

2015.06.16

5.12 Deputy G.P. Southern of The Chief Minister regarding the public sector voluntary release scheme:

Does the Chief Minister believe that issuing an open invitation to over 7,000 States employees to consider voluntary release was the most efficient mechanism to achieve targets for a reduction in a number of States posts? Will he further inform Members what the external advisers have contributed so far towards achieving his targets?

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

Redundancy is never an easy option in any organisation and it is better that people can leave voluntarily, rather than under compulsory redundancy. Offering voluntary redundancy, albeit under strict conditions, can assist in the reshaping of the public sector. It is one of the measures being used to control expenditure and head count. If we do not achieve our goals under a voluntary scheme then compulsory redundancy will become an option. Our external advisers are acting as critical friends and advisers to the Council of Ministers as we evaluate the options available to us to achieve our goals while working towards balancing our budgets by 2018/2019.

5.12.1 Deputy G.P. Southern:

Does the Minister have any draft proposals for where he sees these reductions in numbers taking place? Is it most likely in T.T.S. (Transport and Technical Services) say or is it most likely in another department? Where does he think that the target in fact will be?

Senator I.J. Gorst:

That is not how these processes work. People come forward when it comes to voluntary redundancy and they offer up themselves. The department, together with line managers and those working on the shop floor, as it were, then think about whether services can be reorganised so that a particular post does not need to be re-recruited to and that is the approach that we are taking. We are looking right across the departmental structure to deliver the efficiencies and savings and redesign.

5.12.2 Deputy G.P. Southern:

Does that not mean then that individuals, whether senior management or other, are going to be making hundreds of individual decisions on particular jobs throughout the service? This sounds to me like a very inefficient way of organising things. Surely it would be far better to have targets for particular services which are more likely to need reform.

Senator I.J. Gorst:

Then the Deputy will be challenging us for an unintelligent thought-out approach where we were unnecessarily making people redundant and we are not prepared to do that. The service has to be changing or stopping, inefficiency has to be driven out and that is the approach that we are taking.

5.12.3 Senator Z.A. Cameron:

Does the Chief Minister share my concerns that those most likely to choose to take voluntary redundancy are those who are most likely to be able to find alternative employment? Those on salaries above their level of competence are the least likely to leave. The U.K. currently has twice the number of public service managers, compared to the E.U. (European Union) average and are they really the ones best placed to be making the assessments as to who should be made redundant? What measures are there in place to prevent this?

Senator I.J. Gorst:

The Senator makes a good point about restructuring management and it picks up again on Deputy Southern's point, that there are managers right across the departments sometimes managing similar

functions. It is those structures that need to be delayed and we need to look at the administration and reduce inefficiencies. That is the approach that we are taking and we are doing it in a joined-up together way so that the central functions know what is happening and we can make informed decisions about whether those posts are legitimately not needed into the future, rather than the scenario that the Senator fears.

5.12.4 Deputy J.A. Martin:

This is really a follow-on from that, the Minister's answer for interest from 7,000 States employees, would they take voluntary redundancy? We were only told very early this year that the departments or Ministries were looking at what functions they were going to stop, what functions they were going to outsource and then what functions they need to maintain. Only yesterday the Chief Executive Officer said it is the post, not the person. If they feel the post must stay then the person cannot go, even if they are terrible at their job basically but the 7,000 is across the board. This is not thought through, it is too soon, you do not know who you need, the work has not been done. Would the Minister not agree?

Senator I.J. Gorst:

Absolutely not. The Deputy makes some good points about needing to do it across departments, about the post having to go, about the saving needing to be delivered, not based on personality. In the scenario where an individual is not performing that is one of the reasons why we are introducing performance management. It is one of the reasons why we are working for a new pay structure, so that we can deal with all those historic issues as well.

5.12.5 Deputy J.A. Martin:

The Minister has just said every point that I made was a good point but he has not agreed that they have done the work to back up what I have said. It should only be the posts that are being targeted once the work for ceasing, outsourcing and maintaining has been done. He did not agree he had done that. Can the Minister now agree that all my points were good and valid? **[Laughter]**

Senator I.J. Gorst:

As much as I would like to be in a position to be able to say that I agreed with all of the Deputy's points, I agreed with the majority of her points.

