

STATES OF JERSEY

Public Accounts Committee

MONDAY, 15th JUNE 2015

Panel:

Deputy A.D. Lewis of St. Helier (Chairman)

Deputy S.M. Wickenden of St. Helier (Vice-Chairman)

Deputy J.A. Martin of St. Helier

Mr. G. Drinkwater

Mr. M. Robinson

Mr. R.J. Parker

Witnesses:

Chief Executive, States of Jersey

Chief Officer, Environment Department

Business Change Director

Human Resources Director

Adviser to Chief Executive Officer

Also present:

Clerk to the Public Accounts Committee

[15:38]

[Introductions]

Deputy A.D. Lewis:

Well, the purpose of this hearing really is to get to grips with what has been going on with public sector reform. It has been going on now since 2012. It is not an insignificant amount of money that has been spent on the programme and we would like to try and establish what has been

achieved during that period, and you may later on want to tell us what you might want to do in the future. But our purpose today is to look back on expenditure. There has been mumbblings among the public and the media about money that has been spent and results not yet being publicly achieved. You may well be able to put that right today, which is what we want to try and find out. So we will go round the table. There will be supplementaries as well. We have a prepared question plan that we will, I am sure, try and stick to but we may go a little off piste at times but it is all there to gather information so that we can then report back to the States on progress of public sector reform, in particular how funds have been allocated and spent. So firstly, if I can aim the question at the Chief Executive. When did work on the public sector reform programme begin?

Chief Executive, States of Jersey:

The first report that went to the Council of Ministers was in 2012 when we outlined the overall direction for the project and that was followed up with a presentation to States Members in ... we presented to the Council of Ministers on 3rd May 2012, and then we followed up with a presentation to States Members shortly afterwards, and that really was setting out the overall direction for what we were trying to achieve and above all why it was different to what had gone on before. I think that is a point which is absolutely crucial to understand how previous programmes, there have been spending reviews and cuts to budgets, this was a fundamental restructuring and redesign of the public sector. The point I made at the Council of Ministers' meeting when I presented it to them and I made at the States Members' briefing was this was a long-term programme. This was not a quick fix one-off. The timeline I put on to it then was 6 years; 2012 to 2015 was focusing on culture, change and workforce modernisation and the 2015 to 2018 period was for redesign. In your packs I think you have the Council of Ministers report from 3rd May 2012, when we had the presentation, and you will see at the bottom there is a line ... there is a little box which has got a diagonal line in it, and that is the line which I will stick to and everything which we have done from that point in terms of timelines has been based around that division between 2012 to 2015, which is getting the organisation into a state which was ready to have fundamental change and now delivering that change.

Deputy A.D. Lewis:

Is this a change from the C.S.R. (Comprehensive Spending Review) to public sector reform, in effect?

Chief Executive, States of Jersey:

Well, the C.S.R. ... F.S.R. (Fundamental Spending Review), I can go beyond that, which was the service reviews which were undertaken of all the departments in 1998, I think. It was a quick review of the department with recommendations in and done. But never was the culture ... never was the organisation or structure changed. The Fundamental Spending Review was exactly the

same. It was about budget reductions. A change programme was initiated and it did have some success but if I look back at the difference between the Fundamental Spending Review and the change programme, which was in 2004/5, to what we are doing now, when we started in 2012 and 2013 was the one area that the previous one never really addressed was this fundamental change of culture. If you do not get the culture right in an organisation and you do not start taking the people with you, then with a large workforce that we have got, and a very diverse workforce from many different professions areas, it is very difficult to make change happen and work and stick effectively.

Deputy A.D. Lewis:

We are going to come to culture later on, because I know it is a very important part of the programme, so we have got some questions about that later on.

Deputy S.M. Wickenden:

On the chart that you are showing which is about how much cost versus the savings, so it goes in a tiered place, would you say now that the costs should go down on what we have spent now? We have already spent the majority of the money and we should see a smaller cost associated with it?

Chief Executive, States of Jersey:

No, I would not say costs would go down. I think the product will start improving rapidly in terms of service redesign and as members are aware, we have substantial savings targets to achieve and it is delivering of everything you have done so far, which would now help us restructure the organisation to deliver against those savings targets. There have been some good results already. I am sure we will come on to some of them later on this afternoon but the ... I do not see the costs going down. In fact if anything there is a lot of cost to come yet because, as we are touching on eGovernment, there is a lot of fundamental restructuring of our systems and processes, which we have to get right, so the investment must be made.

[15:45]

Deputy A.D. Lewis:

I think the projected costs with an F.O.I. (freedom of information) application recently was up to £10 million to complete the programme. Is that correct?

Chief Executive, States of Jersey:

Yes, I can go through costs in detail ...

Deputy A.D. Lewis:

We want to look back rather than forward but I think that was the statement that came out recently.

Chief Executive, States of Jersey:

I have got all the costs if you want to go through them.

Deputy A.D. Lewis:

Okay. We do struggle to identify ... you kind of said it in a lot of words just now, is there a full proper vision statement you are giving to staff on this? If there is, what is it? We have been through a lot of material and we cannot quite identify with one.

Chief Executive, States of Jersey:

If I refer you to the Council of Ministers report of 27th March 2013, one of the first subheadings is: "What is public sector reform about?" I think that sums up very clearly what we are trying to achieve. So it is about: *"Taking forward more innovative, efficient, less expensive government"* which means basically teams are a partner of the private sector and growing diverse ... *"to help diversify the economy as well as deliver essential public services to the citizen in addition to perform or deliver a more flexible, efficient, sustainable public sector workforce to be able to meet changes in the future."* So I think those words encapsulate pretty well what we are trying to achieve. A lot goes behind it.

Deputy A.D. Lewis:

And your staff get that?

Chief Executive, States of Jersey:

I would certainly, from looking back to the engagement workshop we had in July 2014, we had 2,000-plus staff through that event, I think the answer is yes, I think pretty much our staff do get it.

Deputy J.A. Martin:

Andrew just spoke about the vision and what ... and you have replied about the staff knowing what the vision is since July 2012. But would you say if that vision has changed and when was the change approved, if it has been?

Chief Executive, States of Jersey:

It is quite interesting, when you come into these hearings you sort of go back over the old papers and again in that report of March 2013 at the back of appendix C there is a one-page of each of the main areas of activity, so eGovernment, leadership, engagement, faulty management, terms of conditions, Health and Social Services workforce. Now when I reviewed those again when I was

getting ready for this presentation to you, there is very little that has changed. The way we have gone about delivering it has changed. I am not surprised it has changed because this is 2013. But the content and the deliverables have stayed pretty much where we said they were going to be. I suppose the biggest challenge we have had, which is one that we knew was there, was aligning 6,500, 7,000 staff all into that same direction of travel to make sure that everyone understands the purpose of what we are trying to achieve, the fact that organisations in the States come from very different backgrounds. So the way in which Health and Social Services have gone about making changes in the clinical medical profession is somewhat different to how perhaps we go into the Chief Minister and sort of not the House or the uniformed services would have done it in the uniform sector. But the fact that everyone gets it, and I use the example because, one, it is very poignant but it is extremely relevant, is that when we had this event at the Hotel de France in July 2014 the uniformed services wanted to attend and some of you who ... well, probably perhaps were not there, but the thing that struck me was that one of the events we had, because of the time of the day, if you turned up at Hotel de France there were 5 fire engines outside. Those fire engines were there because the working shift wanted to attend the event, so rather than go up a couple at a time the entire working shift went up with the fire engines. They parked them there, came down to the event in all their uniform, and obviously if an emergency cropped up they would have just gone from there. That is just a mark of the fact that we had, I think it was, 2,000 staff through the event of every shape ... sorry, every sector of the workforce came through.

Deputy S.M. Wickenden:

I think that kind of answers my question on knowing outcomes. But reports submitted to the Council of Ministers consistently referred to a 6-year timeframe ending in 2018. Is December 2018 still the target date for the delivery of the 9 programme outcomes?

Chief Executive, States of Jersey:

The simple answer is yes. That is probably reinforced more by the fact that now we are into the Medium-Term Financial Plan (MTFP) preparation where 2016, 2017, 2018 and the plan is 2019 as well, the Council of Ministers have been very clear that they want to see the majority of the programme MTFP savings delivered in 2016, 2017 and 2018, so clearly that means that with the implementation of the public sector reform and real structural change or services streamlined, we have got to get on and do that sooner rather than later in the programme. So the answer is yes, 2018 is still our target.

Deputy A.D. Lewis:

So nothing has changed to the programme? Because we were curious looking back at these documents obviously a lot was to be achieved in 2014, some of it did slip. I know you did say there was a 2-phases, your 2012 to 2015, and your 2015 to 2018. Do you feel everything that was

outlined between 2012 and 2015 has been achieved because the indications we have got from the reports back we have had from you is that it did slip a little bit?

Chief Executive, States of Jersey:

I think we realise it has slipped a bit. I think we are probably about ...

Deputy A.D. Lewis:

Particularly eGov (eGovernment), which has been quite publicly stated.

Chief Executive, States of Jersey:

I think we can talk about eGov separately. eGov is one. In terms of the other areas we probably have slipped a little bit but I think it is fair to say we may all have slightly underestimated the scale of the change we have to go through. The area which I will just focus on for a moment is in the workforce modernisation area where we had 24 pay groups and we had numerous different award structures for the pay groups, and we said very early in the programme that we wanted to have a unified pay group because we have a lot of anomalies, the States Employment Board coming in, there is always potential for claims, so a lot of work was undertaken there to try to align the bulk of the workforce doing a new set of ... new reward structure, new terms and conditions, and to bring the unions on board with us to work with us when traditionally they have been used to negotiating for their specific area. It was a significant turnaround. If I am looking at the real positives that have come out of this programme one of the big ones which I would really count as a major success is the fact for the first time ever we now have all of the major unions who represent the entire workforce all sitting round one table, one negotiating group, one forum, where there is one section; Richard and the team now negotiate with one group. In the past we have had to negotiate with this group for their pay award, this group for their pay award. It would have taken months. Now we have one forum. So if we want to change or standardise terms and conditions we now have one forum to work with and Richard can expand on it as we go through. That is one of the big turnarounds. That did take some time. We then entered into, I am sure you will be aware, we got the pay evaluation system for civil servants. We have got factor comparisons for manual workers and nurses have their own. We have now streamlined it into one. We have had to complete, I think, 1,800 job descriptions in Health and I am looking at Richard for numbers in Civil Service, how many we have done?

