



Government Plan Review Panel

Witness: The Chief Minister

Tuesday, 29th October 2019

Panel:

Senator K.L. Moore (Chair)
Deputy R.J. Ward of St. Helier
Deputy M.R. Le Hegarat of St. Helier
Deputy K.F. Morel of St. Lawrence
Constable M.K. Jackson of St. Brelade
Senator S.C. Ferguson

Witnesses:

Senator J.A.N. Le Fondré, The Chief Minister
Deputy S.M. Wickenden of St. Helier, Assistant Chief Minister
Mr. J. Quinn, Chief Operating Officer
Mr. R. Bell, Treasurer of the States
Mr. M. Grimley, Group Director, People and Corporate Services
Mr. S. Mair, Group Director, Performance Accounting and Reporting

[14:01]

Senator K.L. Moore (Chair):

Great, okay. We have got a lot to get through this afternoon, so we will get started, if we can. We will start with the introductions, as I am sure you are all aware of the privilege and the rules of engagement. I am Senator Kristina Moore and I am the chair of this panel.

Deputy K.F. Morel of St. Lawrence:

Deputy Kirsten Morel, member of the panel.

Senator S.C. Ferguson:

Senator Sarah Ferguson, member of the panel.

Constable M.K. Jackson of St. Brelade:

Mike Jackson, member of the panel.

Deputy M.R. Le Hegarat of St. Helier:

Deputy Mary Le Hegarat, member of the panel.

Deputy R.J. Ward of St. Helier:

Deputy Robert Ward, member of the panel.

The Chief Minister:

Senator John Le Fondré, Chief Minister.

Assistant Chief Minister:

Deputy Scott Wickenden, Assistant Chief Minister.

Chief Operating Officer:

John Quinn, Chief Operating Officer.

Group Director, People and Corporate Services:

Mark Grimley, Group Director, People and Corporate Services.

Treasurer of the States:

Richard Bell, Treasurer.

Group Director, Performance Accounting and Reporting:

Steven Mair. I work in the Treasurer's Department.

Senator K.L. Moore:

Thank you very much, all of you. We will start, Chief Minister, if we may. At a previous hearing with ourselves, you admitted that some of the efficiencies that had been outlined at that point - and this was prior to the publication of this efficiencies plan - were not genuine efficiencies, and those were your own words. They were in fact revenue-raising measures. How do you feel now that you have published this efficiencies plan, which contains clearly some more revenue-raising measures?

The Chief Minister:

Sorry, when you say I admitted, you ...

Senator K.L. Moore:

You did. You said that they were not genuine efficiencies, they were revenue-raising measures.

The Chief Minister:

I did not hear the "not" in the beginning of the question, that was why. No, I said at the time that I thought there might be some things towards the end of the process, in other words the last kind of £7 million, that might be more revenue raising. The key one in there, as we know, is predominantly the parking. There are obviously one or 2 other aspects, and I suggest that the parking is tied into trying to start and send a message around behavioural change.

Senator K.L. Moore:

Perhaps if I could be clearer with the question, the question is why have you included yet more not genuine efficiencies?

The Chief Minister:

We have not included yet more, I do not think, anyway.

Senator K.L. Moore:

You have, because there are more things in this, more items in this plan than there were previously, obviously when we were talking about only £19.7 million of efficiencies.

The Chief Minister:

Just to be clear, can you give me ... yes.

Senator K.L. Moore:

So the previous hearing was about ... we only had the information around £19.7 million and now you have published a document that puts forward a wider spread of proposals, which includes more revenue-raising proposals than we had previously knowledge of. I am asking why, when you admitted that they were not genuine efficiencies, you have included ...

The Chief Minister:

I think I said it was probably a ... I cannot remember exactly what I said. I suspect I did ... I do remember making reference to future things coming through, because the parking I think was in my mind at the time. Overall the total is about £1.1 million, of which around £700,000 is predominantly the parking areas. That will be a discussion I suspect politically as well, but part of that is around behavioural change as a result of Deputy Ward's proposition. It is trying to send the message

through that if you are serious about climate change, one of the biggest things that we have is around traffic and therefore there are consequences to that.

Senator K.L. Moore:

We will move on and talk in some more depth about the parking charges and the very clear views of the public that we have heard since this plan was published, but for the moment we will go on to ask about appendix 2 of P.71, which suggests that there will be a reduction of the revenue heads of expenditure as a result of the efficiencies programme. Will that be going ahead or will the revenue heads of expenditure remain as they are?

The Chief Minister:

I think at the moment we are not proposing in that aspect any amendments to the proposition. That is my understanding, looking at the Treasurer on this.

Treasurer of the States:

Yes.

The Chief Minister:

There have been some discussions around that and the principle is that what one is approving, as has always been the case, is a maximum spend. In other words, if you approve a £10 million spend in a particular area you are spending up to, so of course a very clear understanding that the efficiencies are an overall part of that package.

Senator K.L. Moore:

If the efficiencies are met, or whichever of the efficiencies are met, then they will become underspends, essentially, every year?

The Chief Minister:

Yes, I think effectively.

Senator K.L. Moore:

All right, and then what is anticipated to be done with the underspends?

Treasurer of the States:

They will then fall back at the end of the year into the Consolidated Fund.

Senator K.L. Moore:

Right, okay. Thank you, that is very helpful.

Deputy R.J. Ward:

So there is no possibility of any underspend ensuring that we do not have to make as many efficiencies, which could be people's jobs in the following year, they would just go into the Consolidated Fund? Because I thought one of the things about the Government Plan different from the M.T.F.P. (Medium Term Financial Plan) was that was not necessarily necessary.

Treasurer of the States:

The 4-year plan is predicated on the basis that the investment takes place on top of the base spend less the efficiencies, i.e. the efficiencies reduce the cash limits from what is described. If that does not come about or if alternatives are not delivered, then the Consolidated Fund balance would reduce, so we are trying to avoid having a lesser balance on the Consolidated Fund. Obviously at the start of lodging each plan, we cannot put together a plan that overdraws the Consolidated Fund, but I would suggest that the overall aim, notwithstanding the fact that that only relates to the lodging of the plan, is if we are to be approaching the finances from a sustainability perspective we need to ensure whenever we make changes that we have got a counterweight or another change equal and opposite to make sure that still balances the books over the period. It is a very long way around. I am not quite sure what the question was.

Deputy R.J. Ward:

It was. I am not entirely sure what my question was now.

Treasurer of the States:

If we have agreed an efficiency programme and the Government Plan is agreed inclusive of that efficiency programme, you would expect a reduction in the heads of expenditure by those amounts. If they are not, then there needs to be alternative measures if it is in the rounding. It is not particularly material, but if it is large sums, then you would have to adjust the balance.

Deputy R.J. Ward:

So you are saying the efficiencies are separate from any underspend, effectively?

Treasurer of the States:

Yes.

Deputy K.F. Morel:

Could I just ask though, if the efficiencies were not met across the board, you are confident, as Treasurer, that there would be an accurate amount in the Consolidated Fund regardless?

Treasurer of the States:

I am planning on the basis that the efficiencies are met. If you did not meet the full efficiencies - and roughly we have between £20 million and £25 million in the fund at the end of the year on the current forecast, and remember we will be giving you new income forecasts soon - on the basis of that, if you did not deliver or if we did not deliver the efficiencies, then the Consolidated Fund would be overdrawn.

Deputy K.F. Morel:

It will be overdrawn if the efficiencies are not met?

Treasurer of the States:

Yes.

The Connétable of St. Brelade:

Will the States Assembly be asked to approve the contents of the summary table at the end of the plan? It is page 62.

Treasurer of the States:

So are we talking about the ...

The Connétable of St. Brelade:

The efficiencies programme, yes.

Senator K.L. Moore:

It is page 62.

The Connétable of St. Brelade:

The £32.666 million.

Treasurer of the States:

In future years we would expect the efficiencies plan to be within the Government Plan. It forms part and parcel in total of the Government Plan approval, but not the individual pages as they are reflected in the efficiency programme.

The Connétable of St. Brelade:

So we will not be asked to approve that in its entirety?

Treasurer of the States:

No.

The Chief Minister:

No, because obviously the impact is in the entire Government Plan, but obviously looking forward, with the acceptance of Deputy Southern's proposition, that then has a change in terms of the comments we have put in place.

Deputy K.F. Morel:

Yes, but from the perspective of making amendments to efficiencies if we wanted, that is not possible, is it?

The Chief Minister:

No, it is. Certainly the advice we have from the Greffe is that it is.

Deputy K.F. Morel:

It would be interesting if you could let us know how that is possible.

The Chief Minister:

There has been a discussion, but the Greffe has indicated that it is possible, because I agree, I am sure people will want to be having a look at that.

Deputy M.R. Le Hegarat:

What legal obligations does the Government of Jersey have to deliver these efficiencies?

The Chief Minister:

What legal obligations?

Deputy M.R. Le Hegarat:

What legal obligations do you have?

The Chief Minister:

I think I will hand over to Richard. I think it is in the balance in terms of the ... it is on the Consolidated Fund and the balance at the end of that period.

Treasurer of the States:

In terms of the Public Finances (Jersey) Law, while we do have a proposition that reflects the way we have previously debated the M.T.F.P. and a budget, overall the key part is that the States

Assembly are approving the Government Plan, i.e. that document there, which includes at a high level the level of efficiencies.

Senator K.L. Moore:

At a very high level.

Treasurer of the States:

At a high level, but supplemented by additional information lodged with the States or presented to the States.

Senator K.L. Moore:

So who will authorise any deductions that are produced from the programme?

Treasurer of the States:

When we take this through, we will have to see whether there are amendments to the plan. If there are no amendments to the plan or even if there are amendments to the plan, it would then be agreed between the Council of Ministers that the Minister for Treasury would make adjustments to cash limits accordingly, with those sums being retained to the Consolidated Fund.

Senator K.L. Moore:

At the moment, as it stands, the efficiencies programme is not a document that will be laid before the Assembly, so essentially it is a statement of intent from the Government. But it could be subject to change, one would assume, as the year goes by. Because there is no legal foundation, nobody is really bound to it, are they?

