

2016.03.08

3.4 Deputy S.Y. Mézec of the Minister for Infrastructure regarding the factors taken into account when deciding what constitutes a “responsible employer”:

In the context of outsourcing Infrastructure jobs to the private sector, could the Minister explain what factors are taken into account when deciding what constitutes a “responsible employer”?

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

We have made a commitment to the unions and to staff to stress the importance of third party contractors being a responsible employer within the tender process. The evaluation criteria within the tender process will reflect this intention and reward those who can demonstrate that they are a responsible employer within the tender evaluation process. We have defined a responsible employer as an employer who can demonstrate a track record of compliance with employment legislation, is committed to the delivery of appropriate training and development of skills as befits the role, has policies and processes consistent with the responsibilities that they have as an employer under the relevant legislation, uses terms and conditions of employment appropriate to the sector that they are operating in and, finally, it is not reliant upon the need for employment of licences to fulfil the services that they are tendering for.

3.4.1 Deputy S.Y. Mézec:

I thank the Minister for his answer there. Could we therefore seek to get an undertaking from him, that he will not be outsourcing jobs to firms which pay below the living wage and therefore requiring taxpayers to essentially subsidise them further, that he will not outsource to firms which will take people from full contracts to zero-hours contracts, where you could cause a huge amount of disruption to their lives and their careers, and will he also give an undertaking not to outsource jobs out to firms which will give their workers a reduced entitlement to things like sick pay and holidays because those things, which I think many of these workers who are worried about their futures would consider much more important than whether we are simply going for a firm which ticks the boxes of basically doing what is legal already and nothing else?

Deputy E.J. Noel:

Doing what is legal already or nothing else is not on the cards. What they need to do is to demonstrate that they will invest in their staff. They will provide training and they will not be reliant on getting additional licences from the Government to fill those posts.

Deputy S.Y. Mézec:

That was not anything even close to an answer to my question there.

The Bailiff:

That is a matter for Members.

3.4.2 Deputy A.D. Lewis of St. Helier:

Once the living wage for Jersey is established and calculated, will the Minister undertake to commit to joining the Living Wage Foundation and ensuring that all of his outsourced suppliers are being paid a living wage once it has been established? Would he commit to becoming a member of the foundation?

Deputy E.J. Noel:

I do not have the exact figures but I believe the States of Jersey, if we were compliant with the living wage amount, and whatever that may be because there are different ways of calculating it, that we would pretty much be almost 100 per cent compliant. There would be very few States employees that earned less than that currently on an hourly basis. I may be wrong but that is certainly my recollection from when I was on the States Employment Board. I will certainly look at the membership of that body from maybe ... I do not believe that a department can be a member of that body, but if merely the States Employment Board, but I will look into that to see if it has merits.

3.4.3 Deputy A.D. Lewis:

What I was talking about really was the suppliers because within the Living Wage Foundation remit it is suppliers that also need to be paid a living wage and it is quite relevant with the outsourcing of services to independent suppliers.

Deputy E.J. Noel:

It will be one of the factors - and I say one of the factors - that we may or may not consider if we do decide to outsource services. That final decision has not been made yet and we have many processes to go before that decision is made.

3.4.4 Deputy K.C. Lewis:

Yesterday morning, I attended a Scrutiny meeting in the States Building here. Walking down Colomberie I happened to notice a gardening contractor working for Housing presumably with a very loud petrol driven strimmer. The gentleman concerned had no safety equipment whatsoever, no safety clothing, no safety helmet, no eye protection, no ear protection. Is this the road we are now travelling down?

Deputy E.J. Noel:

I hope Deputy Kevin Lewis contacted the Social Security Department to report that incident because if they were activities undertaken without the appropriate safety issue that is of great concern and is something that I am sure the Minister for Social Security would want the information on. So I urge Deputy Kevin Lewis to provide that information to the Minister for Social Security.

3.4.5 Deputy M. Tadier:

Does the Minister accept that when it comes to these kind of responsible employees, the States does not have a very good record or rather his ministerial colleagues, we know that the Minister for Economic Development has no problem in signing a contract with Condor which uses a practice called "social dumping", where they use staff from Eastern European countries and pay them much less than the minimum wage that is available in Jersey. Will the Minister give an undertaking to make sure that when he puts these new policies through in his department that it extends throughout the whole of the States so that we do not see such nefarious practices being carried out by ministerial government?

Deputy E.J. Noel:

Perhaps Deputy Tadier did not hear what I said in the answer to his colleague's question. We are going to ensure that any private contractor that takes on contracts from the Department of Infrastructure is not reliant upon the need for employment licences to fulfil the services that they are tendering for. Therefore the situation whereby they would be using labour from outside of the Island and ... I cannot remember the term, something dumping, that the ... social dumping will not be applicable.