H.R. Director:

We have done about another 1,400, so we are 85 per cent through the States services and Health. Leave out teachers, which was always going to be in the future.

Chief Executive, States of Jersey:

And uniformed services is separate. So we now have 85 per cent of the workforce who have new job descriptions, have been through an evaluation process, although we have now got to work with the unions to work out what the reward structure and how that now works through the system. So in terms of going back to your question, Chairman, that in terms of timescale if we underestimated anything it was the amount of work involved in, first of all, bringing the workforce with us on that journey, then engaging to complete the work and getting that volume of job descriptions completed.

Deputy A.D. Lewis:

Is there a risk when you have got all the unions in the same room at the same time getting a bit of a pack culture? Whereas you used to pick them off one at a time if one goes wrong in the room at one time is that a risk worth taking?

Chief Executive, States of Jersey:

Well, we have had that debate several times when we started on this journey. There is a risk obviously but the other side of the coin is the benefits in engaging with that size of workforce to come up with streamlined terms and conditions, the benefits far outweigh that.

Deputy A.D. Lewis:

So it has worked?

Chief Executive, States of Jersey:

It has worked, yes. To get all the unions signed up to it we now have one forum and it makes H.R.'s (Human Resources) life so much easier. As an example, we had ... just to use one example, maternity policies, we had 5 policies, one for this group of employees, one for that group, one for that group, one for that group. We have got one now. Signed off, agreed. So we are going through all the major policy areas where we might have one in each of the major employing departments in the past, we now have one. So we are streamlining from 70-plus policies down to about 30. But that take a lot of work to bring them together, rewrite them, consult, negotiate a bit but come up with agreement and sign them off. So that is the workforce modernisation.

Deputy J.A. Martin:

Just on that workforce one, which you seem to be making good progress on, I think the Chair asked you at the beginning: will we start to see some reduction in the costs, staff costs? I think you said their product will improve but not necessarily see a reduction in costs. So how do those 2 add up? Why have we gone through all this if we are not going to see a reduction in costs?

Chief Executive, States of Jersey:

Reduction in costs ... I thought we were saying the ...

Deputy J.A. Martin:

I may have misunderstood ...

Chief Executive, States of Jersey:

The costs of the programme is not going to reduce. In fact if anything the cost of the programme is going to go up slightly because we have got a lot of work which Jonathan will talk about in eGovernment delivery and systems redesign. Where the savings will come out now is in the Medium-Term Financial Plan. You are obviously aware of the savings targets that have been set, so we are working on a £60 million savings target for staff, headed as "Staff", which is service redesign, voluntary redundancy scheme, which is running at the moment. Very, very strong vacancy management and we have got a lot of vacancies now that are not being filled. The fact that when we started to see the financial pressures come on us last September that the workforce ... certainly the Corporate Management Board within I think 2 hours effectively received a presentation on the need for urgent savings programme and delivered it more or less straightaway. That was 2 per cent in 2015.

Deputy A.D. Lewis:

But that is assuming you have a figure has come to light as a target quite recently, whereas we started this programme in 2012. Were there expectations in savings at that time when you designed the programme?

Chief Executive, States of Jersey:

There was always the expectation ...

Deputy A.D. Lewis:

What was the figure then?

Chief Executive, States of Jersey:

There was always a recognition that there were savings targets required. There was not an overall figure at that point.

Deputy A.D. Lewis:

Does that not seem a bit bizarre when you are trying to modernise the workforce with a view to making more ...

Chief Executive, States of Jersey:

We knew there was a need for savings targets and we knew there would always be because we have been through comprehensive spending reviews and been through year-on-year savings targets but one of the reasons we did not put a number on it at that point was because we wanted to bring the organisation with us and focus on the change programme, the culture, the leadership, the engagement, to get the momentum running and we knew there would be savings targets and discussed them, accepted – within certainly Treasury – that there would be savings targets in 2015, 2016, 2017. We did not know what they were at the time but we recognised there would be targets.

Deputy A.D. Lewis:

I think that answers my question, yes.

Chief Executive, States of Jersey:

Obviously now they are of a scale which are significantly higher than we had originally planned for. I would contend that the delivery of those savings targets is now much, much easier because of this work we have done so far. I would not like to be trying to do a comprehensive spending review-type implementation for the scale we are talking about, without having the benefit of this programme.

Mr. M. Robinson:

Good afternoon. Just to refer back to the paper that went to the Council of Ministers on 27th March 2013; page 4 of that paper there were 12 deliverables and the date for delivery was the end of 2014. My question is: did the timeframe for that delivery ever vary?

Chief Executive, States of Jersey:

I won't go through every one of them but very quickly the Social Security Department have been piloting work and a lot of work in system redesign for Lean. That definitely ... I will tick that one. The website was delivered. The States-wide implementation plan for enhanced public services through eGovernment, that is probably the one which I would say did slip, although by the end of 2014 we did have the business case prepared. We had certainly the direction of travel for eGovernment set.

[16:00]

We did have a delay in the tender process so that one did slip a little bit, but probably I would say that for 3 months on that from where we were ... probably about 5 months on that one because it should be announced, a contract awarded at the end of December, and we are just at the point now of getting ready with our procurement strategy which we can expand on. The leadership

programme was completed with the Modern Manager Programme, the Ashridge programme. Engagement we have commented on. Performance management framework, we had a framework but we have ... that one, we have moved that one slightly. We adjusted it because we felt it was important that that fitted in with the workforce modernisation and the new job evaluation scheme. Common policies: our comments on that, we are well ahead with that and doing well. Health and Social Services have done a lot of work with Lean and the rewards structure. We completed all the Health and Social Services job descriptions in time in 2014 and States-wide Lean Academy, that was delivered and we have trained, I think it is, 800 staff so far.

Mr. M. Robinson:

Thank you for that. Can I just go back to the complete rewrite of employment policies? I was not quite sure if you said that had been achieved or was in progress?

Chief Executive, States of Jersey:

I would look at Richard to comment on the number but we are well ahead with them.

H.R. Director:

We are trying to reduce 70 different policies down to about 29. And we are 70 per cent through, and we have just started negotiating it. It goes back to your point about the Joint Negotiating Group (J.N.G.) We just started those discussions on terms and conditions, which is a particularly interesting area because what we are trying to do is look at terms and conditions which have gone back over the last 30 years, so for the first time I believe that has been done wholesale in the last 30 years.

Mr. M. Robinson:

Just a supplementary on that, if I may. Has the Council of Ministers had a formal notification where there has been slippage and an explanation of this slippage?

Chief Executive, States of Jersey:

We presented to them in ... I'm just looking for the traffic light system we presented to them ...

Deputy A.D. Lewis:

Is it this document here?

Chief Executive, States of Jersey:

Yes.

Deputy A.D. Lewis:

We noticed that there were quite a few that were not ticked. Would you expect them all to be ticked at this stage?

Chief Executive, States of Jersey:

No, on a programme as big as this I think it would be very optimistic to say that everyone will be ticked and completed.

Deputy A.D. Lewis:

This was the 2012 to 2015 programme, is it not?

Chief Executive, States of Jersey:

That is 2012 to 2015, or 2012 to 14 we presented to them. Given the scale of the programme we have embarked on and the number of employees we have got to take with us and keep with us through this journey, I am quite pleased with the progress we made. There are inevitably going to be some areas which we have not made as much as we would like to but overall I think that is ... I am fairly pleased with the ones we have completed and certainly the progress we have got on those which we may have slipped on a little bit. I think we have got good reason for it and we have got a good plan there in place for delivering it.

Mr. M. Robinson:

I think the question was not so much ... and I quite understand the reason there could be slippage, was the Council of Ministers were informed of the slippage formally and your answer was through that ...

Chief Executive, States of Jersey:

Through that, yes, and there was another update paper. They were up ... it might not have been Council of Ministers but part of the governance structure is the Political Oversight Group and the Political Oversight Group with the independent members on met quarterly. So they received progress on all the various workstreams that were undertaken.

Deputy A.D. Lewis:

I am just looking at the Council of Ministers briefing, which is dated 26th March but we thought you were reporting back to them in December 2014. Is that right? Yes, so you ended up reporting back in December rather than March, is that correct?

Chief Executive, States of Jersey:

In 2014? March 2014.

Deputy A.D. Lewis:

March 2014. That was the last time you reported back to the Council of Ministers?

Chief Executive, States of Jersey:

And then they had an update in ... sorry, I apologise.

Deputy A.D. Lewis:

I will rephrase my question. You reported back in 26th March 2014. Has there been any report back fully to the Council of Ministers since March 2014?

Chief Executive, States of Jersey:

I would say yes. Yes. Sorry, I am just checking. Carol Anderson is the project manager who looks after it. No, there was not a report back because we went into election time but we, as I said to the previous question, we have the Political Oversight Group, which was 3 Ministers and the independent Members who were briefed on and updated quarterly on progress on the overall project.

Deputy A.D. Lewis:

Okay.

Mr. G. Drinkwater:

Resource allocation, there is reference that prior to 3rd May 2012 a significant amount of money had been spent before the Council of Ministers were formally engaged. What was it spent on and how much? It was the programme up to May 2012 effectively. So there was some sum spent before that, but there is no ... we trawled through this. We could not find any specific amount.