The Chief Minister:

I think the point is this is a plan, therefore it is the plan, so it can potentially change over the period of time. Richard, I assume you will add to this, but I think the other point that was hopefully made quite clear, again coming out of Deputy Southern's proposition, is that if alternative efficiencies are made or identified, bearing in mind the role of the accountable officer and things and their responsibilities to deliver an efficient service et cetera, if another saving or another efficiency is identified, then one would expect that to also be being implemented or being worked on as we are going along. So this is not set in stone. Yes, it is a statement of intent, but it is, I would say, a reasonably detailed statement of intent in most cases. That is the intention, that is the direction of travel that we are intending on. If there are one or 2 items that come through, that is something different, but if somebody comes along and says: "We cannot do X for whatever reasons, but we can do Y" then there is some flexibility in that. That is the whole point of the whole series of plans

that we are doing, to try and make sure we have got flexibility going through as to how we handle certain challenges we have got ahead.

Senator K.L. Moore:

Given this plan or programme was published last week, do you believe that - you are well-experienced in Scrutiny and making it operate - 3 weeks is a reasonable amount of time to scrutinise such a statement of intent?

The Chief Minister:

You had the bulk, up to the £32 million, before Scrutiny directly for, I think, 8 weeks and I would definitely have said that was absolutely sufficient. This has been ... in terms of the last £7 million, I would say that I thought it was 5 weeks one had in total, that that was very adequate. It does not take that long to read. We have been through it on a number of occasions and assessed.

Senator K.L. Moore:

Yes, but you should appreciate that Scrutiny is slightly more detailed than just reading a document and understanding it. One has to have the opportunity to ask people who may be affected by it in public hearings. Gathering evidence is an important part of the process. It is not simply us reading it and having a view, it is about the evidence that we gather, it is about listening to the views of others who may be affected. You will see already there is a petition about one element of your efficiencies programme that over 3,500 people have already signed in the space of a matter of days, so we need to go through that process in the proper way.

The Chief Minister:

Yes, I accept that. I am fully aware of the necessity for evidence. There is obviously a big difference between evidence, opinion and political judgment, at the end of the day, but the question was had Scrutiny been given enough time. We have, I think, tried to really make as much effort, in the context of what we are dealing with as a new process, to give Scrutiny as much time as humanly possible, starting at the 18 weeks from when the Government Plan was lodged to the 8 weeks you have had on the bulk of the information to obviously now what is fully in the public domain.

[14:15]

That is sufficient time in there to plan for ...

Senator K.L. Moore:

But you understand, Chief Minister, the confidentiality that we have been asked to abide by, so would you have expected or anticipated that we would have therefore gone out and asked for public

submissions, for example, on confidential documents that only we were able to see? How do you expect that would work?

The Chief Minister:

I would have certainly had my adviser having a good look through the whole document and he would have been giving his professional opinion as to what his views were on that. Then I would have planned in the public domain ...

Senator K.L. Moore:

Which of course we have done, but this is about the public. We are here to serve the members of the public whose money we raise through taxes and ...

The Chief Minister:

I am fully aware. Go on, Scott.

Assistant Chief Minister:

What I would like to say is that I do not think Scrutiny has ever had this level of detail towards an M.T.F.P. or Government Plan to talk about how they are going to achieve what they want. I was going through the M.T.F.P. of last year and there is £5 million worth of savings that are described in 5 paragraphs and that is all that was given.

Deputy K.F. Morel:

It is like £20 million of spend in 7 words, is it not, Scott?

Assistant Chief Minister:

It is even worse, because at least that is about one subject. This was a department that was told to cut £5.5 million from their budget and just it was not dealt with early, saying: "This is how we could possibly do it" and then given to Scrutiny to ask. It was: "There is your budget cut by £5.5 million, go away and do it." At least we are going now and looking at it early and trying to identify how we are going to make these savings before we just go and cut people's budgets.

Deputy K.F. Morel:

I think you are convoluting 2 different issues here.

Assistant Chief Minister:

But we are giving more information to Scrutiny now than they ever had before.

Deputy K.F. Morel:

Precisely because there is more information you therefore need more time to go through the information. That is an actual fact. Because we have 3 weeks for the last few areas, and as the Chair was trying to say, it is not possible to get public submissions within a few weeks before. You have to give them the appropriate amount of time to formulate their submissions, bring them back and then bring them into your own thinking. So 3 weeks, the actual normal Scrutiny processes do not enable that to happen within 3 weeks.

Assistant Chief Minister:

But we are set by certain Standing Orders and certain laws about when we have to deliver certain bits of information.

Deputy K.F. Morel:

A lot earlier than you have.

Assistant Chief Minister:

After a government is formed, you have to come up with your Common Strategic Policy within 6 months, you need to come up with your Government Plan. We came to the end of the M.T.F.P. and we are building the next plan for the next 4 years and we are giving out more information than has ever been given by any previous government.

Deputy K.F. Morel:

Yes, which precisely takes more time therefore to go through that information.

The Chief Minister:

I think the question is, first, we have said there are lessons to be learned on the overall timetable; but secondly, I do not accept that you have had insufficient time to look at this stuff. What we are talking about is the last ... we have given you ...

Deputy K.F. Morel:

Remember, we do not have ranks and ranks of officers behind us helping us in this way.

The Chief Minister:

I was not going there. I was saying that in terms of officers putting this together, you have had the information, yes, on a confidential basis for 8 weeks, most of it. That is literally the days after the C.O.M. (Council of Ministers) approved the various presentations and the various documents they get, it has come to you straight away. So we have gone about it as fast as we possibly can to get the information to Scrutiny as well as we can do. That is around the areas and we did declare all that timetable, so that is around making sure it is planned properly and that is what we have done.

Senator K.L. Moore:

So it is your view that adequate scrutiny is done through looking at confidential documents by one expert adviser and that is perfectly adequate scrutiny?

The Chief Minister:

I am looking at this. Scrutiny for the Government Plan, which is spending - as you have pointed out on a number of occasions, Chair, between £800 million and £1 billion, depending how you calculate it - what we are talking about is £40 million here of the overall project, of which £19 million was published in the plan. The balance up to £32 million was given to you 8 weeks ago and the last £7 million has come through in the last 3 weeks. You could, if you had wished to, raised some areas about could we have done X, Y or Z in an area in terms of publicly to open up on the confidentiality constraint. You could very much have asked us and I am sure we would have considered it in the round, but what I am saying is that from my perspective, the plans in there are, I would have said, more in the professional adviser territory. I might be completely wrong. You are right, there will be some impacts, but I think some of the impacts, there is sufficient time for the public to come back on.

Senator K.L. Moore:

As we have seen with the parking charges. What we have established today, which has been helpful, I think, is that this is a statement of intent, it is a rather fluid process that may or may not be subject to change as the plan progresses.

The Chief Minister:

Flexible, I would suggest.

Senator K.L. Moore:

Therefore, would it disrupt the Government Plan if the efficiencies programme was delayed for further scrutiny so that we could perhaps, as an Assembly, debate this at an early point next year?

The Chief Minister:

The short answer is yes, it would. I will give the exact reason why we are not trying to do that and I would not countenance it. It is a matter for Assembly, but you could just delay the entire Government Plan and then just not pay people on 1st January, which that would be the consequence.

Senator K.L. Moore:

No, there are safeguards in place if the Government Plan is not achieved. That is the Public Finances (Jersey) Law.

Deputy K.F. Morel:

That is completely incorrect because there are safeguards in place.

The Chief Minister:

We have had a discussion around that and it is for subsequent Government Plans there is the issue.

Deputy K.F. Morel:

So your own Government Plan does not cover the first year of its Government Plan? That is very clever.

The Chief Minister:

No, the Public Finances (Jersey) Law unfortunately does not. Perhaps you would like to elucidate on that, but just before we get there, the comment I was going to make is that in the days of the M.T.F.P., when expenditure and income were separate, we had a classic where one of the Ministers of the day wanted to do some very good stuff. I think it was around environmental measures and it was approved, but it was to be funded by a change in revenue raising in the budget. What happened is the Assembly all got very excited and enthusiastically approved the expenditure, but did not approve the revenue-raising measures. That is why I would be very loathe to separate out the savings measures because it would be very easy for the Assembly to say: "Yes, we will spend all this money but we are not going to give the direction of how we fund it."

Senator K.L. Moore:

We cannot spend much more time on this.

The Chief Minister:

It is crucial ...

Senator K.L. Moore:

I do not think this example is very helpful.

The Chief Minister:

... because it is irresponsible to start splitting out the overall package on funding.

Senator K.L. Moore:

But you said earlier today ...

The Chief Minister:

The public expect us to save the money, get the efficiencies in place, and on that basis I think they will countenance the savings.

Deputy K.F. Morel:

Irresponsibility is leaving the efficiencies that have been in progress for 18 months, nearly 2 years, to the last minute before delivering them. That is irresponsible, Chief Minister.

The Chief Minister:

I will leave it to somebody else on the timing. I will say from experience, which you have not seen, Deputy Morel, I have seen really bad behaviours in the Assembly when expenditure and revenue - and I will include savings in that - get separated. You end up with unintended consequences. Can I hand over to the Treasurer just to comment on the Public Finances (Jersey) Law?

Treasurer of the States:

I believe this came up in the debate of the Public Finances (Jersey) Law when it was confirmed in the Assembly. My recollection is that it did not apply to the first year of the Government Plan in that those provisions refer back to the previously approved Government Plan spending limits would be available on a monthly basis.

Senator K.L. Moore:

But that is a simple amendment. You can cross out "Government Plan" and make it "M.T.F.P. of 2019." I mean, that is ...

Treasurer of the States:

But you are asking me what the law says at the moment.

Senator K.L. Moore:

Yes. Okay, that is helpful.

Deputy K.F. Morel:

But our question was not about delaying the Government Plan. Our question had nothing to do with delaying the Government Plan. Our question was about efficiencies and the ability to programme and splitting that out, nothing to do with delaying the Government Plan. That was never suggested.

The Chief Minister:

The efficiencies are embedded in the Government Plan.

Senator K.L. Moore:

Okay, we will move on.

Deputy M.R. Le Hegarat:

The appendix summary on page 24 mentions that £1.8 million has not been agreed, but it does not say which departments and Ministers that this relates to and this figure is not split out anywhere in the document. Which departments does this figure refer to?

The Chief Minister:

They split across a variety of areas. I think there are 6 points, if I am correct, where it is identified that the Minister has requested further information and they are in the document.

Senator K.L. Moore:

Which Minister?

Deputy M.R. Le Hegarat:

Which Ministers?

