

2016.02.23

### **3.1 Deputy K.C. Lewis of St Helier of the Minister for Infrastructure regarding expressions of interest issued for gardeners and cleaners during ongoing negotiations with the existing workforce:**

Will the Minister explain whether he has invited expressions of interest for gardeners and cleaners when negotiations with the existing workforce are ongoing, and if so, why?

#### **Deputy E.J. Noel of St. Lawrence (The Minister for Infrastructure):**

Obviously this question was drafted prior to the *J.E.P. (Jersey Evening Post) Gazette* notice last week on Thursday, 18th February, when the department published a notice to advise interested parties of a P.Q.Q. (pre-qualification questionnaire) lunch briefing for contractors working in the areas of gardening and commercial cleaning. It is at a very early phase of the procurement process for potential private sector provision of services. It is also issued through the States procurement portal on Wednesday, 17th February. The P.Q.Q. is an opportunity for contractors to express their interest in providing services on behalf of D.f.I. (Department for Infrastructure) and it is therefore for the department to conduct due diligence regarding the suitability of those contractors. It is no more than that. In order to do so they must be given details of the services that they are attempting to pre-qualify for. This process precedes any invitation to tender and is a requirement for determining whether it is feasible to pursue any further tendering exercise. The department's chief officer, in a circular to all staff distributed to staff on Thursday, 18th February, explained this process to the staff and apologised to employees in the areas mentioned in the P.Q.Q. notice for the need to do this during the consultation process. However, in order to meet the saving timescale set by this Assembly it is unfortunate but necessary for some of the workstreams to run in parallel.

#### **3.1.1 Deputy K.C. Lewis:**

I am aware that a P.Q.Q. is the pre-qualification questionnaire, which is the pre-cursor to tendering. As the tender notice in last Thursday's *Gazette* states, there is a list of 13 services from cleaning, gardening, emptying bins on roads, and harbours. There is a list of 13 here. Does the Minister not realise that the Infrastructure Department, formerly T.T.S. (Transport and Technical Services) employees, are greatly distressed at the thought of losing their jobs, many of whom will never work again, to post this advertisement while negotiations are ongoing is a gross discourtesy to the workforce? Does the Minister not agree that employees who have given decades of loyal service should be treated with respect and looked after?

#### **Deputy E.J. Noel:**

Absolutely their employees should be treated with respect and that is exactly what we are doing. Unfortunately we do need to understand whether or not the private sector can take up any of these particular tasks and to carry out due diligence on those organisations that express an interest to do so. We have not finished the service reviews yet. As Members will know, I anticipated those reviews would have been finished some time earlier this week. That has not been the case because we have extended the consultation period with the unions for a further 6 weeks, until the end of March, beginning of April. It is important that we do that with the unions and staff. But what is equally important, we cannot drag this out because those individuals that will be affected, and there will be some that will be affected. You cannot take £70 million worth of staff savings out of the States budget without some people no longer being employed by the States. We need to do that in

a respectful way and we need to get to the position where we can give certainty to those individuals affected as quickly as possible.

### **3.1.2 Deputy S.Y. Mézec of St. Helier:**

When the Deputy was attempting to convince Members of this Assembly to vote for him for the position of Minister for Transport and Technical Services, as it then was, in his speech he said: “The merger between Jersey Property Holdings and T.T.S. is not a slash and burn exercise, it is not a Trojan Horse privatisation” and then during questions Deputy Southern asked him the very direct question, which was: “By how much does he expect to reduce his 500 workforce?” He responded with: “I do not intend to reduce that 500 workforce at all.” So why is the situation now different and at what point after this Assembly voting for him did he perform this U-turn?

### **Deputy E.J. Noel:**

The situation is different because since November 2014 and the early part of 2015 we soon realised, when we were working out the strategies and priorities going forward, that we wanted to invest in health. We wanted to invest in education. We wanted to invest in our economy. We wanted to invest in St. Helier.

[9:45]

We had to fund those and what came out of that, agreed by this Assembly, is some £70 million worth of staff reductions across the States. I am afraid that cannot be done without some individuals moving on from States employment.

### **3.1.3 Deputy S.Y. Mézec:**

The Minister knew that that was exactly what was going to happen. Before the election it was all the candidates which made up the Council of Ministers we are talking about during that election. So my question is: given what he told the States Assembly and the U-turn he performed after that, would he not like to take the opportunity, being broadcast over the radio now, to apologise to the workers who, as far as they were concerned on his election as Minister, they would have someone who would be defending their jobs and now it turns out it is somebody who is interested in simply flogging those jobs off to the lowest bidder?