Chief Executive, States of Jersey:

Was it public spending review expenditure? Because we did not start the programme until 2012. I think we probably ... can you confirm the page you are looking at?

Mr. G. Drinkwater:

For us this was the background. The content of the report to the Council of Ministers on the meeting of 3rd May 2012 made reference ... indicated significant initial work was undertaken prior to May 2000 on an outlying programme. Does that make any sense? So was that business as usual prior to that then within your budget?

Chief Executive, States of Jersey:

I think there is an overlap between the Comprehensive Spending Review implementation and then going into this programme. So there were funds set aside in the Comprehensive Spending Review for the programme management office, which we kept running and then we continued with it into this programme. Without having the exact reference I am just ... sorry, I just cannot quite get the numbers.

Mr. G. Drinkwater:

What we were trying to do is say, well, look if you allocated £500,000 into the project how much more was prior to that, or were you saying to the Council of Ministers that all work prior to that was funded by another project and the £500,000 was going forward in 2012?

Deputy A.D. Lewis:

Do you have costs for Capita, KPMG and Atos prior to the May, or was that the cost after May, those 3 consultants?

Chief Executive, States of Jersey:

That is the cost afterwards. So the 3rd May 2012 report is effectively the starting point for the P.S.R. (Public Sector Reform) programme. There was expenditure which was running through which would have been the programme management office, which we kept going from the old comprehensive spending review, which was 2011, 2012, 2013. The comprehensive spending review was 2011, 2012, 2013 and the public sector reform programme started in 2012 so we had an overlap for 2.

Deputy S.M. Wickenden:

So would you say that the Comprehensive Spending Review was the bit that gave you the idea about what needed to happen in public sector reform?

Chief Executive, States of Jersey:

No, it was the other way round. When we started the comprehensive spending review the idea in 2009 was to design this programme but it went from what I would describe as a public sector reform programme into a spending review, which is why we are always very clear about the difference between a spending review cuts programme, which is what the Comprehensive Spending Review was about cutting. We took £58 million out of the organisation against a 65 target and that was cuts. The department identified the cuts, the budget was reduced and the money was taken. It did very little to change the culture of the organisation and the way in which it goes about designing and delivering services. It was originally intended to do it that way but other matters overtook and we just did a spending review.

Mr. R.J. Parker:

I think what is in 2012, we had about £823,000 that was spent on the Comprehensive Spending Review, and of that amount how much was spent on the consultants in relation to coming forward with the concepts for the Public Sector Reform?

Chief Executive, States of Jersey:

As part of the Comprehensive Spending Review we did have Capita, as consultants, helping us with some of that design, so there was some overlap between the C.S.R. work that Capita worked with us on and then into this programme. I can get you a detailed breakdown. So in 2012 we spent £636,000 on various projects to do with the ... out with the sort of the end point of the Comprehensive Spending Review, moving into the Public Sector Reform programme. So in 2012 we spent £636,000 on workforce modernisation, mapping for the customer interactions. So that was starting with the concept of how do we interact with our customers, which was the pre-runner to effectively the eGovernment project to understand all the transactions, how we could then change that transaction line, and we spent £136,000 on the programme management office and working with Capita, which was the follow through from the C.S.R. to the Public Sector Reform programme.

Deputy A.D. Lewis:

Going on to a question from Robert.

Mr. R.J. Parker:

I think a lot of that has been asked and answered there with Capita and so forth.

Deputy A.D. Lewis:

The division of balances.

Mr. R.J. Parker:

Sorry?

Deputy A.D. Lewis:

In March 2013, the Council approved an allocation of £4.38 million, is that right? From the restructuring provision to pay for a series of 9 reform projects, which we have spoken about a moment ago, and that was 2013 to 2014. Two of the 9 projects were funded from £340,000 of existing balances, am I correct? Were any other funding sources used then to achieve the 9 projects?

Chief Executive, States of Jersey:

In 2013 the budgets were set so that we had ... do you want to go through them?

Deputy A.D. Lewis:

Am I clear on my question then? Do you want me to just repeat it?

Chief Executive, States of Jersey:

If I go through the budgets that we set against them and I think that should hopefully cover it. So there was a ... one of the main areas that was set aside early on was for service redesign for delivering an eGovernment project, which was the preliminary piece of work which we had which was about understanding customer interactions, how you can change from the traditional interaction to an e-form. That was one of the first pieces of work we undertook. We then undertook some work which was about developing the business case effectively for the eGovernment project. There were 2 areas of leadership, which was about getting the senior executive leadership programme running with Ashridge and the engagement programme, which was about bringing the staff with us on the programme.

Deputy A.D. Lewis:

How much was that?

Chief Executive, States of Jersey:

That was only £20,000. The Ashridge programme was 320, would be for the programme which was for the corporate board and the senior management in the organisation. Then we had another area of culture performance management and engagement, workforce modernisation which was part of phase 2, which was about providing resource for the H.R. team to start doing all this work and getting job descriptions written, working with all the different staff in Health, in particular, evaluation process.

Deputy A.D. Lewis:

Was that using existing resources to do that because we have got a figure of about £200,000 you spent on that, is that right?

H.R. Director:

That is additional resource. Additional resource to the project team.

Deputy A.D. Lewis:

Where did that come from?

H.R. Director:

Some was external, some is locally employed additional project and support.

Deputy A.D. Lewis:

Right, and that is about £200,000, am I right?

H.R. Director:

Something like that.

Chief Executive, States of Jersey:

Yes, £200,000. Do you have this sheet, Chairman?

Deputy A.D. Lewis:

Not that one. But we have had some things.

Chief Executive, States of Jersey:

So in 2013 the budget allocation was £4.358 million. So the list I am reading out effectively are the components of it.

[16:15]

Then we set up the Lean Academy which was in 2013, £250,000. The other large area of expenditure, which does not really qualify as the Public Sector Reform programme, was the Housing Department were going through their transition from Housing to Andium Homes. So they had an allocation from this programme to help them through that transition. So a total of £685,000 of the entire P.S.R. programme was to help Housing go through their own transition programme from Housing to Andium. So although we are showing the expenditure in the budget that was not really part of the transformation programme which we are talking about here.

Mr. G. Drinkwater:

When you put an amount of £600,000 to do that change management, give me some highlights, a couple of things in there that really make that budget so substantial. Are we talking about head count again, are we talking about allocation of project for I.T. (information technology) or ... what is the sort of indication? Because the moving from Housing to Andium, you obviously need a new platform or they need something else. How do you see that spend?

Chief Executive, States of Jersey:

Well, part of the work was identifying the entire estate, making sure the entire estate was then categorised properly, all the boundaries, all the conveyancing was all built up so that we could

transfer the entire estate across to them. It was then making sure that the valuations were right so that we knew the valuation, the value of the properties going across, transactions, service level agreements ...

Deputy A.D. Lewis:

That's over £600,000 of legal and conveyancing and contract work?

Chief Executive, States of Jersey:

I would need to check the exact breakdown but I am giving you a flavour of the sort of areas that Housing had to go through in order to move from a States department into a completely separate entity. There were then other costs associated which was setting up the formal contracts and the Mem. and Art. (Memorandum and Articles) for setting the company up, et cetera, so there was ... that is where that money was spent. I can give you a detailed breakdown of it. I am just sort of giving you the flavour of the main headlines.

Deputy A.D. Lewis:

One of the elements was you mentioned before the healthcare workers and the number of different grades you had across the whole service, but particularly in Health, is that right? And there was quite a large figure in there for restructuring. How far through that programme have you got? There is £626,000 allocated there. Did you spend all that? Is that programme finished?

H.R. Director:

Is this the job evaluation?

Deputy A.D. Lewis:

Yes, we are talking about job evaluation.

H.R. Director:

Health is pretty much done. It is about 98 per cent done but of course it is never ending because when you have people leave we have to go through that process again.

Deputy A.D. Lewis:

The cost of achieving that, was it buying into other contracts, was it redoing all the contracts? What made up that cost?

H.R. Director:

Primarily ... I mean I came through that programme halfway through, but primarily it would have been on resources to run the job evaluation workstream. So the organisation of panels. It is a

resource hungry programme in terms of the amount of time and effort taken to, one, write the job evaluation and then set up the panels. So that would include ... the panels would always have a union membership on it. It would also have 3 people from the business and then it would need to be administered by the job evaluation team. There was a stream of panels. When I arrived they were running through panels almost all of last year.

Deputy A.D. Lewis:

Was there much consultancy support there? External consultancy support?

H.R. Director:

There was some consultancy. Initially because we took the N.H.S. (National Health Service) agenda for change, job evaluation framework and that went through a period where we assessed that against other types of evaluation sort of uses like Hay, and we came out with the agenda for change one, which was primarily the N.H.S. one. Chose that. It has now got 16 factors, which is greater than Hay. It measures certain criteria, certainly 5 different ones off the top of my head, that would include things like mental effort, physical effort, things that were not measured under the old Hay methodology, and that was brought in and used by the team throughout last year. Halfway through last year we needed to carry out an assessment as to whether or not that was fit for purpose to move into the States services arena, bearing in mind that that is not N.H.S., and then working with the unions. We piloted it on a number of different areas, found that it was pretty effective and therefore ...

Deputy A.D. Lewis:

So obviously delicate negotiations going on, so I shall not labour the point too much.

H.R. Director:

The whole way through.

Deputy A.D. Lewis:

What I am trying to drive at here is that over £600,000 was allocated to this area of modernisation. It seems like an awful lot of money. Are you satisfied that you would have achieved the result you are looking for?

H.R. Director:

As far as I can be, yes. I mean to get to 85 per cent of the organisation job evaluation is a huge amount.

Deputy A.D. Lewis:

£600,000 on consultancy and rewriting contracts.

