

2020.06.16

10 Deputy K.F. Morel of St. Lawrence of the Chief Minister regarding the prospect of cuts to departmental budgets (OQ.150/2020):

Has the Council of Ministers decided upon any level of cuts to departmental budgets following the COVID-19 crisis and, if so, what is it?

Senator J.A.N. Le Fondré (The Chief Minister):

The short answer is no. The longer answer, obviously I need to refer to my earlier answer I gave to Deputy Ward; that is in the interests of trying to be relatively brief. At this stage there are no specific targets proposed for departmental budgets, but obviously we are seeking to identify options to allow Ministers to rebalance the public finances for all the reasons I have already alluded to. Just to reiterate, those options include zero-based budgeting. That was identified in the Government Plan of last year. It is about looking at the drivers of demand. Part of that could be through the experiences that we have had through COVID-19, about how people can access our services in different ways, and might be looking at re-examining funding models and also scenario modelling. I think that is probably enough on that, other than to reiterate no decisions have been made. All decisions have to come to the Council of Ministers to then go into the Government Plan, as lodged with the Assembly, and ultimately it is a matter for approval or not by the Assembly.

3.10.1 Deputy K.F. Morel:

Would the Chief Minister advise the Assembly as to whether any particular departments will be expected to make cuts and whether any departments have been protected from cuts?

Senator J.A.N. Le Fondré:

At this stage, as I keep reiterating, nothing is off the table, everything is on the table, so as far as I am concerned no one gets a special dispensation at this stage. It may well be that we might be talking about differing things versus cuts to services or delivering services in different ways, which goes back to the point of more efficient methodologies. All of that, still discussions are ongoing or still have to be had. That is where we are in terms of our level of work and our pieces of work that we have to do over the next few weeks.

3.10.2 Deputy G.P. Southern:

I have got a document in front of me from the Government which says: "Stop and not start, including a recruitment freeze." Is there going to be a recruitment freeze and across which departments?

Senator J.A.N. Le Fondré:

At this stage all posts that are sought through the S.E.B. (States Employment Board) - in fact, I think it is alluded to in one of the written questions of this week - do go through a process to ensure that that post is absolutely necessary at this stage, so there is no definitive recruitment freeze at this stage, but we are, where necessary, challenging whether a post is necessary. There will have been delays in the recruitment process anyway because of the COVID-19 crisis and the ability to recruit generally, to advertise, to have interviews. I suspect that will start to ease, if it has not already, but I do again reiterate the sheer challenge of what we have in front of us will mean at this stage I cannot give any guarantees in any area and everything remains on the table. My priority is not to see the provision of front line services reduced, but we may have to look at how we provide them and we may have to look at, as I said, the most efficient way of delivering those services.

The Bailiff:

I have had a note from Deputy Ward, who wishes a point of clarification. That is not possible during questions, Deputy. Questions can be asked of course, but points of ...

Deputy R.J. Ward:

Sorry, Sir, I have made that mistake before. Thank you.

The Bailiff:

Very well. Deputy Southern, you have a supplementary. Before you ask it though I have questions from Deputy Ward, Deputy Tadier, the Deputy of St. Martin and Deputy Gardiner and then I will call final supplementary. Yes, Deputy Southern, your supplementary.

3.10.3 Deputy G.P. Southern:

Between the end of March and current time, how many posts have been accepted across the Government and how many posts have been turned down by S.E.B.?

Senator J.A.N. Le Fondré:

I do not have that detail with me today. I can make the enquiry and come back to the Deputy.

Deputy G.P. Southern:

Please do.

3.10.4 Deputy R.J. Ward:

May I ask the Minister, just so that we get a clarification of process here regards any possible cuts to department budgets, do the ideas for changes to department budgets come from the Minister or officers to work on or do they come from officers for the Ministers to accept or not? I hope that is a clear question.

The Bailiff:

It is.

Senator J.A.N. Le Fondré:

I think the short answer is it will depend very much on the style of the Minister, but I would expect it to be both.