3.4.6 Deputy M. Tadier:

That is understood. It was merely by way of analogy to say that there are practices going on in other areas of government where clearly social and moral considerations have not been taken on board. But does the Minister accept that in that list he gave earlier he did not mention pay or terms and conditions, and secondly, he did not give any indication of whether or not contracts would be given to non-locally owned businesses whereby essentially tax revenues, which could be ending up in Jersey, would not be ending up here? Does he consider that those 2 areas need to be added to his list if we are to have a meaningful and responsible employer relationship?

Deputy E.J. Noel:

I am a bit concerned by something that Deputy Tadier said there. He appeared to infer that unessential employment practices were currently taking place within the States of Jersey. I believe that is definitely not the case. The States Employment Board is very much a responsible employer so I do not believe that those services that Deputy Tadier mentioned are taking place. We will make sure that any contracts that we give, and we do currently give many... Jersey Property Holdings currently does effectively use third party contractors for its work. It does not have any direct labour at all. So we already do manage such contracts and ensure that those firms are acting in a responsible way when carrying out work on behalf of the States of Jersey.

3.4.7 Deputy G.P. Southern:

Will the Minister come clean and admit that pay and conditions for an outsourced worker are a matter of indifference for him and that what he is engaged in is a race to the bottom in terms of workers' terms and conditions with its outsourcing policy? Will he accept that the major reason why he can talk about contracts which did cost £160,000 and costing £90,000 is merely because standards might be the same but payment to the workers have been cut to the bone?

Deputy E.J. Noel:

I do not know about being cut to the bone. What is certainly unlikely to be the case is for there to be such an employer pension scheme that we currently have within the States of Jersey, and that is one of the major differences between the funding of the 2. Sorry, I have forgotten the rest of Deputy Southern's question, would he like to repeat it?

Deputy G.P. Southern:

How much of a saving that he keeps referring to from £160,000 to £90,000 is made up by a reduction in pay down to the minimum wage or thereabouts?

Deputy E.J. Noel:

Undoubtedly, it is virtually all going to be staff-related costs.

3.4.8 Deputy S.Y. Mézec:

As is common practice for many of the Ministers in the current Government, with my first supplementary question there was no attempt to make the slightest effort to answer it, so I have to use my second one to simply ask it again.

[10:30]

That question is, and it is for the benefit of Hansard so that we can hold him to account on this later, and for the people whose lives end up being ruined by his immoral and unmandated policy which he is pursuing, can he give an undertaking that the jobs which will be outsourced to private firms want the criteria, which will constitute a responsible employer, will include among them whether they pay the living wage or not, whether zero-hours contracts will be used when currently proper contracts

are in place, and whether there will be a reduced entitlement to sick pay and holidays? Will the conditions of these working people be considered or will he be, as Deputy Southern has referred to it, indifferent as many of his other ministerial colleagues are, when they do the same thing? For the benefit of Hansard so we can hold him to account in future please.

The Bailiff:

Minister, one moment while you are thinking about your answer. Deputy, would you please withdraw the suggestion the Minister acts immorally? I think that is going too far.

Deputy S.Y. Mézec:

I disagree, Sir, I think it is a political point and I am perfectly entitled to believe that a Government is pursuing a policy which is immoral. That is a political point, I will not withdraw that.

The Bailiff:

Are you imputing improper motives to the Minister?

Deputy S.Y. Mézec:

No, Sir, morality is subjective. It is my personal view, given my personal values, my personal political views, that certain policies to be pursued can be either moral or immoral so I will not withdraw that. That is what I believe and I am not withdrawing it.

The Bailiff:

Very well.

Deputy E.J. Noel:

I would just like to comment on Deputy Mézec's definition. I agree it is a personal view and I take a different view. I do not believe that what we are doing is immoral. I believe what we are doing is the opposite and we are trying to work with our staff, and particularly those that will become affected, to ensure that the impact on their lives is as least worse as possible. I am very much aware that we are dealing with people's lives and it is not easy. I have worked in the private sector. I have had to dismiss staff for inappropriate behaviour or when things have gone wrong. This is different. These people have not done anything wrong. They do serve their Island day-in, day-out but unfortunately we are in a situation whereby we do need to save money to be able to invest in key areas such as health and education. It is not a Utopia. We cannot carry on just increasing taxes to pay for those services because there is a very narrow base of people who do pay tax in this Island. With that, the undertakings that the Deputy is seeking from me I am not able to give. It is not Government's position to enforce on the private sector the terms and conditions that the Government may wish to use for themselves. This is for the private sector to work within the legislation that this Assembly brings into force and that is simply the case.