The Chief Minister:

It depends what the subject matter is. For example, on the cross-cutting, basically I think in the main 2 Ministers have raised some questions and sought further information - that is excluding the parking side - one being the Minister for the Environment. He is intending to have a meeting with his other Ministers who have responsibility overall for G.H.E. (Growth, Housing and Environment) and the other one is the Minister for Education. They have both made the point, or certainly the Minister for Education made the point is she not against the proposals, certainly that is what she has said to me. She wanted further information to be happy that they were proper and justified. I believe officers are working on that.

The Connétable of St. Brelade:

Are you confident that those 2 Ministers will agree, because this can be, notoriously, a battleground?

The Chief Minister:

It could be. At the end of the day what the C.O.M. agreed, which is why I was comfortable with the plan going forward, and this was also certainly agreed with the Ministers in question, is that if they do not feel they have had the information come through before these efficiencies are implemented that either the department themselves will have to find an alternative. Officers on both occasions - bear in mind that officers are unpolitical - have said to me directly they are confident that they can achieve alternatives or they will re-profile the Greffe. That was agreed by the C.O.M. and that was laid out very transparently in the plan. So in other words, I am happy that the £40 million, give or

take, the integrity of that £40 million is there. As I said, £1.8 million is in the round, if you like, and that is subject to Ministers being satisfied on some of the information. There have been some further discussions on that and they will continue, no doubt.

The Connétable of St. Brelade:

So unused assets have been factored into the efficiency programme, if you like, so ...

The Chief Minister:

Sorry?

The Connétable of St. Brelade:

Unused assets, if you like, will be factored into the programme for various departments?

The Chief Minister:

There are a couple of areas where there are some indications that, for example, there are some savings in certain other parts of that particular area that could compensate, if needed.

The Connétable of St. Brelade:

Would consideration be made, shall we say, to move from leased properties to owned properties? Have we got significant property on leases at the moment?

The Chief Minister:

If we want to go into the office strategy as a whole ...

The Connétable of St. Brelade:

Not too far.

The Chief Minister:

... you will no doubt be aware of the agenda for the C.O.M. tomorrow. Hopefully, subject to what the C.O.M. come up with, I hope to be making an announcement very shortly on that subject, but within the office strategy, as opposed to the estate strategy, there is a view to moving away from leased properties and consolidation. If we move away from leased properties in the medium term, depending on the terms of the lease - in other words, how quickly we can get out of it - we obviously save the rent revenue and that would be part of a future efficiency. I am very positive about that.

Senator K.L. Moore:

Thank you. Going back to page 62 there is a line entitled: "All departments" which totals £10.44 million. Which efficiencies does that £10.44 million relate to?

The Chief Minister:

Sorry, page 62, which is the table.

Senator K.L. Moore:

Exactly.

The Chief Minister:

Yes, right up the very top: "Council of Ministers" and from memory ... I think that goes to the very front. The bulk of it will be the amount on page 26, which is £10.07 million.

Deputy K.F. Morel:

Or it is on 26, because the public do not have the document in front of you, so they need to know.

The Chief Minister:

Would you like me to read it out in full?

Deputy K.F. Morel:

Go for it.

The Chief Minister:

Okay: "Summary: modern workforce involves each department utilising different levers to reduce staffing costs. Examples of these levers include a reduction in avoidable overtime pay and more effective management of sickness, both long term and short term, voluntary redundancy and early retirement, reduction in the reliance on fixed-term contracting staff, reductions in the reliance on agency staff, leave investments and vacancy management over time. The Government currently spends circa £7 million a year on overtime paid to staff. All overtime ..." Would you like me to continue with this? Because it does not seem a good use of time, but anyway ...

Senator K.L. Moore:

We have got the picture, I think.

The Chief Minister:

Overtime is £7 million. I think the other numbers are £22 million and £14 million, which Mark can no doubt talk to if you wish him to.

Senator K.L. Moore:

Sure. How accurate do you believe that line is and how achievable is it for all departments implementing those measures that you have just described?

The Chief Minister:

At a very high level, and I will then definitely hand over to Mark and John, if you look at vacancy management and overtime and absence management, I am very confident that we can achieve that. We think we have been quite conservative in the assumptions. I think earlier on in the report, we are going from, I believe, a 10 per cent vacancy down to a 9 per cent vacancy allocated across the entire States. That is not a massive change. You will recall - and in fact Senator Ferguson will recall - from probably a couple of years ago, maybe 3 years ago, I cannot remember, when Corporate Services were then looking at vacancy management in the M.T.F.P. Potentially that sum equated to around £30 million to £35 million a year, which was the level of vacancies that are budgeted for in department budgets, but are not posts that are filled. What we are looking at is to manage those, perhaps some ...

Senator S.C. Ferguson:

However, when you talk about: "efficiencies achieved by identifying and encouraging those who are likely to leave the organisation" are you just throwing over-55s on to the rubbish heap?

Assistant Chief Minister:

Definitely not.

Senator S.C. Ferguson:

I have never heard anything so stupid in my life. It is the corporate memory. Now, if you will recall Midland Bank, the Midland Bank had to be taken over by HSBC because they got rid of all their oldies.

The Chief Minister:

No, we are not, and I will hand over to Mark.

[14:30]

Group Director, People and Corporate Services:

Senator, that particular line is around how we support people to take their decisions. It is also looking at the future workforce that we need. Also one of the things that we have not been particularly good at is flexible retirement, so it is not about losing our corporate memory, but being much more flexible for people at the end of their careers. One of the conversations we had last week with senior managers is very much how do we retain that corporate memory and put that to best use.

Deputy K.F. Morel:

You talk about the end of their careers, yet 55 is a good 12 years before our retirement age, and obviously with an ageing demographic, we can expect that to be pushed further and further. You are not talking about the end of their careers, this is people still in the prime of their careers, to be honest with you. Why do you make that distinction at 55, so far ahead of retirement age?

Group Director, People and Corporate Services:

This is the time where ...

Senator S.C. Ferguson:

It is old-fashioned. I am sorry, you are going back to the age of Bismarck, when he retired everybody at 65 from the Prussian Army because that was the age when most of them died, so that was when he was going to pay the pensions. I am absolutely appalled at this particular type of attitude. I look down the line and there are at least 3 of you who are knocking on 55, if not older.

The Chief Minister:

I am getting close, yes.

Senator S.C. Ferguson:

If I look in the States, there are plenty of us who are over 55. There are a lot of over 55 year-olds in the Island who are doing very useful jobs and you are about to throw them out on to the rubbish heap. I am sorry, it is not good enough.

Group Director, People and Corporate Services:

Senator, we are not looking at redundancies or forcing anyone to go. Fifty-five would be an age where somebody will start to think about their financial options, about where they would like to go, accepting, Deputy, that it is not the end of their careers. Some people may choose to continue up to retirement, some people may choose to do different types of work. This is about allowing individuals as well as the Government to better plan forward. There is definitely an impact on our ability to look at future finances, definitely an opportunity and an impact on pension and it lets people take decisions. This is allowing us to plan better, rather than in the moment.

The Chief Minister:

Can I make an observation quickly though? Because I think we are combining 2 statements. One is a statement of fact, which is that currently 22 per cent of the workforce are aged 55 or over. It does say efficiencies can be achieved by identifying and encouraging those who are 55 or over, but those who are likely to leave the organisation. I know that is splitting hairs, but it is quite important.

What I am trying to say is that relative to the proportion - Mark, perhaps you can think about the answer to this - I think proportionately ... what are the percentages of those at the younger end? Just hold that thought until I finish, but in other words, our balance is skewed and what we are trying to say is that there is quite a lot. We have an issue overall over a certain period of time, 5 or 10 years, where quite a lot of the organisation, a significant chunk - as you say, with corporate memory - are going to be coming up to retirement. It is how we manage that as well as part of the issue. Mark, do you want to just add to that?

Deputy M.R. Le Hegarat:

I would like to throw something in here. I mean, being somebody that has been through the not redundancy process, you do realise that the age of 55, until you retire at the age of whatever it is - as a man now, it is anything from 65 onwards as it increases year by year - you still have to pay Social Security, full Social Security, so therefore whenever you make considerations about people taking early retirement, please consider those factors, because it is 12.5 per cent. I have been there. As an ex-police officer, you have to retire at 55. Trust me, you cannot walk away without paying Social Security, so whatever you think in relation to providing redundancy or however you like to put it, there is an issue if you start retiring people at the age of 55 thinking that they can retire, because they cannot retire from paying Social Security. That is all I wanted to say.

The Chief Minister:

Mark, do you want to add to that comment and also the one I asked you about?

Group Director, People and Corporate Services:

Just briefly then, Chair, absolutely, people need to take their individual decisions based on all the information. One of the things we are looking to put in place next year is greater advice and guidance and financial literacy for people before they take those decisions, because you are absolutely right, there are unintended consequences for people. Just on the other point around the other side of the workforce, less than 1 per cent of our workforce is under the age of 25, less than 10 per cent is under the age of 30, so we are also stacking up a problem not just about losing our corporate knowledge but also failing to develop new knowledge coming through and new ways of working.

Senator S.C. Ferguson:

Yes. You perhaps also ought to look at reasons why young people are not joining the States. It is not necessarily that they cannot get a job. They may not want to, so perhaps you ought to look at that as well.

The Chief Minister:

Can I just add to that? Because you are right, and it does go back to this whole point, which is separate to the efficiencies side. The thing about Team Jersey, it is about dealing with the culture of the organisation, all those bits and pieces that are part of the jigsaw going through, which are not for today, I think, but is an area that Mark is dealing with.

Deputy K.F. Morel:

Can I just ask about the sickness management? Sorry, just how do you manage sickness without making people more sick in the process? The 100 people who make up 30 per cent of all sick days absent, they are clearly very sick people. How do you manage their sickness and try to get them back to work without making them worse? Because I know the stress that can come from that. It is serious; I have seen it happen to people.

Group Director, People and Corporate Services:

Absolutely. It is one of the areas that has again had positive expressions of interest next year in the Government Plan. We are increasing the case management team because it takes us a long time to get to cases. It is recognised that people who spend a number of days off, particularly over a month, tend to not come back or spend even longer if they detach from the workplace. The first thing we need to do is make sure that we have better contact, that we have more efficient ways of occupational health assessments and that we also look at alternatives. People often will be at home off work because they are either expected to come in and do the job or not do the job. What we are looking at is other ways of redesigning jobs for people to come back, making sure that it is appropriate for them.