Chief Executive, States of Jersey:

I think we clarified, Chairman that it was not spent on consultants. A lot of this was about employing staff in the department on contract and it was about also providing some of the department with some backfill capacity so that they could free staff up to come in and do some of this work. I would not want you as a panel to think ...

Deputy A.D. Lewis:

That is what we are trying to clarify. So it is ...

Chief Executive, States of Jersey:

... we just spent £600,000 on the consultants. We did not.

Deputy A.D. Lewis:

So it is backfill staff releasing other staff out to do other things, to reorganise the department, so it is all spent on staff in the department, yes?

H.R. Director:

Yes, it is. There is a small team which is centrally sitting there, which will roll off at the end of this year.

Chief Executive, States of Jersey:

I have just ordered some numbers, Chairman, because I can give you the breakdown on consultants, on that particular workstream. I am trying to find ...

Deputy J.A. Martin:

While you are thinking about that, can someone answer me the question of under the 9 reform projects signed off by the Council of Ministers, you have just thrown in £680,000 for Andium. I cannot see under any one of these one to 9 where that should fit in. I appreciate the Chairman's concern about £600,000 in Health but to me nobody, as far as I can see in any of this paperwork, mentions that £680,000.

Deputy A.D. Lewis:

£680,000 was Andium's budget, was it?

Deputy J.A. Martin:

No, it has come out of the Reform. Or was it a case that they had no more money so you had some money sitting in a pot, so you thought you would spend it?

Chief Executive, States of Jersey:

No. I think we just ... if we just take a little step back. There is a sum of money allocated for the Public Sector Reform programme. And that is within the restructuring vote. So the restructuring vote has ...

Deputy A.D. Lewis:

£4.3 million, yes?

Chief Executive, States of Jersey:

That is £7 million allocated and out of that is the Public Sector Reform programme. I do not want to confuse the fact that money that was used for Andium was out of the P.S.R. programme which had the workstreams you have just read through in the Council of Ministers report. It was used as part of the delivery for the overall reform programme, and that money was set up in 2011. So there is an overlap between the Comprehensive Spending Review, delivery and the Public Sector Reform programme. It might help if we gave you more of a breakdown. I did not realise today we were going to look back into the overlap between the Comprehensive Spending Review and Public Sector Reform. I think it is good we have got our public sector reform, but there is clearly an overlap which you identified which we need to clarify for you a bit more.

Deputy A.D. Lewis:

Okay. Perhaps you can do that after the meeting. Okay. Judy, does that answer your question on this?

Deputy J.A. Martin:

Yes, I think it needs ... because if the total in Andium I would like to know whether the Ports incorporation come in out of this money.

Chief Executive, States of Jersey:

No, the Ports are trading accounts.

Deputy J.A. Martin:

Okay, fine.

Chief Executive, States of Jersey:

Ports have been a trading account ...

Deputy J.A. Martin:

So they do not ...

Chief Executive, States of Jersey:

They did not get any.

Mr. G. Drinkwater:

Can I just ask a question? When you chose or when you choose a particular departmental change, you identify it forward looking and you make a decision either it is in this budget or outside the budget. Just give me a flavour of what your decision is, whether it is in or out, because without knowing the intent detail so that we go back to Andium again, Andium could be in its own budget or it could be in this change budget. Is it just a case of you make a decision on certain factors or is there something specific you should be looking for?

Chief Executive, States of Jersey:

Again we are coming back into the C.S.R. programme not this programme.

Mr. G. Drinkwater:

I appreciate that.

Chief Executive, States of Jersey:

Any bids for funding out of the restructuring programme would have had to have been supported by a business case, and there are quite a few examples as to why Andium got money and Ports did not. Andium had a fixed budget for housing maintenance, housing repairs and housing-related work. They identified that they were going to go through a significant programme to move from a States department to a private entity, and they needed restructuring money to help them get to that stage. Their business case was supported in terms of it was where ... politically where they wanted them to go, so they were provided funds for that, which was property management, external advisers, to work their way through. In terms of the Public Sector Reform programme, if a department needs some assistance in ... the one I would use perhaps is Social Security, who were one of the forerunners with the Lean programme. They identified they wanted to look at a lot of their processes and lean them, so they had funding for training through the academy, the yellow belts, green belts, black belts. But they also wanted some additional funding in order to backfill some posts so they could free some staff up from within the organisation to look at a lot of the processes. So that business case was submitted, supported and they were getting funding. Jonathan, in his previous role can give you some details about that.

Deputy A.D. Lewis:

I think that explains that quite well, John, and maybe we will come back to that later. But I would like to bring in Jonathan on the eGov element, because there has been a lot of talk about this in the States upstairs and in the media. So I am going to refresh your memory a little bit on what has been spoken about on recent times this year. On 10th March this year, the Minister for Treasury and Resources told the States that £1.47 million had been spent on eGovernment, is that right? On 13th April the Minister sent an email to States Members advising that for technical and accounting reasons eGovernment expenditure had been revised up to £1.8 million. On 12th May, P.A.C. was advised that the phase 1 eGovernment project had cost £2.13 million and that was by December 2014. So how confident are you now that the latest figure is the correct one?

Business Change Director:

I am confident in that we have hauled over the figures several times now to make sure that we understand the different accounting methodologies applied and the different classifications of activity. So one example is that we had previously discounted the upgrade of the web facility, so the website that customers will see from eGov, and we had to be certain that we were answering the question consistently with either a consistent exclusion or inclusion of that activity, and we looked at various different components on the way. So we are now confident on that higher figure. What I am most confident in is the outstanding budget that I have inherited to continue the rest of the programme.

Deputy A.D. Lewis:

So you can do what you need to do this year within that?

Business Change Director:

Beyond this year but over the remaining life of the programme, yes.

Deputy A.D. Lewis:

Okay. So what eGovernment projects then were delivered at the end of last year? The phrase has been used that you paused and reset the project, is that fair to say? So what does that look like, pausing and resetting something?

Business Change Director:

It is useful to understand that there are a number of different components of eGovernment and the element that was paused and will restart hopefully soon was one element of procurement to seek support from partners to help us to design and build work of various parts of eGovernment. The eGovernment programme overall is large and that is just that part, so consequently you have things that were delivered last year, continue to be built and designed and delivered this year, and

in parallel we are looking at how we can seek support to progress other elements of it. So it would be quite useful perhaps if there is time to share a little bit more about the overall objectives of eGovernment and they can point out which bits were paused and will restart and which bits will continue through.

Deputy A.D. Lewis:

You have mentioned ... pretty much I can understand why there might be a delay on that, but did eGovernment, the workstream manage to complete the remodelling of the full range of public sectors? The remodelling that is, not necessarily all the implementation but by the end of 2014 that that was the target?

Business Change Director:

It had got to the objective to deliver a business case, which was signed off by Council of Ministers, I believe, in March of last year. So that was one primary objective. Prior to that there had been work with consultants to undertake a mapping of common and core services which was completed, and also up until the end of last year there are a number of what we call exemplar projects with the eGov flavour. So, for example, looking to identify a platform for eForms. So rather than customers completing a paper form, they would complete an e-form, an electronic form online. So a number of exemplars, including eForms, were established and completed last year. In fact we rolled that concept of using eForms through into the programme. The intention is that we will do that for a lot more of the services that we offer.

Deputy A.D. Lewis:

Okay. T.T.S. (Transport and Technical Services), the information of ePayment systems there, has that happened now?

[16:30]

Business Change Director:

The priority for T.T.S. has changed into a couple of different areas. I think one of the updated reports highlights that there was not a delivery of the payments but in fact a reprioritisation of what service areas would get looked at, one of which is into what is called fault reporting, which we are looking at, at the moment, and also some elements of how you would pay for parking as well. So those are 2 things that T.T.S. are looking at. The reason that the work on the payments has changed in terms of priority is what we would like to do is look at how we manage and transact ePayments across the entirety of the States and ensure that we establish a clear simple methodology and then we bring different units and different departments into that over time. That

is a more complex piece of work that I would look to initiate the support from the Treasury and Resources team at some point this year.

Deputy A.D. Lewis:

I think also in phase 1 you had Social Security down there as a priority.

Business Change Director:

Absolutely.

Deputy A.D. Lewis:

So what differences will the public see by the end of this year in Social Security with regards to eGov?

Business Change Director:

So if I look at one bit that was delivered last year, in the context of one of the very big deliverables for eGovernment is the way that we use our data. So I think you will see threaded through the literature that you have had, common around data management or data sharing, so one example of what was an opportunity that we realised last year, and this is between Social Security and Tax, was that class 2 contributors would have to spend time with both the Taxes Office and also the Social Security office in order to establish their class 2 liability. Data was not shared between both functions despite the fact that there were permissions to do just that within the various data protection guidelines. So working across both functions last year we were able to join together both of those teams, establish the data sharing protocol that enabled data to be transferred quite appropriately from Tax to Social Security. We did the underlying system integrations that happened automatically as opposed to pieces of paper flying around that were then rekeyed by people. So we changed the data sharing. We shared the data. We integrated the systems to enable that to happen and then we were able to issue our class 2 liabilities directly to customers. In fact we had a lot of positive feedback to say that that was a much, much simpler process to go through. So that was one tangible example of a deliverable last year. Social Security also had a number of different eForms so the new long-term care benefit had an eForm created and we are probably two-thirds of the way now through a little proof of concept which includes Social Security, which is looking at pensions applications online. The reason is to prove a concept is that while the volumes are quite low and you might wonder why that has been chosen, what we are looking to try and do, and different to the small projects of eGovernment, is test different ways of thinking and test different things, different components within eGov, and this one looks at what is called a digital identification module, online authentication. So you will be familiar if you log into your bank that you will go through a few steps which establish that you exist and you are who you say you are, and therefore you should have access to transact and to view those accounts. So we are doing

the same thing now with that Social Security pensions form to see if we can get to a stage where customers are able to complete their forms online but also have those forms prepopulated with data. That is quite an important part of the consultancy output, both Atos and KPMG, which said in simple terms: "You the States hold a lot of customer information but you are not sharing it and making it available to customers to make their life and their journey very easy." Just one small piece there in Social Security looks to enable somebody to log in online and try a digital ID or an online authentication mode, so you know who you are, and having established that it should then share the information and prepopulate that form. Therefore you only need to complete the minority of field development to complete the application. Then the final stage in that little proof of concept is the extent to which that will provide a legitimate contract in that it is an application so we need to make sure that we are contracting for the provision of a pension in time.

