

2016.03.22

3.14 Deputy S.Y. Mézec of the Minister for Infrastructure regarding value for money following the outsourcing of Infrastructure services to the private sector:

When outsourcing infrastructure services to the private sector, what efforts will be made to ensure that contracts retain sufficient flexibility to cope with extra demand when unforeseen circumstances occur, such as damage caused by bad weather to roads and homes, without incurring extra cost to taxpayers, and what safeguards will be implemented to ensure that contracts can be terminated without significant penalties if they provide poor value for money?

Deputy E.J. Noel (The Minister for Infrastructure):

Yes, of course we would and why would we not? Where appropriate, tender specifications will include the requirement for the potential contractors to provide emergency working cover. The cost of providing this cover will be required to be identified in a manner appropriate to the type of service being tendered. Any outsourced services will have sufficient flexibility to cope with extra demand when unforeseen circumstances occur. The department will ensure that the contracts can be terminated without significant penalties if they provide poor value for money. Emergency cover does come at a cost no matter who provides it and therefore budget provision is and will continue to be made for it.

3.14.1 Deputy S.Y. Mézec:

Is the Minister aware that when these sorts of outsourcing projects in the United Kingdom have failed, it has often been down to the fact that the contracts that they have signed-up to have sometimes been contracts of over a decade long and when they have realised a few years into them that they are not providing good value for money that they either have to pay millions and millions of pounds in penalty fees to get out of it or they simply have to carry on and just put up with the bad value for money for several years before they can take it back into being run by the public where it provides better value for money? Is he aware of these precedents which have been set there and will he undertake to not sign-up to any contracts close to a decade long which would provide too much insecurity for the financially-prudent approach he has indicated he wishes to take?

Deputy E.J. Noel:

I am also aware, by the Deputy's colleague 2 weeks ago, that many of the contracts, almost three-quarters of the contracts over the last 15 years, have been successful in the U.K. This is not new business for us. Jersey Property Holdings has been outsourcing such contracts for a number of years now. Those contracts are flexible; they do provide emergency cover for unforeseen eventualities so this is usual. We will ensure that any contracts that we offer are flexible and are in the public's best interests.

3.14.2 The Connétable of St. Helier:

The question refers specifically to the need for flexibility during inclement weather. Would the Minister acknowledge that it is not only the Department of Infrastructure's staff that are called out at these times to help but also members of other public sector organisations, the Parish of St. Helier to name but one, and also the Honorary Police?

Deputy E.J. Noel:

The Constable of St. Helier is completely correct. It is not just staff from the Department of Infrastructure that gets called out on such emergencies. The Emergency Services themselves get

called out, as do other Parish workers and indeed the Honorary Police and other volunteer sectors, and we are grateful for that as a community.

3.14.3 Deputy M. Tadier:

I am glad the Minister referred to Property Holdings having already outsourced. I know from experience that currently with T.T.S. (Transport and Technical Services) if there is a problem, there is a phone number, you pick up the phone whether it be a small pothole in the road or a sign that needs changing and that gets done very quickly. It does not seem to be the case when things are being outsourced and then outsourced again, it becomes very difficult to find who is responsible for maintaining certain areas and, secondly, for getting things done. So does the Minister share my concern that the consumer, or rather the citizen in this case, will be short-changed by this move to privatisation and what assurances can he give us that service will not decline?

Deputy E.J. Noel:

Absolutely not will Island citizens be short-changed. We are endeavouring to make sure that the level of service is maintained and some areas improved. The points of contact will remain the same. It will be the department; it will not be the sub-contractors. It will be up to the department to manage their contractors, not for the public to engage with the contractors. So the situation is no different to the situation we currently use within Property Holdings for maintenance of buildings and for the cleaning of buildings and for the maintenance of green areas that my area of responsibility looks after.

3.14.4 Deputy M. Tadier:

Can the Minister give a categorical assurance to the user, the member of the public, who picks up a phone, has an issue, that the response time will be exactly the same as it is now, the efficiency will be the same and perhaps confirm how many levels of bureaucracy that individual will need to go through before the actual command is given for works to be done in any one instance?

Deputy E.J. Noel:

I cannot give that assurance. In fact, I would like to give the opposite: I hope that the service provisions and response times will improve as opposed to become ... I have lost the words.

3.14.5 Deputy S.Y. Mézec:

I agree with the sentiment expressed by the Constable of St. Helier and in the answer from the Minister about the excellent job that the workers in the Parish of St. Helier do alongside for some of these services. Would the Minister agree with me that one of the reasons that these workers are able to do such a good job is because they have proper contracts, proper terms and conditions, proper pay, proper security in their lives so those workers know they are able to do a good job? If he does accept that point, would he therefore undertake that if he is going to pursue this outsourcing project, to do everything he can to ensure that the pay and terms and conditions for those workers remains at the highest standard possible rather than just flogging them off to the lowest bidder which seems to be the plan at the moment?

Deputy E.J. Noel:

That certainly is not the plan and I answered questions about that 2 weeks ago. We will be working with any potential contractors and ensuring that they meet our requirements to be responsible contractors and treat their staff in a way that we would expect them to.