Deputy K.F. Morel:

How are you dealing with the bullying issue? Because a lot of the problems in long-term sickness are a result of stress and a lot of that is caused by a culture which is deeply unpleasant and includes a lot of bullying. I notice that bullying is not mentioned in this document about efficiencies and how you are going to deal with that, so please, how will you deal with bullying as a way of managing sickness?

Group Director, People and Corporate Services:

I think, as answered in the States last week, that the States Employment Board will be receiving their first update on the effectiveness of new procedures put in around bullying and harassment, specifically linked to the efficiency plan and sickness absence. Anxiety, stress, depression, mental health conditions are a third of those top 100, so there are 2 things that we need to deal with. The first is prevention, and that is where I think your question about bullying and harassment comes in, making sure that we have the culture in place. The Chief Minister has mentioned Team Jersey. We are giving members of staff training on how to have conversations with their managers and raise

concerns, but we have also trained 900 managers on awareness of bullying and harassment as well. There are things that we have put in place, but the prevention of mental health, the raising of awareness and the ability to talk about it in the workplace is also part of an efficiency, avoiding it.

Deputy K.F. Morel:

Very quickly, you mentioned we have trained managers on awareness of bullying. Do you give them help in preventing their own bullying?

Group Director, People and Corporate Services:

We do. There have been a number of cases that I am aware of where even though the allegation was not upheld there was concern around the culture, so we have put in support around that team, rebuilding relationships and mediation. We do act on outcomes even if a complaint is not upheld if we believe that there is a breakdown in relationships. We do not just leave it there.

Deputy K.F. Morel:

So that would be the case for the case that was in the media recently, a complaint about bullying that was not upheld against the Director General. Is that the sort of ...

Group Director, People and Corporate Services:

I cannot talk about individual cases, but where there is a need to support a team or relationship repair, we put in appropriate help.

Senator S.C. Ferguson:

Do you keep a record of the actual people away on sickness?

Group Director, People and Corporate Services:

We do.

Senator S.C. Ferguson:

Do you keep a record so that you can say: "Right, there is too high an incidence of sickness in this department"?

Assistant Chief Minister:

When I was in the private world, we did absence interviews when people were sick and I used to interview people, and it was about identifying where they might have bigger issues that they are hiding.

Senator K.L. Moore:

Thank you. I think the Group Director has explained that.

Assistant Chief Minister:

That means that you can deal with people about bullying and mental health issues and the like and it identifies rather than just ignores.

Senator K.L. Moore:

Sorry, we have had ... sorry, Constable Jackson.

The Connétable of St. Brelade:

I think we can all admit there have been issues with employment within the Government.

The Chief Minister:

Oh, we know. Yes.

The Connétable of St. Brelade:

Mark, what is your estimation of how long it is going to take us to turn this around and make the Government once again become an employer of choice?

Group Director, People and Corporate Services:

The States Employment Board have asked for a people strategy with effect from January next year once the Government Plan kicks in. We have been working with staff on building what that looks like, so we have been doing it bottom up, working with our teams, and that will come to the States Employment Board in December. About 18 months ago we started with Team Jersey, which was the first cultural programme. It is one of those areas where I am particularly pleased I came in with that in place or I suspect my first 4 months in role would have been firefighting further. There are green shoots there. I met with the Team Jersey leads and they are very highly engaged. I think there is a perception outside of Government that there is incredibly low engagement. I think we have got the start of something, but cultural change takes 2, 3, 4, 5 years, depending on where you are working.

Deputy K.F. Morel:

And £3 million.

Group Director, People and Corporate Services:

So it is some years out.

Senator K.L. Moore:

Deputy Ward has a question.

The Chief Minister:

Can I just pick up on the £3 million comment, because one of the things that the C. & A.G. (Comptroller and Auditor General) has said is that H.R. (human resources), for example, is beyond lean, so you cannot have dealing with the bullying and the culture and all that sort of stuff without putting the resource in to do it, because there has been not enough staff.

Senator K.L. Moore:

That sounds like a completely different stream of work and we are here today to talk about efficiencies.

The Chief Minister:

I was just picking up on the observation that had been made.

Senator K.L. Moore:

Deputy Ward has a question.

Deputy R.J. Ward:

Just a question which seems obvious if you are going to deal with sickness management et cetera is to simply value the role of trade unions within the workplace, which have been undervalued, and truly trained and welcome representatives in all areas of the workforce is one way in which you can engage with your workforce. That has not happened in many areas. Are you addressing that issue?

Senator K.L. Moore:

Just very briefly, if you can.

Deputy R.J. Ward:

I think it is a very relevant issue when you are talking about efficiencies because that is the best way in order to engage your workforce.

Group Director, People and Corporate Services:

Very briefly, the Vice-Chair of the States Employment Board said in the States last week that he wanted to see a better role and a better relationship with trade unions, that partnership is important.

The Chief Minister:

Can I also just add that when the ...

Deputy R.J. Ward:

It was lost with the end of the joint framework agreement, so that is a contradiction.

The Chief Minister:

One of the other areas around the sickness side is, for example, just checking so you can get the data right as to how certain individuals take a Monday off. If that is a repeat factor, then maybe they need a discussion. There is a whole range of things in that.

Senator K.L. Moore:

It has been asserted in the past that there is a lack of relevant information around the H.R. area in particular, but it was interesting to hear that you have a level of detail that can identify that a third of the workforce are sick due to anxiety, stress and depression. Could you tell me what percentage of the workforce perhaps suffer from cancer and also what percentage of the workforce are having operations, like for say a breakage or something that would be a long-term recovery period?

Group Director, People and Corporate Services:

I can say that out of the top 100 that I have been looking at - I do not look at every single case - 900 days out of the 9,000 from the top 100 were lost through cancer. That is treatment and that is an area where we are focusing on supporting staff more, because they do want to work when they can work, but also we need to recognise that conditions will require people to be off and cover. We lost 2,000 of the 9,000 days through musculoskeletal damage, so broken bones et cetera.

Senator K.L. Moore:

That is very helpful, thank you. If we could just talk about pay protection now, and we have been told that data collected in October of this year shows 43 staff are currently on pay protection, but I would assume that that is just people who are in tiers 1, 2 and 3.

Group Director, People and Corporate Services:

Correct.

Senator K.L. Moore:

Yes, so we have got tiers 4, 5 and 6 to go. How many people are anticipated to be put on to pay protection from those tiers?

Group Director, People and Corporate Services:

I do not have ...

Deputy R.J. Ward:

Sorry, can I just ask, do you have a number of the staff who are on tiers 1, 2 and 3 so we have got some idea what the proportion at 43 is?

Group Director, People and Corporate Services:

I have 193.

Deputy K.F. Morel:

I did not think we knew how many people worked for the States of Jersey.

Group Director, People and Corporate Services:

Certainly since I have been in we have spent a lot of time cleansing data.

Deputy K.F. Morel:

It is impressive having all these figures, yet the Chief Executive said that he does not know how many people work for the States.

Group Director, People and Corporate Services:

We have spent a lot of time cleaning up the data.

Deputy K.F. Morel:

It has been 2 weeks now.

Senator K.L. Moore:

Yes, it is impressive. That was helpful to know that, so that is 43 out of 193 are on pay protection. How many are anticipated to be put on to pay protection in the next ...

Group Director, People and Corporate Services:

Those figures I do not have at the moment. We are going through the iterations of the Target Operating Models where we look at that. I can get that information for year end.

Chief Operating Officer:

The thing is there are a lot of factors that fit into that. First of all, it is what the Target Operating Models look like, so what roles are there. Then it depends on who matches to roles because you are only going to end up on pay protection if you match to a role that is below your current level, so we will not know until we work through - it is literally on a case by case - who it is. Then of course the person has got to accept the role, because they might not choose to accept that match, so it is impossible to forecast that, but we can give you updates as we go through the process.

Senator K.L. Moore:

There is already a considerable number of people who are going through that process, because we meet them and gather the stress that they are going through on a day-to-day basis. So how many people are in the process at the moment of being matched?

Chief Operating Officer:

I do not know exactly at the moment, because the T.O.M.s (Target Operating Models) are in all the different stages. Ultimately everyone in the organisation will go through the process, so over 6,000 people.

[14:45]

Deputy R.J. Ward:

So 6,000 roughly.

Deputy M.R. Le Hegarat:

Have you had an answer to your question?

Deputy R.J. Ward:

No, I need numbers to get a picture of what is going on. Sorry, I have to work with numbers in my head.

Group Director, People and Corporate Services:

All Government departments are going through T.O.M.s. Now, in a lot of cases people's jobs end up back where they started, they do not change, but everyone will go through the process, everyone will have a new job description because that is the process we are going through to ensure that we get fairness across the organisation, that everyone has a Hay scored job evaluation which will get us ...

Deputy M.R. Le Hegarat:

Oh, we have gone back to Hay, have we? Interesting, okay. Just a question, because obviously we have somebody from H.R. that might be able to answer my question. You will be bored of hearing me ask the same question over and over again, but I am going to ask you today. When will we be finished organising the workforce in relation to which grade they will be? Because obviously, having come out of States employment myself, that is the one thing that I think a lot of people are concerned about, the length of time that it has taken. When will everybody know what job they have?

Group Director, People and Corporate Services:

So by the end of quarter 1 next year all the T.O.M.s down to tier 6 will have been completed, the majority of which will be completed in January and February.

Deputy M.R. Le Hegarat:

Thank you. I will hold you to that.

Group Director, People and Corporate Services:

Chair, could I make one point of clarification because Deputy Ward made the comment? So the 43 on pay protection are not all in tiers 1 and 2 and 3 because some went through a T.O.M. all the way through to tier 6 in the smaller departments, so some of those may be below that. I will get you the exact figures.

Senator K.L. Moore:

That would be helpful, thank you.

Deputy R.J. Ward:

Sorry, I was just trying to get some idea of the numbers. It is around 20 per cent on pay protection. If that extends throughout the workforce you will have over 1,000 people on pay protection, which is a significant number, but I suppose that is speculative.

Group Director, People and Corporate Services:

I think that is speculative, yes.

The Chief Minister:

It is speculative at this stage because it is diluted by the other tiers.

Deputy R.J. Ward:

Yes, but you see, by getting a picture of what the possible numbers are, you get a picture of what the possible outcome is and without that I do not think we can really understand.

Senator K.L. Moore:

We are going to move on and look at the I.T. (information technology) aspects now.