Deputy A.D. Lewis:

Pension systems are commonplace now across a number of other platforms in the process, in particular banking you mentioned. Should this take that long to adopt it in the public sector? Why are we not doing it already?

Business Change Director:

So I will refer to my previous experience of which the majority is in wealth management - so banking and wealth managers - in large organisations where the majority of the activity I have seen is around on the acquisition or merger of various different institutions the efforts to try and align different I.T. systems. I would say in my experience it is complex and is very, very time consuming. Often what you will find in the commercial sector is a lot of value that is lost during the period of trying to bring together underlying core systems. So I have not come to this piece of work underestimating the complexity of trying to move an organisation that has in the hundreds of applications to what is described as a common enterprise architecture in my terms - I am a layman; I am not an I.T. technician - the way that the systems hang together and talk to each other and when it is much more simplified. So I wish it were true that it was straightforward. I do not believe it will be straightforward, but equally I do not believe that that should stop us having the ambition to do so. We have already seen in what I would call point to point solutions like tax and social security that we can make real inroads in to improve customer service by joining up services and joining up data for the benefit of customers. One of the next large phases and, in fact, what the procurement refers to is in part to look at ... I do not know if it is going to be consultants or individual staff members, people in the local market or a mix of all those different groups to come together and to help us define the kind of architecture, the kind of system design that the States should move to. In other words, it might be described as a target operational model but for systems as opposed to the way the business operates. That sets then the appetite that then helps us understand and set out the road map by which we will achieve it.

Deputy A.D. Lewis:

Thank you. Anybody else got any questions on eGov?

Mr. G. Drinkwater:

Were there no examples in the U.K. (United Kingdom) or direct comparables in local authorities that you could have applied without having to spend time re-engineering just simply for Jersey?

Business Change Director:

There are lots of examples and we look to try and beg, borrow and steal wherever we can. So, in the months that I have been looking at this, we have gone to G.D.S., which is Government Digital Services, which at a national government level is the equivalent of eGovernment. Now, interestingly, if our ambition is to try and knit together the underlying systems, their ambition is less in that it looks to take the customer experience, just the customer interaction, into account and it does not look to rationalise the underlying system unless it is going to rationalise the underlying process. But there are examples. We have had a group that prior to my arrival had gone to Estonia to look at some of the models. Some of that thinking transfers here. Some of the experience in G.D.S. is very relevant and will transfer here. Other of it is not relevant at all so we will look to be clear about not just lifting a model and adopting it, clear about where there is relevance and appropriateness and lifting those elements and dropping them in. Equally, we have a lot of people who work with us here who have had experience of local government, which is perhaps the more appropriate view. So different boroughs of London have similar client numbers and, therefore, the way they try to knit their system together we will be looking at in quite a lot of detail.

Mr. G. Drinkwater:

Yes, okay.

Deputy S.M. Wickenden:

I think where it comes to and where this all looks at is that there has been a pot of money that has been spent on eGov and we have been given no scope. Have we seen the right outcomes for that pot of money historically to where we are now and has it put us in the right place to go forward and complete the project?

Business Change Director:

So I think in terms of having seen the value for money on previous spend, the previous spend was focused on understanding the current business model and the service models within the business, understanding some of the volumes of what are called customer journeys, and the one example in

your paperwork you might have seen is a couple getting married and what that interaction with the States looks like over the course of ... thinking about seeking the permissions to get married, getting married, and then change of circumstances.

Deputy S.M. Wickenden:

Five different offices, I believe.

Business Change Director:

Maybe, and touch points left, right and centre. In fact, you look at various different things and you will see something similar. So what that has done is it has given us value in that that has helped set a number of programmes in action. As I said earlier on, the delayed procurement is a delayed procurement. It is just one element of eGov. What that design work has given us, one example of deriving value, is that we have established the "tell us once" programme, which as the name suggests is around removing the need to speak to multiple departments and instead looking to thread together and rationalise the process across multiple departments such that customers can have a much better and easier interaction, which is one of the big core deliverables of eGov, make it better for our customer, become easier to do business with, but it also helps because internally we start to rationalise the process. Rather than a number of people doing things, try and give the action to one individual or one team and they can then spread the information or the application out elsewhere. So the value that is derived from these is that we have good understanding of our services, of some of the timings and the metrics. It has prioritised and initiated some work. It has given us a very solid design as well for this end state architectural target operating model. I would like to validate it quickly because some time has passed since that work was done, but this is not around going back to the start. It is around a quick validation that the current technology proposals and the way in which our system should hang together remains sensible.

Mr. R.J. Parker:

On the H.R. front, you have changed, gone through a whole process on basically employment contracts, job evaluation and job descriptions.

H.R. Director:

Yes.

Mr. R.J. Parker:

We are looking at going into considerable change, so to what degree have those negotiations and the work that has been done on those employment contracts facilitated the ability for Government to go forward with those changes?

H.R. Director:

Can I just be clear on

Mr. R.J. Parker:

Well, obviously, have they been done related to where people, you know, are at the moment? So if you are doing a job description and someone is doing a particular job in a particular way and you readjust it and you re-evaluate it, the thing is with eGov and basically, you know, improved management reporting, this I.T. development and so forth, there should be changes going forward. So are there any problems in going forward related to the way in which those contracts have been done or does it allow you that degree of flexibility moving forward?

H.R. Director:

Okay, so the job evaluation process, one of the key points which I believe the project was designed to mitigate against was equal pay claims, and what this gives us is a read-across the whole organisation. So it means that we can understand the complexity of a role in Health versus the complexity of a role in T.T.S., which might not be an obvious read-across but because of the factor comparison scores that we have used, so the job evaluation framework, you can say that that role is sized the same as that role across there. The complexity which we are just coming to is the reward framework that hangs around that. To go from 23 different pay spines to the ideal, which is a single pay spine, sounds simple but it is more complex. There is an extensive modelling that has gone on to identify the impact of these changes. So we now understand where people are placed in terms of remuneration they currently receive versus how the job evaluation has come out. It is incredibly sensitive, as you will appreciate, because it goes down to an individual level and you are talking now about over 4,000 different roles across the organisation. In terms of the piece of work that we now need to do is to work out how ... well, one, we have to validate the results that are coming out of the job evaluation process and then we will need to negotiate with where we set the benchmark for our reward structure going forward. At this time, that is the next stage of that project, which is probably going to take us another couple of months to complete. I have offered previously to give a behind the scenes look at the work that we are doing, which I think would give a really good insight into the complexity of the outcome and what we do with those results. I am not sure if that ... is that answering ...?

Mr. R.J. Parker:

Well, it answers a part of it, but I think, you know, we have seen issues on previous reports that have come out of the Comptroller and Auditor General concerning management reporting, of being weak in a number of areas. I would have thought one of the basics for going forward with a project of this nature is trying to get your management reporting in place so that you can evaluate the achievements you have made. You were recently in here regarding Financial Directions, and in

relation to looking at and evaluating things you would have thought that that would have come up as something that needed modernising.

Chief Executive, States of Jersey:

The workforce modernisation programme obviously affects a very large number of staff and we would welcome the opportunity of presenting the whole workforce modernisation programme to you, but clearly it is very sensitive because there are a lot of staff affected. There are a lot of grades that will be affected by it and it is something which I am afraid we cannot go into in public because we have not had those discussions with the unions yet and a lot of staff will be affected by it. So we are not intentionally being cautious in our answers today but we would like to give you that ...

Deputy A.D. Lewis:

Well, if you want to do a private hearing at some point on that basis, we would be very happy to do that.

Chief Executive, States of Jersey:

It would help us ...

Deputy A.D. Lewis:

We will be making it a matter of record but it obviously will not go public until these negotiations are completed.

Chief Executive, States of Jersey:

Yes.

Deputy A.D. Lewis:

Just one final question on eGov: obviously, in March 2014 the Council approved the business case for eGov, so at that point if you were reporting back now what would you be saying? This is the status of what you approved us to do in March 2014?

Chief Executive, States of Jersey:

Jonathan took over only recently, so in March 2014 they approved the funding which allowed us to build up the tender documents, which we issued in September 2014, which was for the procurement programme. When we started to see some of the feedback from it and we certainly got some feedback from industry that there was some uncertainty over that project, that was the end of 2014. That is when we decided to realign that bit of the procurement.

[16:45]

The rest of it, the previous work in terms of understanding the public interactions and transactions, the Atos work and the KPMG work is all still valid work. It is very good baseline information for us from which to work in terms of moving our transactions forward. The work that we have been undertaking since we refocused the programme is about breaking the project into smaller chunks which are more manageable for industry to be able to tender for with some clarity so that when we go out to the industry they are absolutely clear as to what our intentions are rather than going for this very big holistic single entity, single type approach. So when we talked earlier about timescales and timelines, the probable delay that we will have had is from just taking that pause at the end of 2014 into early 2015 in order to focus it on individual elements. So we now have that focus. We have a fulfilment strategy ready to go and effectively we are ready to go back out to industry.

Deputy A.D. Lewis:

Okay, thank you. We come on to a question here about culture. Gary, do you want to pick up on that?