### **Deputy E.J. Noel:**

That is not the case. Deputy Mézec has no idea what I was thinking of in November 2014 and still has no idea what I am thinking of because it is impossible to do so. It is impossible to know what an individual is precisely thinking.

### **Deputy S.Y. Mézec:**

Thanks to Hansard we know what they say though.

### **Deputy E.J. Noel:**

Our workforce is important. They have provided good service. Those staff that we are looking to the service reviews and the areas that they work do provide good service. In December I had the privilege of meeting many of them and awarding service awards to many of them. It does not change the situation that this Assembly has agreed to take £70 million from the States payroll costs. I am afraid that cannot be done without some people moving on to employment outside of the States sector. It is a cold light of day fact. It is not something that I certainly enjoy doing. Making people redundant either through voluntary redundancy or compulsory redundancy is not an enjoyable act.

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

Could the Minister clarify for Members whether his outsourcing process, which is obviously underway now, is one which is covered by redundancy law or one which is a transfer of employment covered by T.O.P.S.E. (Transfer of Public Sector Employees). Where is the protection for the workers in the system that you are setting up?

### **Deputy E.J. Noel:**

Deputy Southern knows exactly where that protection is, it is under the redundancy law.

### **3.1.5 Deputy M. Tadier of St. Brelade:**

Will the Minister be able to give an indication of what the likely impact is on the P.E.C.R.S. (Public Employees Contributory Retirement Scheme), the pension scheme that is currently run for the States?

### **Deputy E.J. Noel:**

I believe the Deputy or one of his colleagues has asked that question just 2 weeks ago. The effect on P.E.C.R.S., those people that leave States employment will have their pension effectively frozen and they will be able to draw it down at their normal retirement ages. Individuals that will be leaving States employment will have the opportunity to speak to the Pension Department to understand what their options are.

### **3.1.6 Deputy M. Tadier:**

The question was really more so about the future funding for the scheme; when all these current public sector employees are removed from the scheme what impact is that likely to have on future viability and funding for the scheme?

### **Deputy E.J. Noel:**

I think it was just 2 weeks ago... that is a matter for the actuaries to get together, the long-term funding implementations of that, but for my work on the States Employment Board over a year ago when I was a member of the States Employment Board, and when we were looking at the CARE (Career Average Revalued Earnings) Scheme, that scheme is sustainable with the number of reductions that we will see in the States manpower. In the longer term what will replace P.E.C.R.S., which is the CARE scheme, is sustainable.

### **3.1.7 Deputy J.A. Martin of St. Helier:**

On the P.Q.Q.s that the Minister has sent out, and they are the Minister's, does he ask the question of all the companies who expressed an interest how many registered employees they have or are allowed to have, and secondly, the pay structure of their gardeners, cleaners, *et cetera*? If not, why not?

### **Deputy E.J. Noel:**

The P.Q.Q. has not gone out. What has gone out is an invitation to contractors to a briefing to come and understand about the type of services that we are reviewing. The actual P.Q.Q. document has not been produced yet.

### **3.1.8 Deputy J.A. Martin:**

Will the Minister then guarantee that those 2 questions are put on all the P.Q.Q.s because we need to know if they are comparing like for like?

### **Deputy E.J. Noel:**

Certainly we will be comparing like for like and we will be issuing our definition of what a responsible employer is. We will also be seeking to get clarification from any potential contractor that they will be using unlicensed staff as opposed to licensed staff for our contract.

**3.1.9 Deputy K.C. Lewis:**

I have learnt something new today. "Moving on" means being fired from your job. When people are in the unemployment queue I am sure their long-service certificates will be of great comfort to them. When I was Minister at T.T.S. I greatly admired the dedication and hard work of the employees. In times of bad weather the teams would be out in appalling conditions clearing fallen trees, up to their waists in ice-cold seawater, putting up sandbags to prevent floods. When we have the next heavy snows with any more subbing out who are we going to call? Will the Minister agree to have respect for the employees and redouble his efforts to find a negotiated settlement with the workforce before the tendering process?

**Deputy E.J. Noel:**

I do have respect for our workforce and that is why my officers are working extremely hard to slot in those that are in areas that we are looking to redesign the services, where other vacancies come up. We have had a number of V.R.s (voluntary redundancies) come through in the latter part of last year, and are going through the process currently. We are trying to, wherever possible, ensure that existing staff in areas that are having service reviews have the opportunity to transfer their skills to other areas of not just within the Department for Infrastructure but with other areas such as Health and Education.

**The Bailiff:**

Members might wish to know that we have spent 12 minutes on that question and there are 19 questions in 2 hours so we have got to do rather better if we are going to get through all the questions this morning. I appreciate that that is a matter of considerable interest.