Deputy K.F. Morel:

Yes, absolutely. There is a wide-ranging and far-reaching request for cash in the Government Plan with regard to I.T. and digitalisation and obviously efficiencies depend on that, but how can we be

certain, given previous mistakes made by the Government, that these I.T. projects will run as planned and those same mistakes will not happen under this programme?

The Chief Minister:

I think the high level will come from Scott and then I will hand over to ...

Assistant Chief Minister:

Yes. We are putting in a much better due diligence for running projects because it is done not at a departmental level like it used to be in the past, it is being done at a corporate level. We are having a proper Corporate Portfolio Management Office, which we have never had before, which will oversee and control and keep an eye on the level of where a project is. The funding for projects will be seed funded in a way that if they do not deliver to the level of what they said they will achieve; the next lot of funding will not be delivered to them. So we are going to hold consultants and staff to a level where they have to deliver on what they promised based on the business plan that we have set out and that will be managed through a Corporate Portfolio Management Office that will pull it all together.

Deputy K.F. Morel:

How many people are staffing this Corporate Portfolio Management Office at the moment, today?

The Chief Minister:

John?

Chief Operating Officer:

At the moment, today?

Deputy K.F. Morel:

Yes.

Chief Operating Officer:

Because we have not set it up properly.

Deputy K.F. Morel:

No, I believed ...

Assistant Chief Minister:

The funding is in the capital plan.

Deputy K.F. Morel:

... that was part of ... EY were expected to come and set that up.

Chief Operating Officer:

They have created the infrastructure. Unfortunately, because we do not have enough money this year, we have not been able to recruit fully to that office. It is in the Government Plan. As soon as the Government Plan is signed off, I will go out and I will recruit the team that ...

Deputy K.F. Morel:

So what does that mean, EY set up the infrastructure but the office has not been set up? What does that mean?

Chief Operating Officer:

So they have created the processes. We have the Perform technology which we will use for reporting and we are using the reporting from a small number of key projects at the moment.

Deputy K.F. Morel:

At no point have you put people into that office to run that office?

Chief Operating Officer:

As we stand today, we have one person in that office managing the technology and we have a person who has oversight of the current programme, so they are reporting through it, yes, but they are ...

Deputy K.F. Morel:

But was it not the case at the start there were 2 people in that office?

Chief Operating Officer:

It did. One person has left and we have now put someone else in.

Deputy K.F. Morel:

That would be the senior person, would it not?

Chief Operating Officer:

That will be the senior person, yes.

Deputy K.F. Morel:

Is that because the infrastructure was not in place appropriately?

Chief Operating Officer:

No, it was because they applied for the new role of head of C.P.M.O. (Corporate Portfolio Management Office) and they chose not to accept it.

Deputy K.F. Morel:

They chose not to accept it or were not offered it?

Chief Operating Officer:

I probably should not discuss this in public.

The Chief Minister:

Yes, I was going to say you do not normally discuss individuals.

Deputy K.F. Morel:

Well, it is very difficult. This is a problem because hiring and firing discussions are matters which are at the heart of many of these issues and yet they are the things we are never allowed to discuss.

The Chief Minister:

That unfortunately is the general process in the States, you do not talk about individuals.

Deputy K.F. Morel:

So the C.P.M.O. is how you are going to make sure that these projects run appropriately in the future? Is that all your eggs in that one basket?

Chief Operating Officer:

It is twofold. The C.P.M.O. is about making sure the projects run properly and about making sure that we do things right. On top of that, we are setting up an architecture function. Again, there is a proposal within the Government Plan to create an architecture function and that is very much about making sure we do the right things. That is about making sure that when we make decisions on technology investment we invest in the right technology, that it is able to be reused across Government, that we reuse technology where we have already made investments ...

Assistant Chief Minister:

Commonality in the way that it works.

Deputy M.R. Le Hegarat:

Can I just confirm with you, you said you are still using Perform?

Chief Operating Officer:

We are using Perform, yes.

Deputy M.R. Le Hegarat:

Thank you.

Deputy K.F. Morel:

Obviously a large part of this is about digitalisation as well, and I appreciate many of the systems in the States of Jersey are not appropriate. Do you believe you have the balance correct between developing the actual I.T. systems and developing the digitised services which Islanders can engage with?

Chief Operating Officer:

I do. I think we do, because if you do not put in place the core systems behind that, then you end up where we are today with services that appear to be digital but end up in someone having to process the manual transactions. So I have not checked it, but I am told that there is a tax form that you can call up online ...

Deputy K.F. Morel:

Yes, they are always individual examples of ...

Chief Operating Officer:

... and it says: "Please print this out and send it in."

Deputy K.F. Morel:

Absolutely, but I am concerned that you are not staffing up the digitisation side of things properly, that the actual end user experience is not being looked at properly.

Chief Operating Officer:

We have money in the plan for that, but if you do not have a proper accounting system behind that, then you will always end up with a problem of a lot of manual handoffs.

Deputy K.F. Morel:

Is there much money being wasted through switching to new projects or are you able to take any funds that were in use for other projects and move to other areas?

Chief Operating Officer:

We do not really have many projects on the go at the moment, but in terms of using what has already been invested, we are deliberately setting out to build on what the eGov programme delivered. So we are using the Yoti I.D., we are using the integration layer that has already been created. We are using the I.C.A.R. (income collection and reconciliation) payment system. Those are fundamental to the delivery of everything else. So if we were to put tax online you would identify yourself to the tax system through Yoti. You will pay your tax through the I.C.A.R. system. It will use the integration layer to join that up to the new finance system so that we will be able to track your payment into the tax system to the payment into the bank.

Deputy K.F. Morel:

Among all this, you have lots of different projects happening all over the place. Do you have one single strategy, one single overall plan, which is making sure you encapsulate all of this?

Chief Operating Officer:

Yes, we do.

Deputy K.F. Morel:

Or are you just having lots of different projects happening all over?

Chief Operating Officer:

No, we have one single technology transformation programme that is set out in an outline business case, which we have provided to Scrutiny.

Deputy M.R. Le Hegarat:

Why do the business cases solely for Health and Social Services add up to only £5.44 million but total £9 million in the final table? Is this due to cross-cutting efficiencies and, if so, what are their relative proportions?

The Chief Minister:

I think I will hand over to Richard, but I should think the short answer is ...

Treasurer of the States:

I am passing over to Steve.

Group Director, Performance, Accounting and Reporting:

There is an element of H.C.S. (Health and Community Services) savings in the one that you picked up earlier on the cross-cutting, as you have described, in a modern and efficient workforce. It does

total £9 million, I absolutely guarantee that. That is the number across all of H.C.S. Some of it is in there and some of it is shown in a different chart.

Senator K.L. Moore:

Was the same methodology for finding and determining the financial impact of efficiencies used across all of the departments?

Group Director, Performance, Accounting and Reporting:

Yes, what we do is we use the finance business partners across the whole piece and they have a consistent approach, which they did not have previously. So now it is a unified service under Richard working to myself and all colleagues work to the same standards.

Deputy K.F. Morel:

You did not say, what is your job title?

Group Director, Performance, Accounting and Reporting:

My job title is Group Director, Performance, Accounting and Reporting. I report into Richard.

Deputy K.F. Morel:

You did not say that at the beginning.

Group Director, Performance, Accounting and Reporting:

My apologies. All the business partners report into myself whereas previously they reported individually to director generals. You will therefore have got different working practices. You do not have that now; you have a standard approach. We are also improving that, so we are looking at various standards we can implement across the whole of Government so you get that standard approach financially.

Senator K.L. Moore:

Have the efficiencies been checked and analysed by officers once they were provided by each department?

Group Director, Performance, Accounting and Reporting:

Yes, it is a joint approach. It is not a case of a department just pops it in and we just add it up. Colleagues are rigorously challenging these all the way through. Some of them are continuations of work done in 2019, so people learn and they develop and they improve it from that. It is a continuous process and it will continue through next year as well.

Senator K.L. Moore:

Would it be possible for us to have access to the impact assessments that have been worked up, please?

Group Director, Performance, Accounting and Reporting:

We can, subject to whatever ... sorry, I am not familiar with the rules, but yes.

Senator K.L. Moore:

Okay. So if we move on, is there a proportion of all departmental efficiencies that are to be delivered by each department?

The Chief Minister:

We have not done a salami approach in terms of saying: "You have to take 10 per cent off your budget." I think that would be the simple way. Steve and Richard, do you want to comment on that, or John?

Group Director, Performance, Accounting and Reporting:

It is very much an efficiency-driven approach, so absolutely not salami-slicing, absolutely not a percentage. It is colleagues working and engaging and seeing what they can come up with.

The Chief Minister:

I have referred to that in the past when, as I said, I know 2 C.E.O.s (chief executive officers) before there was a really good suggestion about what we do, how we do it and all that type of stuff, and then just at the end of the presentation: "Let me just float an idea" and it was 10 per cent off everybody's budgets. That is salami-slicing, for the benefit of the public, which is not necessarily the most effective way of delivering long-term efficiencies.

Deputy R.J. Ward:

Can I just ask something on that? Given the idea that it is finding efficiencies appropriately, which is what you are suggesting, the definition of efficiencies that you have has 4 parts. Are those 4 parts interdependent? Are they separate from each other? So reduction in revenue, more efficient collection, increasing revenue and extension of charges, i.e. if one area in one department works better than others, then perhaps can we not extend or increase existing charges, for example? Or vice versa, an area of collection works very well and we get suddenly a windfall of income tax, which you have been looking for for years, then other areas of those 4 efficiencies can be looked at differently. Are they interdependent of each other or are they ...

Assistant Chief Minister:

The Government Plan is a yearly review, so of course as things happen ...

Deputy R.J. Ward:

That is not what I am asking. Yes, I understand ...

The Chief Minister:

Are you saying if you can find a way of ... or put it this way, if we get a windfall, whether it is because somebody puts taxes up or whatever, can the fact that we have said ... we therefore do not need to better manage overtime and sickness, I think the short answer is no because the responsibility having ... this is my political view. The Treasurer can comment from an officer point of view. My political view would be that if an officer has identified efficiencies, they would be morally bound to continue those efficiencies within the context ...

Deputy R.J. Ward:

Each of the 4 areas are sort of separate from each other in a way.