Mr. G. Drinkwater:

Yes. Projects 3, 4 and 5 targeted the culture of the organisation and, John, you have referred to it. By the end of 2014 those 3 culture projects had incurred a cost of about £617,000. What was the cause of the overspend and how do you think the culture has now moved on?

Chief Executive, States of Jersey:

I am not sure of the figures. We seem to be talking slightly odd figures today. I have one set that seem to be different to yours.

Mr. G. Drinkwater:

Okay. So those projects, 3, 4 and 5, targeted at culture ...

Chief Executive, States of Jersey:

I do not have projects 3, 4 and 5.

Mr. G. Drinkwater:

All right. Within the projects, there is an element of cultural project advancement. What we are trying to find out is how much of that was related ... how has that culture changed and what was the spend on it?

Chief Executive, States of Jersey:

Okay, so projects 3, 4 and 5 you are referring to appendix C?

Mr. G. Drinkwater:

Yes.

Chief Executive, States of Jersey:

Right, sorry. So project 3 is leadership. So project 3, leadership, that was the work that we undertook with Ashridge in order to provide a senior executive programme which was focused very much on leadership through change. That delivery programme was predominantly in 2014 for the Corporate Management Board and then the senior managers. I think we put 3 or 4 groups of 20 through that programme. Project 4 was the engagement and that was the work that we undertook which we had the staff road shows and I think we had it at the Hotel de France last year in July. Project 5, which is performance management, that is the one where we probably are ... we have moved that one on into a different area where we are going to be focusing on integrating performance management more into the workforce modernisation programme. So those are the 3 programmes. The total spend is, in 2012 to 2014, £617,000. I was a bit misled when you said overspend of £617,000.

Mr. G. Drinkwater:

Well, according to us, we thought that the budget had been exceeded but you are saying no, that has not?

Chief Executive, States of Jersey:

That is the spend because that is what we spent ...

Mr. R.J. Parker:

The budget was first ... I can help maybe. The budget was first, as I can see, explained in the Council of Ministers' report of 27th March 2013.

Deputy A.D. Lewis:

At £540,000.

Mr. R.J. Parker:

£540,000.

Deputy A.D. Lewis:

Now it totals £617,000.

Chief Executive, States of Jersey:

I think we need to clarify it because that is not ...

Deputy A.D. Lewis:

You can always come back to us, yes.

Chief Executive, States of Jersey:

I think we need to come back and clarify the budget figures because certainly the numbers I have here add up to £617,000.

Deputy A.D. Lewis:

All right. You have done pretty well so far with the information. We did not expect you to have everything.

Public Sector Reform Programme Manager:

I do not know whether I can speak, I am not going to confuse the system, but one of the confusing bits is that we were spending out of some money from base budget because we had money for leadership, for Ashridge, already. I think probably the disconnect there is what came out of restructuring from before that was granted to us in March 2013 and what came out of base budget. I can clarify that.

Chief Officer, Environment Department:

Yes, I think what John has read out is actuals compared to Council of Ministers' report. In that report dated March 2013, items 3 and 4, it has "(already funded)" so it is probably coming out of the ... I think we are comparing apples with bananas, I think.

Mr. G. Drinkwater:

So if I pick up this point on culture, you have new senior managers retrained in the change management, you have engagement from the staff and you have performance management, so that is justification for the spend of £600,000?

Chief Officer, Environment Department:

Yes, I think the other thing I would add on culture is the work we have done on Lean, which has started at a real base level in our organisation. That has empowered people to change things in where they are working. I think that for me has been one of the bigger areas of culture change that we have seen. We have had an organisation traditionally that those higher up the organisation set the rules. Getting people further down the organisation to potentially change the

rules to improve efficiencies and improve processes has been a really big shift in our culture. We have given members of staff permission to look at what they do in their workplaces and change processes which has ... that has been one of our biggest changes in culture, I think.

Chief Executive, States of Jersey:

I think having that common methodology of having 800 staff trained in a particular way of working means that it is much easier to bring staff together from different departments and they all simply talk the same language. So a Lean green belt in Health will be talking exactly the same in terms of efficiency, streamlining and reviewing functions as a green belt in Social Security or Chief Minister or T.T.S. That in terms of the culture, from what I described earlier when we introduced this programme, was ... you have to remember we had 30 years of very traditional organisational working in individual departments and it is probably only the last 4 or 5 years but definitely only the last 2 years where you have been able to bring staff together and work more cohesively. The one we have used many times but it is a very good example is the back to work programme, where when unemployment started to rise we suddenly found that we had Education, Social Security and Economic Development working individually and it was not for the good of those who found themselves unemployed. We then brought those 3 teams together physically under one location and the results speak for themselves I think in terms of when you see how unemployment is now coming down, the changes that team has made. In a number of other policy areas, traditionally the policy has been developed by one department and the direction they were going in may not have suited another department. By now having that more common way of working you can now form a policy unit or policy team to develop a policy by bringing the staff from the respective departments together to formulate it, to make it ...

Mr. R.J. Parker:

Has this resulted in database standardisation? So, in other words, everybody is referred to by one reference number, you have one database so if someone changes their address it changes throughout the organisation?

Business Change Director:

No. You are describing a situation that we would very much like to get to and a number of those comments are part of deliverables of eGovernment. So, for example, we would aspire to have a single reference number by which citizens, residents - we will get more definition around that - are recognised such that they can travel through the system of the States of Jersey much more easily. In the context of common databases, I think our start point with much of this is to think about the process and more about the technology later on once we know what we need to support. So, in the context of databases and data, where we are starting out at is there was a survey design that suggested a common database perhaps around citizens. We have one around mapping, for

example, that is an excellent example of a corporate asset that all departments use and it is used externally as well. So to move that towards is there something around businesses, something around people, something around addresses, rather than having those components living and breathing in a whole host of different systems, which in itself creates the complexity of keeping them all updated and aligned - which we do not and no one would do very well - to move towards common databases where appropriate, common standards, common definitions, common interpretations. It is amazing how many people think a resident is a citizen, is somebody who is a visitor, and suddenly you find out that lots of people think different interpretations around the same individual. So common definitions, common glossary, common databases are all absolutely necessary to get to a stage where we start to be a more efficient public sector.

Mr. R.J. Parker:

I think one of the most difficult things with that is the standardisation because if each department uses the same standardised sort of account breakdown, you know, account codes and so forth, you can have different systems but then you can get support on a regular basis which then updates and highlights if there are differences between those, until you get to obviously what you want to achieve.

Business Change Director:

Yes. So if I could pick up on an earlier question to help answer that, some of the benefit in the earlier design work was around data management and data structures and it set out that we should be recruiting a data management function because that is a discipline that we should become very proficient in over time at a States of Jersey level. So recruiting have found a very capable individual. He is now working through our data management capability as a business, which the board have accepted, and we are now moving through into what are the kind of actions that we should undertake to get to effective data management. Again, this is a long journey. It is a bit like culture. You do not say change culture, 6 months, box tick, move on again. If you establish that you want to do something like move towards common data management, you change the way that you operate and you sustain that change on a forever basis. But in terms of standardisation of words and phrases and common understanding and then common use of that, that is exactly the direction we have to take.

Deputy A.D. Lewis:

Talking about cultural change, when you change the behaviour one often has to legislate in the States to change behaviour, and we are talking about the general public here. You can do it in the workforce as well through performance management. You have lots of things you have written about performance management. It is a major part of cultural change. Where are you at with performance management?

Chief Executive, States of Jersey:

Richard can give you some details of where we are going now. I think it is the one area where we started work on it but it very quickly became irrelevant or obvious that it needed to be built into the workforce modernisation programme and the framework we are going forward with. So Richard can explain the pilot that is running now and how we are going to develop that further.

H.R. Director:

With the workforce modernisation programme, there is a natural sequence of events that you would go through to create the modern structure that you are after. You would start with job evaluation. You would harmonise your policies, terms and conditions. You would build your reward framework around the outputs from that, which then means that you can focus on the performance of your people within that framework. When I arrived, the performance management part of the programme was in the culture work stream and, yes, it will drive culture but it absolutely has to be intrinsically linked into our reward framework. So where we are now, the majority of the effort has gone into job evaluation and the reward modelling and the policy harmonisation and maintaining that dialogue with the unions around the joint negotiating committee. We are, however, running a pilot within H.R. of an online performance management system. That is built on a range of experiences that we have brought to the table in terms of with the backdrop from financial services, in terms of it will measure objectives, it will measure behaviours, link to learning and development, and you will end up with a rating scale on both sides. So it is a fairly consistent way of managing performance. Does that mean that performance management is not happening at the moment? It is in pockets but it is mixed and trying to come up with a one size fits all for the States of Jersey is going to be quite tricky because you have different needs. So you have uniformed services. You have doctors who are already being assessed in terms of what they do and how their profession operates. Nurses are observed on the wards, et cetera. Teachers are observed in the classroom. So the actual one framework has to be looked at in that context. We are ready to roll the second pilot into Social Security and then the outcomes from that will be reviewed with our unions.

Deputy S.M. Wickenden:

So this is about creating a framework and then obviously with performance management it is about deliverables in some way: are you meeting your achieve targets within your particular department and your role? So the framework will need to be created and then the outcomes of what you expect people to achieve should be within that framework?

H.R. Director:

They should all be aligned to the overall strategy and it should wrap down from the organisation down to at an individual level. That is more easily achieved in some of the white collar areas, but that is where we are at the moment. So we have 2 pilots running.

Mr. M. Robinson:

You mentioned there that performance management should be linked to reward. Can you just expand on what you meant by that?

H.R. Director:

Well, ordinarily it is in most areas linked to if you ... you know, the effort and the way that you perform is rewarded accordingly. I think at the moment we do not have that culture.

Mr. M. Robinson:

So are you talking about performance-related pay?

[17:00]

H.R. Director:

I think that is something we need to negotiate with the unions and work out how that best works in the public sector environment, bearing in mind that we do not work in financial services. We are not in a bonus culture so it is a very different return for your buck that you are looking for.

