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3 Deputy M.R. Le Hegarat of St. Helier of the Chairman of the States Employment Board regarding the number of States of Jersey staff on temporary contracts or engaged as consultants: (OQ. 135/2019)

How many staff across the States of Jersey are on temporary contracts or are currently engaged as consultants; and how many of any such staff or consultants were employed from outside Jersey?

Senator J.A.N. Le Fondré (Chairman, States Employment Board):

As at the end of April 2019, there are a total of 509 individuals working across the government in roles referred to by the Deputy; 414 on fixed-term contract staff, 78 on agency staff and 17 on interims. It is worth making the point, in relation to interims, that that compares to 33 at the beginning of the year and I hope does show that we are starting to meet our objective of reducing the number of interims during the period of 2019. The Deputy also asked us about the source, as it were, or country of origin, for some of these positions. Unfortunately, given the timeframe available, because it is an oral question, it would require a trawl through personnel files and liaison suppliers and all that sort of stuff, we have not had the time to put that data together. If the Deputy wishes me to write to her with the background, when we have got that data together, I am very happy to do so. I think it is worth just making the point, because there have been concerns about interims employed over the past period, but the interims, as well as other individuals, are key to delivering some of the savings outcomes that we are using to inform the efficiency programme, which is seeking to meet and significantly meet, if not entirely meet, the deficit which we started with at the beginning of the year of £30 million ... sorry, projected for 2020. The use of some of those individuals is contributing to the overall savings target of £30 million to £40 million and that will more than dwarf the investment in their services.

4.3.1 Deputy M.R. Le Hegarat:

How many of these individuals pay Jersey tax?

Senator J.A.N. Le Fondré:

I do not have that information to hand. Also, I would not be privy to the personal positions of those individuals, in terms of tax data. I can see if it is possible to get a generic answer. The difficulty is that if there is any risk of identifying individuals, as a result of that question, normally we cannot provide that information.

4.3.2 Senator S.C. Ferguson:

Will the Minister give examples of the efficiencies that he is starting to see coming through in the transformation programme from the staff that are engaged as temporary contracts, outside consultants, *et cetera*?

Senator J.A.N. Le Fondré:

In terms of some of the efficiencies that we are seeing, the restructuring in the ... as a result of the department and the one front door thing under the Minister for Social Security, that restructuring is aiming to save about £400,000 a year from 2020. At a very minor level, the *attestation* certificates can now be done online. That is going to save about £30,000 a year in staff time. We are doing some proof of concept at the moment, which is likely to give some significant savings if it is rolled out. For example, within the finance function, which is relevant to the interim process, the school fees billing process is being automated and that will save 80 per cent of time and, indeed, there is

another automated tool, which could significantly increase capacity in the government finance team by over 10 per cent and also improve governance and accuracy. We believe the investment on that will pay itself back within a year. Those are very small amounts. There are some much bigger items that are coming through. But as some indications, that shows we are looking at efficiencies at that stage and that is about doing things differently. That is why we have imported some of the skills that have not been around previously.

4.3.3 Deputy K.F. Morel:

Would the Chief Minister be able to advise how many of these consultants and interims, particularly, are using management companies through which to provide their services to the Island?

Senator J.A.N. Le Fondré:

Not at this stage, because, again, I am not privy to everybody's circumstances and how they are being employed. I do know, generically, that sometimes consultants, even when I used to work in Luxembourg, used to use companies as an employment thing. It is not uncommon. I do not know the position locally. I could endeavour to find out, but, again, with a caveat about breach of privacy.

4.3.4 Senator K.L. Moore:

I am sure the Chief Minister follows the local media and will be aware that this issue of consultants is becoming a matter of quite peaked public interest. I ask the Senator, as Chairman of the S.E.B. (States Employment Board), whether he has considered establishing a policy in relation to the use of consultants within the public sector?

Senator J.A.N. Le Fondré:

We have used consultants in the public sector for decades, not just in the last 18 months. The reason I was pleased to answer the question about what sort of efficiencies we are starting to see, is that they are bringing in and actively delivering the changes that I would hope we are all seeking to see. It has not been, to my knowledge, achieved to the level of 'deep dive' analysis that is going on. I do not think I have seen that previously. That is why I am very comfortable with where we are. The real caveat is, yes, there have been some great headlines about what individuals are earning. If an individual is earning £150,000 as a result of a consultancy fee, say, but they deliver savings of £500,000, or £1 million, a year, they have paid for themselves. That is what we are doing. Then, when they have done their job they go. That is what we are seeing by the fact that the number of interims has significantly fallen. That is also about the restructuring; the number of senior posts has fallen as a result of the restructuring. Now, as things come together, as people know I am quite cautious in certain areas, I like to say this is what we have achieved, not hypothetically what we are going to achieve in a few years' time. That is why I have not been blowing too much around some of the savings that are coming through. We are now starting to receive information that shows the thought process that says these savings are tangible.

4.3.5 Deputy R.J. Ward of St. Helier:

Getting back to the actual payment of tax. When contractors sign with consultants, whether they are consultant agencies, or whether they are pay as you earn, should it not be clear as to where tax is being paid, as this could be a considerable drain on our tax income, given the fact that there was £12.5 million in unpaid tax that has been identified recently?

Senator J.A.N. Le Fondré:

I think the Deputy is conflating 2 things there. My understanding, although I did not go too closely in to the article, was that the write-off of the tax was including due to bankruptcy debt and as far as I am aware, I do not believe any of the interims that are working for us are no longer with us in this ... that they are not living, shall we say. So, in terms of the tax difference between working directly and working through a company, they will obviously use services. They will incur G.S.T. (goods and services tax) anyway. That has always been the attraction of that thing. In terms of income tax, I do not know the position, I do not know the direct tax circumstances, but I do make the point we are bringing in specialist people, sometimes when it is particularly interims it has been at short notice, to replace a permanent position who has left. That happened once in our department that I can relate to. That is when it is an urgent action and you need someone at short notice. That tends to be more expensive, that tends to be under those type of arrangements. What we are trying to do and what we said, is that we are then bringing people into permanent positions. If they are in a permanent position, as I understand matters, they will be employed by us.

4.3.6 Deputy M.R. Le Hegarat:

Taking aside consultants, because I accept that consultants may be working here on a permanent basis; however, I would see an interim as a different model in relation to their employment. What I would like to know is, is that we have brought in a number of interims since October 2017, in order for the transformation of the States of Jersey to happen. Would the Minister please advise when the interims will be completed in their task?

Senator J.A.N. Le Fondré:

As I have said, in terms of interims, we were at 33 at the beginning of this year and now we are down to 17. There is a trend, which I hope the Deputy will welcome. In terms of when that task is completed, that is a slightly tricky one, because I think one of the problems we are facing is that as people have done the due diligence work and then seen what needs to change, sometimes what is being identified is going to take longer than was originally anticipated. I think the analogy I would use - I hope the Deputy is aware of this one, other Members should be - if we look at the state of our physical infrastructure and I am talking about property, there are certain places that are in a very poor state. We know that. Apply that analogy to our non-physical infrastructure, which includes H.R. (human resources) and I.S. (information system) systems, for example and, therefore, it takes time sometimes to get the investment back that needs to happen. That is a case of if one has started with someone, it makes sense to extend their contract if needed, because, otherwise, you just have to bring someone new in and you lose the time and experience that they have gained in dealing directly with that system. But the trend is to - as we resolve the problems that we have been in there, because of years, or decades, of legacy of under-investment - the trend is then to stop the services and to put them onto a permanent position if needed.