Employment Board. What this Budget does is take 1 per cent out of the uprating full pay into the future. Perhaps I should apologise. As Chief Minister I do not often get the opportunity to electioneer and be political but I am taking the lead from every other Member that seems to be electioneering so I thought I would take the opportunity to do the same. Thank you. **[Approbation]**

**3.8.4 Deputy J.A.N. Le Fondré:**

I am not too sure if I like the comment about electioneering because this is the first time we have been able to ask the questions about the Budget since it was lodged, I believe. The point is, the Budget itself is being identified and it was said last night it is very, very tight in the extreme. If it is a pound out it is illegal as presently lodged. So what evidence does the Chief Minister have that all of the 2 per cent, including what we are discussing just now, is going to be delivered by all the departments within the timescale envisaged, over and above everything else, and therefore keeps the Budget legal?

**Senator I.J. Gorst:**

We have to bring forward a Budget that is theoretically and practically deliverable. We know from the C.S.R. (Comprehensive Spending Review) process that some departments will consider issues where they can make savings and then after further investigation they will have to change tack slightly and deliver other issues. I hope the Deputy is not suggesting that we should not be bringing forward these proposed savings and efficiencies. He is one of those proponents who thinks the States can save more. I would have thought he was

supporting these amended Budget proposals as the sensible, prudent approach for when forecasts change; for when reality changes, we then must change tack as well.

### **3.8.5 The Deputy of St. Ouen:**

Given that the Chief Minister has acknowledged the Health Department are in need of additional resources, will he confirm whether or not he will be requiring the Health Department to deliver the 2 per cent overall savings as identified by the Council of Ministers and the Minister for Treasury and Resources?

### **Senator I.J. Gorst:**

Health has been doing a fantastic piece of work about redesigning the service that they provide. They have areas where they want to put extra resource, areas that this Assembly agrees they need to put extra resource in and therefore they have a programme also that means they are making savings in other areas. They are committed to speeding-up those savings and finding other areas where they can make savings. That is part of Health's day-to-day business these days. They are totally transforming the way that they deliver services to our community. Yes, they are committed to making those savings but they were committed to making savings anyway. At the same time we are giving them extra resources so that they can continue that important work.

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

Given the Chief Minister's deep understanding of the relationship between the S.E.B. (States Employment Board) and its employees, where does the Chief Minister think that these 2 per cent savings will be achieved? Will they be achieved in services, will they be achieved in pay or will they be achieved by a freeze on recruitment and will they apply across all departments?

### **Senator I.J. Gorst:**

I am not sure now if the Deputy is referring to the 1 per cent in uprating or he is talking about the 2 per cent across departments. Departments will have various ways in which they will deal with that requested saving.