Deputy A.D. Lewis:

Do you think flexi-hours has a place in a modern workforce and do you think it is appropriate in a department such as the Treasury? **[Laughter]**

H.R. Director:

I think it would be good to have one flexi-leave policy which is appropriate with a modern workforce. In terms of how that operates at the moment we know that there are different interpretations of the flexi-leave policy.

Deputy A.D. Lewis:

I do not think it is doing culture any good, put it that way, or work ethics maybe.

H.R. Director:

But it is like everything, if there is a ... there is a time and a place for that. You may not call it flexi-time. You might call it just good management in allowing people some time off for some consistent over-performance or extended hours.

Deputy A.D. Lewis:

That means giving managers discretion ...

H.R. Director:

It does.

Deputy A.D. Lewis:

... and empowering them. Is that something that you plan to do?

H.R. Director:

That is what I would like to do, yes.

Chief Officer, Environment Department:

Certainly, if I can talk from a departmental perspective in terms of flexible working, I think it is an absolutely vital part of how we employ people in today's society.

H.R. Director:

People who are semi or part-timers.

Chief Officer, Environment Department:

We have a variety of people with varying caring responsibilities or otherwise and you have to ... and there are some occasions you want people to work a lot longer than they would actually work and sometimes they will have other responsibilities in life. So I think to get the best out of your people you need to have a culture where there is give and take in your employment practice depending if people have lives. You have to, as an employer, I think recognise that people have those lives outside of work, but also I think as long as you have a sensible approach to that I think you get a lot more out of your people than a very rigid sort of 9.00 to 5.00 culture which in my experience breeds a lot more clock watching than a flexible workplace. So I think they are some of the issues that we have to drive through on our culture change.

Deputy A.D. Lewis:

I think that is what it was put in place for in the first place to be that understanding, flexible employer.

Chief Officer, Environment Department:

It is, yes.

Deputy A.D. Lewis:

But there is evidence that suggests that there may be give or take to an extreme that is not necessarily productive.

Chief Officer, Environment Department:

We also employ a lot of people on 24-hour rotas. So, as a government we employ ... the vast majority of our workforce probably is not in a white collar office environment. It is not in that environment. So there will always be some people who will use every policy the employer has to their benefit. In my experience, we employ a lot of people in vocational areas. We employ a lot of enthusiasts I would describe them.

Deputy A.D. Lewis:

I am sure you have plenty of people that do far more hours than they are expected to do as well.

Chief Officer, Environment Department:

Yes, they do, yes.

Chief Executive, States of Jersey:

If I can, Chairman, the one point I would make is the importance for me within the culture element is to get that consistency. Over 30 years of individual departments, we have had a department applying a policy on flexi-time, for example, this way and another department applying it but slightly differently, so you get that inconsistency. For an organisation, I think we need to have a consistent approach, recognising, as Andy said, that some areas are very oriented to frontline shift work 24/7. Others are office based, so you have to have a policy which is appropriate for the work environment.

Deputy A.D. Lewis:

I think what I was really getting at was linking flexibility with productivity. Now, if you are not getting the productivity because you are being too flexible, then that is an issue. If you are getting productivity and stickiness and loyalty of staff and commitment because of that flexibility, that is great, but you are not always necessarily going to get that.

Chief Officer, Environment Department:

I think that comes down to the management challenge as to what is today's manager expected to be. We are driving more for an output culture whereby we measure what we do rather than the input of someone sat at their desk for 8 hours a day, which does not necessarily mean they are productive. So I think that is the challenge for management.

Mr. G. Drinkwater:

One of the questions for me is that this is a good project, it is a good, commonsense attitude. At what stage do these pilots become ... moving them from the change to business as usual? So, they must be now embraced in the departments, the spend has been done. I would see this now as the pilots finished. Is that your estimation of where you are?

Chief Executive, States of Jersey:

Well, if I start off and then perhaps others can sort of follow on. I think in terms of Lean we have a number of projects which have been delivered, so that is business as usual. I have some here; I can give it to you now. There are some fantastic projects where financial savings have been made, which is quite significant, and significant savings have been made in terms of labour, number of hours to do a job or efficiency gain, where those hours can be ploughed back into the service. So Social Security and Health are probably the 2 biggest departments that have really embraced Lean and that have very clear deliverables, and that becomes business as usual. As we go forward now in redesigning services, bringing departments together, that is when we can start looking at it again. We have just ... in January/February this year with the retirement of a chief officer we did not replace that chief officer; we brought 2 departments together. So Home Affairs and the Chief Minister we brought together and we have now used that to create a new function, so that is very much focused now on policy which is bringing those 2 functions together. There are a number of other opportunities for bringing functions and departments together to work much more closely. That is when it becomes business as usual, but all of that we need to make sure we have the staff trained, the Lean programmes in, so that the deliverables or the outputs from those programmes become the business and savings are made.

Deputy A.D. Lewis:

Okay. I am conscious that we are running a bit over time but this has all been very interesting and we thank you very much for your input in this process so far. What the public are really asking here when we have the opportunity to talk to officers, senior officers at that - and we are delighted that so many of you are able to come today - what savings has the Public Sector Reform programme actually achieved or will they have achieved up until December 2014? What have the genuine savings been? That is what the public would like to know. We have invested many hundreds of thousands of pounds. Is there anything tangible you can present as a saving now or do we need to wait until 2018?

Chief Executive, States of Jersey:

I can give you a couple of examples. Health: in Lean, £355,000 on a number of Lean projects and initiatives, 6,340 hours saved in Health through a number of projects. Social Security Department: income support saved 700 staff hours on rationalising how they operated. Jonathan mentioned

the class 2 contributions, 1,700 hours saved there. So quite a significant number of staff hours changed and some service delivery in terms of reducing costs. Those are just 3 examples I can just give you straight away.

Deputy A.D. Lewis:

This is early days because we are not into the phase of 2015 to 2018 where you will get the genuine savings.

Chief Executive, States of Jersey:

Then that set of spreadsheets are all the Lean projects that are now running, so each one of those has benefits in terms of efficiency and savings that goes right back to the very beginning of this afternoon, is service redesign is where the savings will come from to deliver the M.T.F.P. 2 (Medium-Term Financial Plan) programme. That is where all of this comes together to deliver. Sorry, when we sat in front of you to review the accounts, the 2 per cent saving that every department has had to make in 2015, I would suggest most of that has come about through having a lot of these systems in place already so departments were able to identify through their programmes of work how they can make the savings without any significant impact on the public service.

Deputy A.D. Lewis:

Okay. I accept that until we get to deciding if this is what the States should or should not be doing at all, which is under a completely different piece of work that we are not looking at today but that is something which the States will be looking at over the next few years, the public again are very interested to know as to whether there have been any changes in terms of public sector posts. Have any actual posts been lost yet and do you plan to see some disappear over the next 3 years of the programme? I know you have just announced a voluntary redundancy scheme. Is that connected to this or do you really see this as making it efficient so the public sector does not grow rather than reduce?

Chief Executive, States of Jersey:

Well, we have lost some posts. Certainly, I have mentioned the chief officer post that we have already seen go.

Deputy A.D. Lewis:

That is obviously very recently.

Chief Executive, States of Jersey:

That is a recent one. Obviously, the voluntary redundancy scheme is still running. It is open for the month of June, so we will know what response we have, but it is a quite significant take-up so far. We have not evaluated the applications yet. But probably one of the most noticeable areas is because of budget pressures on all departments, then the number of recruitments is down significantly. So recruitments we monitor now on a weekly/monthly basis so we can see the number of leavers and the number of joiners. Certainly, on a consistent basis now we have far more leavers than joiners, which is what one would expect going into a period of restraint. It is a combination of the voluntary redundancy programme and the joiners/leavers numbers that is going to be delivering, along with the leave initiatives, the savings programme which will come out. So when I quoted there 700 staff hours in one area, 1,700 in another, that is the ability then for departments to use those hours to not necessarily replace staff in that particular service or function but to say: "Well, as a result of that, I can now not replace someone over here."

Deputy A.D. Lewis:

Do you feel voluntary redundancy at this stage is the right time when you have not fully redesigned your workforce? Is it a bit cart before the horse?

Chief Executive, States of Jersey:

No, I think voluntary redundancy we have used it several times in the past and I think it is an opportunity of ... we have a fairly clear direction now in terms of the programme of work we need to undertake. This is the time when a scheme I think should be run. What we will be doing, though, is being very careful to make sure that when a voluntary redundancy application is accepted that is accepted and the post and the funding is removed because we cannot have a situation where a voluntary redundancy is given, someone leaves the organisation within that post and the funding stays in place. So we have to be clear. Where I think we will end up is that with this programme having run in the future it will become more targeted. So when we start looking at service redesign, instead of having it as a blanket voluntary redundancy programme, it will be focused more on service areas. We would then go back in and say: "We are redesigning this service. We think we can manage it with X staff. Therefore, we need to start talking to the staff and the unions in that particular area about how we work with them to manage that area to whatever the new numbers will be."

Deputy A.D. Lewis:

I know you do not necessarily have to accept an application, but if somebody does apply and you are thinking: "No, you are part of my jigsaw puzzle" how do they feel when they get rejected? Are they still productive afterwards?

Chief Executive, States of Jersey:

We have to make sure that we maintain that momentum and that encouragement. A lot of staff are extremely valued staff who work extremely hard in the public sector and we have to maintain the value and the culture of the organisation to keep those staff motivated and encouraged.

Deputy A.D. Lewis:

That is tough.

Chief Executive, States of Jersey:

There will be cases when, yes, we will be saying to staff: "Sorry, we need you. We are not prepared to let your post go" because it is the post that has to go.