[11:00]

The point I did not agree with was that we should not be undertaking and seeking expressions of interest with regard to voluntary redundancy in this early stage. It is a methodology which is used in the private sector and it can help, so the Deputy at the back is groaning about that fact. But it can help to see where efficiencies can be delivered and it gives others an understanding of individuals in posts that may be able to be removed. While I agree with most of what the Deputy was saying, that single point about it being too early, I could not agree with.

5.12.6 Deputy M. Tadier:

The Chief Minister has talked about driving out inefficiency and at the same time as talking about voluntary redundancy for 7,000 States employees. When they hear that a certain employee of the States has been able to leave a job, essentially, voluntarily and be paid a pay-out, whose salary could have covered 5 or 6 nurses, teachers and manual workers, what kind of message does it send to those 7,000 States employees who are asking to resign, give up their jobs voluntarily, when we cannot even drive out these kind of inefficiencies at the very top levels of civil service?

Senator I.J. Gorst:

We have been doing so and the number of such payments and agreements have reduced over the period of the last 3 years since I became Chief Minister and that is a commitment that I gave. I

have said again this morning that we will review those policies and procedures, which have now been in place for 3 years, again.

5.12.7 Deputy M. Tadier:

In the global context of driving out inefficiencies and in redundancies, will the Minister give an undertaking that there will never again be a Treasurer or someone on that level who resigns for personal reasons but gets a pay-out of more than a year's salary, while we are asking other people to resign voluntarily?

Senator I.J. Gorst:

The Deputy seems to misunderstand what voluntary redundancy schemes are. Voluntary redundancy schemes are where people say that they will volunteer to be made redundant and they receive a payment for such. Therefore I am not quite sure why the Deputy would expect me to give such ...

Deputy M. Tadier:

That is not the question, the question is, can we expect to see inefficiencies such as the type that the Treasurer received in more than a year's salary being paid to her for doing nothing when she resigned and walked into another job, which is not something that other employees will have the luxury of? Can we expect to see those kind of things not occurring in the future under his leadership?

Senator I.J. Gorst:

Other employees will be able to receive payment for agreeing to be voluntarily redundant and then walk into other jobs and that is part of the process. I refer the Deputy to the previous Comptroller and Auditor General's report with regard to payments and such likes of departing senior employees. He will see there in that report that the Comptroller and Auditor General says it is a tool which should be available to employers as and when they need to and, therefore, giving a blanket we will never do that again would not be a good or appropriate thing for an employer to do.

Deputy R. Labey:

My question has been answered, well it has been asked. [Laughter]

5.12.8 Deputy G.P. Southern:

The Minister has said that he does not have any idea at this stage where the voluntary redundancies are going to occur. However, he is due to lodge the Medium-Term Financial Plan come 30th June but will he know in the next 2 weeks where those cuts are going to occur so that we may study the Medium-Term Financial Plan and know what he has in mind or will he be returning in 2 weeks' time with exactly the same vagueness and no detail on how to produce those £125 million savings? Finally, can he address the second part of my question, which is what is the role exactly of his external advisers have contributed to his targets?

Senator I.J. Gorst:

There are so many questions there I have forgotten what I was being asked. The Deputy knows because not only have I said it but also the Minister for Treasury and Resources has said that the Medium-Term Financial Plan will have detail for 2016 and then just high-level numbers for the remaining years. We propose to put that to this Assembly in a year's time to give the detail of the remaining 3 years and we are going to go on and debate that shortly. I have already answered with regard to the Deputy's question about the external advisers.

Deputy G.P. Southern:

Could the Chief Minister clarify because I did not hear any reference to the advisers?

Senator I.J. Gorst:

In my opening response I referred to the external advisers. I am happy to try and endeavour to provide an answer to the question, which I obviously did not provide for Deputy Labey, who did not ask his question. The advisers are acting, as we have said, as critical friends and advisers to the whole process of the Council of Ministers, helping us to evaluate the options available to us in order to deliver balanced budgets by 2018 and 2019.