Treasurer of the States:

If you take the position in the Public Finances (Jersey) Law, the P.A.O. (principal accountable officer) and then accountable officers who are appointed underneath that are responsible and accountable for the economy, efficiency and effectiveness of the service that they lead. So to say if Mr. Summersgill does better in the compliance work, therefore A.O.s (accountable officers) should not deliver efficiencies they have identified runs against their responsibilities. What it would point to is that Mr. Summersgill thinks that perhaps this first tranche is being conservative with the estimates and that will go further ...

Deputy R.J. Ward:

I am obviously thinking not that, I am thinking the efficiencies that are identified are not possible, because this is after all a plan. You can plan to be an astronaut and end up ...

Assistant Chief Minister:

We do not have a crystal ball.

Deputy R.J. Ward:

... that there is flexibility within these 4 areas, they are interdependent or interlinked or one can feed into the other.

The Chief Minister:

I think what I would say is that overall we think that within the £40 million there is flexibility. What I would say, and I will perhaps hand over to Steve and then John, there is some ...

Deputy R.J. Ward:

I do not want to spend a long time. It is just really to get a picture of what the efficiencies will look like because in the end that is what we need to do. I think that is the concern that is in the workforce: "What is it going to look like in my day-to-day work?" That is a real, genuine concern in your workforce: "What is this efficiency going to look like for me when I go to work on that day?" That is why I asked the question.

[15:00]

Senator K.L. Moore:

Okay. So is there a list of cost recoveries and new income arising from this programme, Chief Minister, and, if so, would you be prepared to share those with us?

The Chief Minister:

I have no problem with sharing matters with Scrutiny. When you say a list, how do you mean?

Senator K.L. Moore:

Identification of cost recoveries that are expected from the programme and arising there.

The Chief Minister:

If you require further detail beyond what is in here in particular areas ...

Group Director, Performance, Accounting and Reporting:

Yes, we can collate and let you have it, no problem. Yes, we have it all broken down in various ways.

Treasurer of the States:

They are mentioned throughout the document but we can give you it in a single list.

Deputy R.J. Ward:

I think this is perhaps what I was getting to just now. Those cost recoveries, when you look practically, when we were looking in the Education Scrutiny Panel at the Government Plan for education, there are cost recoveries, for example, at Highlands College. Seeing what they look like, are you certain that the people on the front line are certain as to what that looks like and what that means to them? Because it is, as you keep using this phrase, higher level and I understand that to

some extent because this is a big plan, but I hate to say it, but the devil is in the detail and also the success or not is in that detail. If on the front line of Highlands College, as a practical example, that does not work, then is there an acceptance ... do you think people are clear as to what that is?

Treasurer of the States:

I think that is the challenge laid down by the Minister for Education in particular. If you read page 45, that one talks to Highlands' cost recovery or fees, if you like, at .57, so 17 per cent across the base of income there, but the Minister has asked for further work which will extend into those impacts and making sure that they are understood and in the right place before she will sign off on the plan.

The Chief Minister:

To put that into context, I think it is worth putting it into context, and perhaps Steve can add something afterwards, which is why it has come to light or come to our attention, essentially. So in terms of Highlands, Highlands as a whole costs us around £9.6 million a year to run and that is around £3.3 million to £3.4 million of income and £13 million of costs. We do already charge some fees. So if the full 571, which is on the Highlands side, was achieved, that would take you from £3.394 million up to £3.965 million in terms of income. That just gives you a proportion and that is relevant. So staff and supplies are around £11 million, £12 million. One of the issues in all of this is around courses that are charged for - that essentially businesses send people to so businesses pay for - is to what extent do we and should we subsidise those courses for those businesses to put people through? There is a decision and that is I think one of the areas where the Minister for Education wants further information. You will have some quite large organisations who could afford the increases and probably rightly should pay slightly more, and you will have some small businesses which perhaps you would want to treat slightly differently. That is a discussion that has to go on, which is why this is highlighted as further information required, and we will see. If not, we go back to the other points in the plan, which is either you find alternatives or you refocus on the growth. That is clearly identified as an area which requires some further information. Steve, do you want to add anything?

Group Director, Performance, Accounting and Reporting:

Sorry, if I may, just on the technicalities of it, yes, cost recovery is a high-level principle. We are working towards that. So how do you apportion out your costs? You can do it on the number of people, you can do it on the value of the assets, the number of budgets. We are improving that. It goes back to the earlier comment. Previously you would have different approaches in different departments. We will put forward a standard approach and move towards cost recovery. Again, this will be a journey. This is not something you can just do in a day or so, but we are working towards that. We will seek to cost recover wherever we can and Ministers and Members agree that that is appropriate to do so.

The Chief Minister:

But as the example in there, if, for example, we move all the way out of Education and go to Health, if we are under-recovering costs, for example, on private health insurance, then should we not be addressing that?

Senator K.L. Moore:

But, sorry, Chief Minister, it is very much a political matter though. Cost recovery in education when as a government you have committed to providing a skilled workforce and improving those skills, generally I would assume that the majority of people in education are younger people who do not work so they are paying for this education as ...

The Chief Minister:

This is not about them. Quite clearly this is about the courses that are paid for by businesses and whether and to what extent we should be subsidising those things. It is not about apprenticeships or anything along those lines.

Senator K.L. Moore:

But it still has an impact on the economy though.

The Chief Minister:

Everything we do has an impact on the economy.

Senator K.L. Moore:

Yes.

Deputy K.F. Morel:

The question is: do you monitor and will you monitor the impact that decision has on the take-up of the courses and the skill base within our workforce? Because obviously if such a decision reduces the skill base of our workforce, then it is very simple to say that it is a failed decision.

The Chief Minister:

Yes, it is the wrong decision, we agree, and that is I think one of the areas, but in ...

Deputy K.F. Morel:

So you will be monitoring this?

The Chief Minister:

Yes, there will be monitoring but, as I say, that is why I think further information is being required.

Senator K.L. Moore:

It appears that when we talk about impact analysis, that has taken place on an incremental basis looking at each idea one by one. We are now going to move on to look at suppliers, and I believe we have already had an element of questioning about the negotiations that are projected with suppliers through the chief operating office. However, the question here is about the impact on local businesses. If they are expected to be squeezed on price, what impact could that have on their own profitability, therefore their ability to pay wages to staff and employ people in our local economy? Then how is that squared with the cost recovery that is being sought if that business was say putting people through education, at the same time also they have to pay the additional fuel duty, employers' contributions? Is there a cross-Government Plan distribution impact analysis? Because it appears that it has only been taken into account on a case-by-case basis.

Treasurer of the States:

I think it is fair to say that as the whole package has been put together there has been focus on the whole package. We do not generally sit in splendid isolation from one another thinking up individual measures. You then do look, and that is in particular at the C.O.M., about how that is spread, how that is distributed, if you like, how that burden is ...

Senator K.L. Moore:

How did the C.O.M. consider those questions then? Is there any evidence of that discussion taking place?

Treasurer of the States:

Certainly in terms of when we are setting out tax, the balance of tax and the balance of spend, also the C.O.M. set out from a perspective of not increasing taxes until efficiencies have been delivered, but also within those principles that are in the Government Plan, if I could turn to the right page in the document, is a principle around cost recovery and that particularly Ministers have been alert to that in terms of ever since Zero/Ten. There have been a number of instances of that over the years where since Zero/Ten many have held at a political level that therefore businesses are not paying the level of taxes that they paid but they are still accessing the services that they accessed in the time when they were paying those taxes. So that comes into the decision-making as well. That comes into the decision-making and has done since Zero/Ten was introduced if you think about Social Security rises in the past that were over the current standard earnings limit to the upper earnings limit.

Deputy K.F. Morel:

Could you tell me what is the overall inflationary impact of the whole Government Plan for next year?

Treasurer of the States:

I do not have a figure for you on the overall inflationary impact ...

Deputy K.F. Morel:

You just said that you absolutely look at this as a whole package.

Treasurer of the States:

I said that they were cognisant of the impact across the piece ...

Deputy K.F. Morel:

But you have never provided them, as Treasurer, with a figure which is: "Your Government Plan in this current state raises inflation by X amount"? You have never given them that?

Treasurer of the States:

No, because I think if we were to try and do that across all the measures within the Government Plan it would need a considerably larger Treasury than we currently have.

Deputy K.F. Morel:

Even just the taxation-raising measures?

Treasurer of the States:

So tax-raising measures, we generally will highlight where there will be inflationary impacts and ...

Deputy K.F. Morel:

So what are the inflationary impacts of a tax-raising measure to the Government Plan?

Treasurer of the States:

I do not have the ... I was here for an efficiencies review. I do not have to hand ...

Deputy K.F. Morel:

But as Treasurer, that is not a number which is just in your head naturally?

Treasurer of the States:

No, never even ...

Deputy K.F. Morel:

No? Okay. You can say that it is 0.1 per cent on fuel, it is 0.08 per cent on tobacco, it is 0.06 per cent on alcohol. You can then tell me on top of that what is it for the long-term care charge plus the 0.5 per cent on the social security. Are you able to tell me ...

Treasurer of the States:

The long-term care charge is levied on individuals, not levied on businesses.

Deputy K.F. Morel:

Yes, but it has an inflationary impact on the cost of living in Jersey. It increases their cost of living.

The Chief Minister:

Can I interject? Also it is that the tax allowances have also been increased and that is a compensatory amount so ...

Deputy K.F. Morel:

Absolutely, but then you should be able to give me what the inflationary impact is.

The Chief Minister:

I think what we said is that, broadly speaking, the impact of the tax allowances at this stage versus the increase of impôts is broadly neutral, if I remember correctly. One covers the other.

Treasurer of the States:

So in terms of financial ...

Deputy K.F. Morel:

Broadly neutral?

The Chief Minister:

Between the impôts allowances and the personal allowances it is broadly neutral.

The Connétable of St. Brelade:

Can I just take us back to a bit more towards the ...

The Chief Minister:

That is in financial terms. Hang on, sorry, Connétable. Obviously there will be individual circumstances because it depends if one smokes and is not a taxpayer in terms of inflationary impact, but in terms of financial impact across the board, they are broadly neutral from the Government perspective.

The Connétable of St. Brelade:

Going back to suppliers, it is easy to know the cost of everything and the value of nothing, and I think what the Chair was after really was are you taking a holistic view on pressurising local suppliers versus perhaps U.K. (United Kingdom) ones and considering the effects on local staff, continued employment and suchlike as part of the decision-making process in procuring all Government supplies?