3.10.5 Deputy R.J. Ward:

In the written answer the Chief Minister referred to, it said that the S.E.B. approves the code of practice. It does not have any direct involvement in operational matters of recruitment, other than senior or interim or contract recruitment. How does the S.E.B. keep track of posts which may be integral to any decisions on cuts in departments?

Senator J.A.N. Le Fondré:

Sorry, I am just trying to find the written question in hand. I cannot lay my hands on it. My recollection is that somewhere in one of the questions we have answered either today or recently we had said that we are also looking at ... while the Deputy is absolutely right that it is generally operational, we have been challenging, under my vice-chair, recruitment posts just to make sure they are absolutely necessary.

Deputy R.J. Ward:

To help the Minister, the question is in the chat.

3.10.6 Deputy M. Tadier:

The Chief Minister said that nothing is off the table. Does this include consideration of a higher than 20 per cent tax rate for the Island's wealthiest residents?

The Bailiff:

I am sorry, Deputy, this is a question about cuts to departmental budgets. I am not sure it can be to do with general tax policy in the face of the crisis, but you can of course ask that question during the question period without notice that we have.

Deputy M. Tadier:

Can I ask for a ruling? It does relate because cuts are incumbent. I mean, you can either cut or you can spend and so if we are being told that cuts are off the table, there must be other ways to raise revenue, so I think it is a reasonable question in the context.

The Bailiff:

That may be an economic consequence, about which I express no view, but I do not think it falls within the context of the question.

3.10.7 Deputy S.G. Luce of St. Martin:

In every government people have to look at efficiencies within departments, but is the Chief Minister aware that in the previous government, both the Infrastructure and the Environment Department made massive efficiencies, something getting close to 30 per cent, and will he bear that in mind as he moves forward?

Senator J.A.N. Le Fondré:

I am aware that a number of departments made huge efficiencies the last time around. What I am also aware is that some departments that in the past have said they could not achieve efficiencies are now doing so, but as I keep saying, in the initial stages everything has to remain on the table but I do take the points the Deputy has made. If I can also just take the point of clarification Deputy Ward referred to, he has to read the last paragraph in the question he has sent around.

3.10.8 Deputy I. Gardiner of St. Helier:

The Chief Minister indicated that his priority for cuts will not come from the front line services. I would like to check, with our health, education and social security being the biggest spenders, where will the substantial cuts be coming from if not from front line services?

Senator J.A.N. Le Fondré:

That is a very short question requiring a very long answer. What I am trying to say is that within the large departments there will be services we do provide which are not necessarily provided by front line, or to rephrase that, if efficiencies can be made which can be done without jeopardising front line jobs. I think that would be the way I would put it, but certainly within larger departments ... I have to praise particularly the Health Department, who have - certainly in the last 18 months I would suggest - put forward different ways of working and improving the services they provide in a more effective and efficient manner. I think also we need to reference the significant investment in I.T. (information technology) which we did propose and which was finally approved by the Assembly in the last Government Plan. That is going to generate efficiencies in the longer term of quite a significant order.

3.10.9 Deputy I. Gardiner:

Following the answer, the majority of spend, as has been indicated, is on staff so are we cutting people's jobs?

Senator J.A.N. Le Fondré:

As I keep saying, we do need to protect the front line services, but we have to remember that we still have the ageing demographic within the organisation. Over the next 10 years I think 2,000 of our employees will retire and there is also the issue that has previously been identified around vacancy management. That is around making sure that every post we take on does achieve what it is meant to be doing.

3.10.10 Deputy K.F. Morel:

Given the electorate, the Islanders who vote for us, have clearly stated on several occasions that education, health and environment are their key priorities will the Chief Minister confirm to the Assembly that he would seek to enhance investment and certainly not reduce investment in these 3 key areas for Islanders?

[10:45]

Senator J.A.N. Le Fondré:

There is a difference between reducing investment versus making a service more efficient, so we might have to increase capital investment, for example, to achieve a revenue reduction, but I think that the Deputy and I, certainly in spirit, are in the same place.