Mr. M. Robinson:

Just on voluntary redundancies, are you satisfied that your H.R. policies are robust enough to manage the redundancies and the process of the applications and the actual process of people leaving?

Chief Executive, States of Jersey:

Yes, because we have spent a lot of time in the last few months rewriting that V.R. (voluntary redundancy) programme and the policies that go behind it, which we will happily forward to you, but they are ... the criteria are much better defined now and the way in which we go about evaluating an application and accepting it are much clearer I think to staff than they perhaps have been in the past. I am very happy to send you a copy of the process we go through.

Deputy A.D. Lewis:

So do you have a target of the number of posts that might be extinguished by December 2018?

Chief Executive, States of Jersey:

I do not have a target. I am using the requirement to deliver a Medium-Term Financial Plan, which clearly has some quite stringent financial targets, as the driver which will allow us all or require us to redesign services. I think we have to bear in mind, of course, that some departments are looking to increase staff because of the ageing workforce demographics, Health in particular. We know that the Health White Paper, P.82, which was approved by the States, identified that there is growth required. So in terms of overall numbers, what we have to do is make sure that we streamline the services and deliver savings in staff where it is appropriate to do so, but we have to recognise that it has been in certainly the States approval process that in many areas ... well, not many, in some areas, Health in particular, staff will grow and I think in Education there is some growth as well purely because of demographics and the profile.

Deputy A.D. Lewis:

It does sound like a politician's answer, mind, but do you have a current estimate of the number of posts that might be removed by 2018? Do you have a target?

Mr. G. Drinkwater:

A percentage?

[17:15]

Chief Executive, States of Jersey:

I am not going to ... no, I am not going to put a number on it because we have a lot of staff out there who are obviously concerned about their roles, who work with the staff in order to deliver the savings from the programme. I am not going to headline numbers which will be taken inappropriately.

Mr. R.J. Parker:

John, is there a feeling depending on the levels of the redundancy payments and so forth that you can get people within an organisation ... have you got a feeling that, you know, part of the ethos or something, you get to a certain level, then you take your foot off the accelerator and you cruise? Then you get the benefit of the voluntary redundancy because you are not beneficial to the organisation as a whole. So from someone outside you could say there is rather ... you are actually benefiting from failure. I mean, how does that deal with those people who are loyal and working hard within the system when you have probably that perception that people who have not done very well seem to be benefiting out of these changes?

Chief Executive, States of Jersey:

I think that every time a voluntary redundancy programme runs, and I do not think the States is by any means ... the same as any other big organisation, there is always that view that so and so is getting paid off because of. Well, performance management will certainly help deal with that going into the future, but I know we are not alone in dealing with that as a problem. I think you have to be very fair and open with staff. Some staff will get voluntary redundancy where genuinely the post can be deleted. Others we will have to say: "No, I am sorry, we cannot delete that post." It should not be about we do not believe so and so is any good anymore and we will use that as a mechanism.

Deputy S.M. Wickenden:

Richard, can I just ask because I think the public would want to know: there is no chance that somebody who gets a voluntary redundancy will also have a contractual payment in their leaving programme that will also get that as well, so they will not get a double payment?

H.R. Director:

Through the V.R. programme?

Deputy S.M. Wickenden:

Yes.

H.R. Director:

No.

Deputy S.M. Wickenden:

There is no chance of that happening?

H.R. Director:

No.

Deputy S.M. Wickenden:

Yes, that is fine.

Deputy A.D. Lewis:

No chance of them being reemployed and back in the States again 6 months later?

H.R. Director:

No, there is a ...

Deputy A.D. Lewis:

As happened to somebody in uniformed services.

Deputy J.A. Martin:

I think we need to see the policies back it up and perhaps under the private review ...

H.R. Director:

You are very welcome to share the policies. They are hot off the press and there is a cap.

Deputy A.D. Lewis:

So they are revised policies?

H.R. Director:

Yes, and there is a 2-year gap between before you can be reemployed.

Mr. R.J. Parker:

You have changed this because in the past you had people who were made redundant and then reemployed on the private sector so that it effectively adjusted the numbers. You thought ... or worse than that, reemployed in a different format so they did not show on the headcount.

H.R. Director:

It has not only happened in the public sector so ...

Chief Executive, States of Jersey:

We will send you the policy because it is very clear.

H.R. Director:

We are really tightening up on the management information and the tracking.

Mr. G. Drinkwater:

Just to try and finish off, we have spent as a community £4 million plus. I was just doing some sums based on 2 or 3 things that John said. The payback in real terms as well as the cultural - as I say, we cannot just put a price on culture but some of those hours spent - it looks like a payback within 3 years of the amount that has been spent. That is reasonable. Obviously, I guess John has some other things, but just taking those 3 things aside on the hours spent, cost of time, just on a ... here is £4 million spent, when are we going to see it back, we are certainly going to see it back within 2 and a half to 3 years. Is that sort of a sense or have I miscalculated something? It may be less because you have bigger savings, but I was just trying to pick those 3 things out. Just as a strategic management decision, we have spent quite a significant amount of money and for the Public Accounts Committee to hear what it has done, it has made some cultural changes which a lot of them do not necessarily see. You and I will see it working here but it is difficult to see it on the front page of a newspaper. But what they might see is some actual changes in cost and benefit which over a 2 or 3-year period will be recouped and going into the distance a lot more hopefully.

Chief Executive, States of Jersey:

On 2015 budgets, a 2 per cent saving is £12 million.

Mr. G. Drinkwater:

Right, okay.

Chief Executive, States of Jersey:

So that £12 million was effectively discussed, agreed and delivered in the space of a couple of hours when we realised there was a problem there. I do not think ... in my career in the States I have never seen a savings target discussed, agreed and delivered and taken off the budgets in 2 hours let alone 2 months or might even be longer than that. I think that I would use that as a mark of the culture and the delivery of the organisation now recognising that change has to happen and they are ready to embrace and deliver on that change.

Mr. R.J. Parker:

John, are we going to see that change in culture relate to capital projects? Because I know in the past we have seen major capital projects being put forward whereas in the private sector you would look at that and say: "What is paying for that? Is the savings we are making because of the more efficient premises?" or whatever they may be. Is this part of this culture that is going to come through that in looking at projects will be this aspect of what are the savings and efficiencies that are gained and monetarising those so you can see them?

Chief Executive, States of Jersey:

Some of our capital projects are quite difficult because resurfacing a road or repairing a sea wall or infrastructure projects are very difficult to deliver a project which delivers you a saving.

Deputy A.D. Lewis:

But a new States building, rationalising the workforce, would be a big contributor to a saving.

Chief Executive, States of Jersey:

Well, the one area which I think is absolutely relevant is the office modernisation programme, which we have not spoken about much this afternoon. We have now done a lot of work on office modernisation and whereas we started off with ... I have a little model which is easier to show you rather than try and describe it, I think. It started off with the organisation looking at all the clusters of where everyone works. So these are the buildings and the functions in them.

Deputy A.D. Lewis:

Twenty-five, I believe, is that? About 25 locations?

Chief Executive, States of Jersey:

Something like that at the moment. Without taking any headcount reduction into account, we have managed to bring that down to say we could then fit into a number of smaller areas. So, as an example, we have said the States building, Morier House, tends to be a sort of seat of the States parliamentary and legislature with Law Officers in Morier House, so that is one cluster. But the 2 really big clusters, we then look at Cyril Le Marquand House and Philip Le Feuvre House up at La Motte Street. This plan, which the page I am looking at now confirms that if we left the functional departments like Health, Education obviously, in hospitals and schools, et cetera, we could accommodate all of the staff in those 2 buildings. So all of the smaller buildings, smaller office blocks, we could then lose completely. Taking a more streamlined approach and allowing for further headcount reduction and staff reductions and bringing services together, it is very early days yet but we think it might be possible to get all the administration into one of those 2 buildings. They would need an extension, so we could not get them into the buildings as they are built today, but we think it is possible to get all the staff that we need to from the administrative side of it into Cyril Le Marquand with an extension on or Philip Le Feuvre with an extension on. The benefits we get through that will be enormous to us because we then get effectively all the administrative staff in one building, which would be huge. But we are ...

Deputy A.D. Lewis:

Yes, easier to change culture then, too.

Chief Executive, States of Jersey:

Well, I would hope that change culture is there to do it. The challenge we have is, one, the cost of doing it because there is a fairly significant capital cost associated with a building extension of that scale, and getting through all the various usual hurdles there, and then decanting staff out while we then do the building work. So the opportunity is there and I think it would make a significant difference to the organisation. Certainly, I know looking perhaps at other business areas, the difference ... everyone says the big change you get and the real efficiency is getting everyone under one roof.

Deputy A.D. Lewis:

We look forward to seeing your business plan on that one. **[Laughter]**

Chief Executive, States of Jersey:

It will be a little bit more than a few little drawings.

Deputy A.D. Lewis:

One for another day, but an exciting component of this overall restructuring and modernisation of the States.

Chief Executive, States of Jersey:

That is the next piece of work that we are now working on.

Deputy A.D. Lewis:

Absolutely, yes. Thank you for that. We have gone quite a bit over time, so I do not think, unless there are any other burning questions ...

Chief Executive, States of Jersey:

Can we just confirm ... not necessarily now but we will confirm with the Clerk tomorrow the revised financial information you want. There are 2 or 3 bits I think we just needed to clarify for you this afternoon.

Deputy A.D. Lewis:

That would be useful. On behalf of the panel, if I could just thank you very much for attending today and being very well prepared for it. It has been very useful and very encouraging and very open.

Chief Executive, States of Jersey:

Thank you very much.

Deputy A.D. Lewis:

I appreciate there are things that you cannot be as open with as you might in this setting but we do offer the opportunity of a private hearing at a later date.

Chief Executive, States of Jersey:

We would very much welcome a presentation to you.

Deputy A.D. Lewis:

So, thanks again for coming.

[17:25]