The Chief Minister:

I do not think we are targeting local suppliers against non-local suppliers or the other way around in terms of we are not picking on anyone. What we are saying is we need to make sure or see if we can drive down certain of the costs where that commercial approach has not been applied previously.

The Connétable of St. Brelade:

I would not disagree with that, but I think one needs to be cognisant of the effects that may occur if supplies are not obtained locally where they can be.

The Chief Minister:

Yes, that is a slightly different argument about who one applies the costs to. We are trying to be consistent. Steve, do you want to comment?

Group Director, Performance, Accounting and Reporting:

Some examples, if I may. We have had the conversations that I think you are referring to with suppliers, but none of it is particularly targeting local. It is simply going through where we purchase goods at the moment, quite frankly on some occasions just ringing up and having a conversation. I think some of these have been relatively straightforward. So no specifics, but I suspect some suppliers have, quite frankly, been overcharging the Government in the past because there has not been that approach because of the ease with which we have negotiated.

Deputy K.F. Morel:

Can I just ask where do you come up with the figure in terms of contract efficiency? How do you come up with a figure of £2.08 million as the amount, which is number 1.8, page 29? I am just interested: how do you come up with £2,080,000 as the amount of money that you believe you can save from contract efficiency?

Chief Operating Officer:

We had a commercial team who reviewed the contracts and made a call on what they think is achievable.

Deputy K.F. Morel:

Who was this commercial team?

Chief Operating Officer:

This is a team from EY.

Deputy K.F. Morel:

EY, the £2 million commercial team? Is that the same team that was ...

Chief Operating Officer:

No, it was not a £2 million commercial.

Deputy K.F. Morel:

What was the size of their contract?

Chief Operating Officer:

So for the commercial review it was done ... it included other work for a total of £600,000.

Deputy K.F. Morel:

£600,000. Did they mention how they could have made their own contract cheaper while they were doing that? No. Tell me, how did they come up with £2.08 million?

Chief Operating Officer:

So they went through, they did a review of all the contracts. They looked at where we could potentially amalgamate contracts and took a view on where we could get scale efficiencies. They looked at contracts where they have not been reviewed for a long time using their knowledge of what the market is. If I take a practical example, the Microsoft licences, we have a myriad of different licences bought at different times.

Assistant Chief Minister:

From different departments.

Chief Operating Officer:

By different departments on different terms. If we put all those contracts on the best term of the one ... took the best contract and contracted at that rate for everything, we would save nearly £400,000.

Deputy K.F. Morel:

Were EY advising you on purchase of care and things like this as well, care contracts and that sort of thing?

Chief Operating Officer:

Care contracts will be in there but they were not part of the £2 million.

Deputy K.F. Morel:

Not part of that £2.08 million? Because that purchase of care is very much on this piece of paper, page 29: "Purchase of care, £2.08 million." That is part of it.

Chief Operating Officer:

Sorry, they have done it, but they did it with ... they did a health review and they did a C.Y.P.E.S. (Children, Young People, Education and Skills) review.

Group Director, Performance, Accounting and Reporting:

Sorry, if I may, John, there are a number of aspects to that. So we have had a look at the work going on in H.C.S. and elements such as some of the care has not been reviewed for a long time, so we are promoting reviews of care to make it better for people. Some of them are, quite frankly, not in contract, the terms and conditions have not been reviewed for a long time, so it is that sort of suggestion, something that is just good practice and housekeeping.

The Connétable of St. Brelade:

But I think it is worth clarifying from previous meetings this is care in the U.K., not care locally. Am I right in saying that?

Group Director, Performance, Accounting and Reporting:

It is a mix. It is wherever it applies. It is absolutely best to get the best for the Islanders and get the best value for money.

Deputy K.F. Morel:

I am just interested in how ... because that is all absolutely fine and I am sure it is correct, but how they then put a figure on what they reckon the new contracts will save.

[15:15]

Group Director, Performance, Accounting and Reporting:

We looked at previous experience from elsewhere and looked at the values and took a reasonable judgment. None of this is excessive. It is not a giddy figure. It is if you review your contracts you might in good practice save 5 per cent or 10 per cent per annum and it is looking at that sort of approach. But it is looking at the processes we follow to make sure that they are the best.

Senator S.C. Ferguson:

Has anybody got in touch with the suppliers and got a figure down in black and white?

Group Director, Performance, Accounting and Reporting:

Yes, we have several instances from 2019 where precisely that has happened. So looking at Health as an example, there is benchmarking available from the N.H.S. (National Health Service). That is not Jersey correct, but it gives you a good measure to have a conversation with a supplier and say: "This is charged X in the U.K. Why are you charging us Y in Jersey?" It starts the debate and the discussion.

The Chief Minister:

I think it would be fair to say - and if you can put some flesh on it, it might be helpful for the panel - that there have been some achievements already on that front.

Group Director, Performance, Accounting and Reporting:

There absolutely have, yes. We have a series. A very, very simple example is looking at theatre packs. We used to get items on an individual basis. Now we get them in a pack. It is more economical. It saves colleagues in theatres time so they are not trying to pull all the individual elements out. There are a series of others.

Deputy K.F. Morel:

Of course this is stuff which Corporate Services is meant to have been doing for years and years and years.

Group Director, Performance, Accounting and Reporting:

Sorry, say again?

Deputy K.F. Morel:

This is stuff which Corporate Services has meant to have been doing for years and years and years. It is at least a decade ago that exactly the same words were being said in this area about how they were going to centralise the purchase and purchase everything together in a bigger bowl and therefore reduce the costs, so why has that not happened? Why are we still saying the same things a decade later?

Group Director, Performance, Accounting and Reporting:

I cannot comment on what happened 10 years ago personally.

Deputy K.F. Morel:

No, because it bothers me.

Group Director, Performance, Accounting and Reporting:

I would imagine, and this is purely my estimate from experience elsewhere, this is a continuous process so you are continuously reviewing your processes. You are continuously reviewing your contracts and you are always finding inefficiencies wherever, but as you will appreciate, I cannot say exactly what happened 10 years ago.

Deputy K.F. Morel:

I wish somebody would answer for the Government.

Senator K.L. Moore:

Okay, we do need to move on in the interests of time. Deputy Ward is going to ask the next question.

Deputy R.J. Ward:

Are all the director generals in similar roles happy with the reduction in posts and have you taken into account the concerns expressed by the Jersey Prison Service Association of the J.H.A. (Justice and Home Affairs) operating model, which is on page 53 of your document ...

The Chief Minister:

Sorry, so what was the question? Are all the director generals happy?

Deputy R.J. Ward:

Yes, with the reduction in posts.

The Chief Minister:

To my knowledge, I believe that is the case, but ...

Chief Operating Officer:

Yes, it was approved by the Corporate Services board, all the efficiencies were.

Deputy R.J. Ward:

The concerns by the Prison Service Association, they have raised concerns about reduction in the prison, for example.

The Chief Minister:

Certainly my understanding is that the prison governor is satisfied with the various changes.

Deputy M.R. Le Hegarat:

We are not talking about the prison governor though; we are talking about the Jersey Prison Service Association is what he is asking.

The Chief Minister:

The original question was director generals.

Deputy M.R. Le Hegarat:

Yes, about the directors, yes, about the association, but that is not the prison governor.

Deputy R.J. Ward:

It might be clear the director general may be happy but the prison service, the officers' association, have expressed some concerns. Have they been taken account of or are you at least monitoring the situation so that we do not have our prison officers at risk?

Group Director, People and Corporate Services:

I have had a conversation with the prison governor around this and he is quite relaxed about the proposals he has put forward. He is taking more time to explain that to his staff. None of the roles are the operational roles within the prison. It is merging of roles around health and safety and facilities. It is making better use of the running of the prison rather than the prison officers themselves.

Deputy R.J. Ward:

Okay. I am conscious of time and we have a lot of questions. Do you want to ...

The Chief Minister:

I was just going to ask ... I unfortunately - and very rarely - have a meeting that starts immediately after this at ...

Senator K.L. Moore:

So we will keep going.

Senator S.C. Ferguson:

Perhaps if we do not finish the questions we can write them in.

The Chief Minister:

That is fine.

Senator S.C. Ferguson:

We will get them back tomorrow morning first thing. **[Laughter]**

Senator K.L. Moore:

Right, so commercial operations, contract efficiencies. How were the 4 categories agreed upon, please?

The Chief Minister:

Do you want to give us the page again?

Senator K.L. Moore:

Twenty-nine.

Chief Operating Officer:

So those are not categories, they are the high level ... sorry, they are examples we have given. There are other categories. We did not categorise whole categories. We have found efficiencies and we have said that the key areas are these, but there are other categories as well.

The Chief Minister:

Yes, including, not exclusive.

Chief Operating Officer:

Yes, so there is a whole bunch of contracts and they include technology, contract management, care and agency. They are not just contracts categorised by those 4 categories.

Senator K.L. Moore:

Okay. So then we get to page 33, which refers to the recharging of capital schemes. Is that just shifting figures in columns?

The Chief Minister:

One for you, Richard.

Treasurer of the States:

What is that, sorry?

Senator K.L. Moore:

Shifting figures in columns from capital to ...

Treasurer of the States:

It is about properly costing up schemes rather than what happens at the moment, which is generally where direct costs are recognised in the costs of capital schemes but lots of indirect costs that are carried by departments are not allocated in the appropriate place.

Senator K.L. Moore:

Then how many of the efficiencies will need to be voted on by the Assembly? For example, will an increase in parking charges, page 35, require the approval of the Assembly? It looks like it might have to do that because the public will demand it through the number of people responding to the petition at the moment.

The Chief Minister:

I have to come back and check on that because I am thinking in terms of I think the Minister does it by order usually.

Treasurer of the States:

Yes, I think the Minister issues it through an order. So you will see law regulatory change required, top of page 35 in the black box says there is an order from the Minister.

The Connétable of St. Brelade:

We will pick that up and clearly there will be concern at that stage and I will have to make that clear to the Minister. What are your views on the level of the response to the petition?

The Chief Minister:

Basically there are 2 views on this at this stage and it is around behaviour. It goes back to, I am afraid, what I was saying ...

Deputy R.J. Ward:

Can I just make one point on that? The amendment about tax-raising revenues was from your Minister to my proposition. It is not something I agreed with at the time because of exactly this sort of argument. I just want to put that on the record.

The Chief Minister:

Okay, the reason I was pointing it out, the reason I was looking at the overall plan and this side of things is that if you are going to change behaviour there have to be consequences, which these often are one of the type of consequences one will see. What I have understood, bearing in mind I am talking about a high level, is that transport is one of our bigger contributors to carbon, and that was the decision of the Assembly. There is a discussion around parking charges and increasing those versus the parking times. There was a decision not to do parking charges because we did not particularly want to hit shoppers versus commuters.

Deputy K.F. Morel:

I have to ask because it is burning away at me. For all the reasons that you have just said to Deputy Ward about helping climate change et cetera, why have you categorised this as an efficiency and not what it is, which is a revenue-raising measure?

The Chief Minister:

In terms of the definitions that were put together on efficiencies there are certain revenue-raising measures which are encapsulated by efficiencies.

Deputy K.F. Morel:

But how does this make Government more efficient in any way? Tell me how it makes Government more efficient.

The Chief Minister:

The argument is that it is around changing in behaviour.

Deputy K.F. Morel:

But that is not making Government more efficient.

The Chief Minister:

That is a political decision at the end of the day, but the ...

Senator K.L. Moore:

Okay, so explain to us a little about the rationale. So you have said you do not want to target shoppers, so instead you are targeting people who live in town ...

The Chief Minister:

Commuters.

Deputy K.F. Morel:

You are targeting residents of St. Helier.

Senator K.L. Moore:

Targeting residents, yes.

The Chief Minister:

The 5 to 6 I would argue is commuters.

Deputy K.F. Morel:

But what about the seventh and eighth?

The Chief Minister:

The 7 to 8 is ... as I said, at the moment where the Minister is, he is looking at the various options, which is what it says. It says: "The precise nature of delivery is subject to further analysis." He supports the value that they think they can identify and I suspect that what will come out ultimately will be some form of hybrid.

Senator K.L. Moore:

But this is in black and white now. This is your plan. It is part of your plan, so what is the political rationale between targeting this group of people over any other? You could look at heating fuel, for example, which is I think perhaps almost equal to the pollution contribution.

The Chief Minister:

There are all sorts of measures that we could be covering under carbon emissions and that will ...

Senator K.L. Moore:

So we want to understand why you have chosen this.

The Chief Minister:

This is it, I think ...

Deputy K.F. Morel:

Given that we do not have a climate strategy in place yet.

The Chief Minister:

I was going to say do not forget what we have been talking about. Some of these are initial measures and the plan that will come through at the end of the year - I believe is the target under the dates

and officers are working quite strongly on that - will, I suspect, target things like heating fuel. This is an assumption, by the way. I assume it will cover things like potentially anything to do with gas.

Deputy K.F. Morel:

But do you not think we should take this £0.7 million out of the efficiencies programme because it is not an efficiency, it is simply a revenue-raising measure and it should not therefore sit within your efficiencies programme?

The Chief Minister:

The definition in the efficiencies included some revenue-raising measures because some of them are about restating ...

Deputy K.F. Morel:

You can say that as often as you like, but there is not a single member of the public who sees this as an efficiency, as making Government more efficient. In fact, it is more likely to make Government less efficient because you are just throwing more money into Government. It enables it to be less efficient as a result. So you can say it as many times as you like, that it is in there as a definition of efficiencies. There is nothing about this which makes Government more efficient.

The Chief Minister:

But as I said, part of the ... which is the bit I alluded to in one of the previous hearings, I think. I certainly alluded to it somewhere in the Assembly, if not at Scrutiny, I believe, that part of this is around behavioural change. Now, you can argue that is not efficiency, but ...

Deputy K.F. Morel:

But that is for something other than this plan. That is for the climate change plan, not the efficiencies plan.

Deputy M.R. Le Hegarat:

Could I interject a minute?

Senator S.C. Ferguson:

But you are ...

Senator K.L. Moore:

Sorry, Senator, Deputy ...

Deputy M.R. Le Hegarat:

Can I just say raising charges is one thing in relation to car parking, but that is about changing people's behaviour, but in order to change people's behaviour can we please look at a transport policy first? Because until we have a strategy in relation to transport and we have a decent bus service, people are not going to get out of their cars. So however we put it up, it is not going to make a difference, is it?

Deputy R.J. Ward:

We have a sustainable transport policy. We are on our third one.

The Chief Minister:

The argument that comes out of that ...

Senator S.C. Ferguson:

No, I am sorry, can I just come in here, please? You are penalising the lower income people living in town.

Deputy K.F. Morel:

It is regressive, by your own definition.

Senator S.C. Ferguson:

It is grossly unfair. If you go into Sand Street, for instance, at 5.00 p.m. or 5.30 p.m. to pick your car up, the place is nearly empty, but it then fills up with people who are coming home and are parking. What you are doing is imposing a regressive tax on the people who are living in town because they cannot park on the streets because of the restrictions that have come in.

The Chief Minister:

The restrictions of how people park in town is not under the control, as I understand it, of the Minister.

Senator K.L. Moore:

But you should have taken that into consideration when making a decision.

The Chief Minister:

No, I was just correcting something, sorry. In terms of the costs of parking, if we go to the other extreme in the argument - and I am slightly worried because I do not want to irritate the Senator any further - if you go to the converse argument, you say all parking should be free, which hopefully you would not agree with. So in Jersey overall - and I am a car user categorically - the cost of operating a car over here is relatively low. Now, the consequence, as I said ... I mean, if somebody wants to remove the £700,000 I am not going to get too overexcited about it. We will do things in a different

way, but the point of the climate emergency is about carbon. It is not about who has what wealth. If you only want to tax the rich on this, then you will not achieve ...

Deputy K.F. Morel:

But could I ...

The Chief Minister:

Hang on, you will not achieve the carbon efficiency ...

Deputy K.F. Morel:

Apologies, could I quote from your own report on this?

The Chief Minister:

Could I possibly finish?

Senator K.L. Moore:

Sorry, no ...

Deputy K.F. Morel:

It said: "Those on lower incomes may have limited opportunity to reduce other areas of consumption without a significant impact on their overall welfare." So the people you are hitting hardest are the least able to change their behaviours, and that is by your own reports on this.

Deputy R.J. Ward:

Is the issue not that there has not been an alternative produced? This is the third sustainable transport policy we have had, I believe. It was suggested that because it is the third one I get to keep it, but that was ... we have not got anywhere. Now we are looking at this allegedly joined-up thinking. If there was an alternative, this would not be as regressive as it is, but there has not been because that has not been developed yet.

The Chief Minister:

I think the question is if you are looking at behaviour, is there any particular reason why if it is around commuters - and we have had that discussion - that people could not car share? Now, what I will say is when people say putting prices up does not change behaviour is I can remember when there was a significant increase in the days that Gas Place car park was a car park ... sorry, as opposed to Millennium Park. I can remember looking out over that car park for probably the next 3 months and whereas previously you had to be there at 8.30 a.m. in the morning at the latest to get in there, you could park in there at 10.00 a.m. In other words, it is clear, I would suggest, that in terms of

changing behaviour doing things on parking does afford short-term fixes - long term I do not know - and does have an impact. Now, does that encourage things like car sharing, which would be therefore a way of mitigating the impact? I do not know, I am not a traffic expert, and perhaps that is something for the department, but that is the measure that they came through and it is around, as I understand it, behavioural change. The suggestion was it was better not to do the increase in charges but to just extend the hours. You might have a discussion, since Sunday trading has come through: "Why is parking on Sunday free instead" so there may be ways of doing that.

Senator K.L. Moore:

Because you said you did not want to target shoppers. We have one final question from Constable Jackson and then I think we will have run out of time.

[15:30]

The Connétable of St. Brelade:

Taking you to the Fiscal Policy Panel's annual report of October 2019, it includes the fact that efficiencies have become harder to achieve over the 4-year period. How have you mitigated for this and what work has already been done to identify any efficiencies in a way that does not harm the front line ...

The Chief Minister:

Can I do the high-level one and I will I think hand over down the line as we go? Broadly speaking, if you look in the longer 2022-23 territory, if you get the I.T. in early, that will start generating some efficiencies further down the line. If you do not, then it will be harder. Shall I just hand over to Steve now and just see if he has anything to add?

Group Director, Performance, Accounting and Reporting:

One thing to factor in is that the figure we are estimating for future years is only half of what we are estimating for 2020, so by default that will make it a little less challenging than it has been. I would suggest in the scale of what you manage as a government £20 million is a totally manageable number with the buying power and the efficiencies that you can develop. Colleagues are also engaging more and more with this and starting to look at efficiency measures. Indeed, somebody came up to me only 2 or 3 days ago: "I have had 3 more ideas, Steve, but I have not worked them up yet." They are starting to look at how they can improve and save money at the same time, so I believe in future years it will get simpler and not necessarily harder.

The Chief Minister:

Richard, anything to add?

Treasurer of the States:

Just to add 2 things. First, the Fiscal Policy Panel a year ago or 18 months ago said in their report that you should have a permanent programme of efficiencies, so just because perhaps they get harder to find does not mean to say you should not go and find them. Secondly, we are putting in place ... while the technology will deliver at the back end of this programme is the plan, at the front end we are now standing up a programme of zero-based budgeting, which means going heavily into existing spend as opposed to just on the incremental spend with a view to building up budgets from scratch.

The Chief Minister:

If I can just also add, by the way ...

Senator S.C. Ferguson:

Zero-based budgeting, hurray.

The Chief Minister:

Yes, I was very keen on that and that is why it is in the plan. If you look in section 9 as well of the Government Plan - that is around 184 onwards - you will see some of the other things that we might be thinking about going forward, which will also have potentially in certain instances, not all, either change or potentially savings.

Deputy K.F. Morel:

Can I just quickly ask on raising revenue again, the private aircraft income, that surely just goes to Ports of Jersey?

The Chief Minister:

The short answer is we have had that discussion and I am informed it is not. I believe it is to do with the processing of applications for aerial permits, which I believe is not in the hands of ports. I would need to go back and clarify that, but ...

Deputy K.F. Morel:

Would you please clarify that, because again that is not an efficiency, it is a revenue-raising measure and clearly nothing about making Government more efficient?

The Chief Minister:

It is arguably saying it is about putting the money into the right place, which previously has not been collected.

Deputy K.F. Morel:

But still no government becomes more efficient is the ...

The Chief Minister:

It is a free good. It was saying that that should be being charged for.

Senator K.L. Moore:

Okay. Gentlemen, thank you all very much for your time today. I will close the hearing.

[15:33]