

### **3.4 Deputy R.G. Le Hérisier of St. Saviour of the Minister for Economic Development regarding progress of the Public Sector Reform project:**

Given his responsibility for overseeing public sector reform, would the Minister outline how progress is measured in the implementation of the reform project and whether the anticipated progress has materialised?

#### **Deputy A.J.H. Maclean (The Minister for Economic Development):**

I can assure Members that significant progress has been made across all aspects of public sector reform. This progress is measured in both qualitative and quantitative terms. When the Council of Ministers approved the way forward for public sector reform in March 2013 a number of deliverables were identified across all workstreams. These were e-Government and proof of concept projects, workforce modernisation, culture and the Lean Academy. These cover what was acknowledged to be an enabling period for reforms spanning 2013 and 2014. The project put in place represent the building blocks in which departments will develop long-term sustainable transformation. Twelve months after the reform programme was first agreed the Council of Ministers recently received a progress report, which showed nearly 80 per cent of the 48 individual deliverables were either completed or on track for completion. The progress in all aspects of reform is reported to the Political Oversight Group and Council of Ministers. It is encouraging that in addition to direct and tangible improvements we are also seeing positive changes in both culture and behaviour across the organisation, for example, the partnership working achieved with our trade unions, which is true progress and was recognised at the Teachers National Conference over the Easter weekend.

#### **3.4.1 Deputy R.G. Le Hérisier:**

Notwithstanding that glowing report by the manager of the project [**Laughter**] I wonder if the manager of the project could comment on the fact that in order to make public sector reform palatable to people lower down the system and indeed to the public, there is a feeling that we have to ask some very hard questions about the growth, the cost, and the extent of management within the public service. Could he in a specific sense outline whether he has been able to deal with that issue and what reductions in senior management is he able to report to the House?

#### **Deputy A.J.H. Maclean:**

I would point out to the Deputy that I am not the manager of the programme. I have political oversight together with my Political Oversight Group colleagues, and of course the Council of Ministers, and ultimately this Assembly, so I think he was a little overstating that point. Nevertheless, with regard to his question, of course he raises what is a very pertinent question in terms of costs, size of organisation and such like. But what we have to remember is that any reform programme first of all takes time; secondly, it is essential that in any organisation, staff, in particular, are taken with us on the journey. I think we have seen in the past that was not the case, in particular where we have sought to do comprehensive spending reviews and such like, which was short-term measures whereas this reform programme is a long-term measure designed for sustainable change in the public sector providing an organisation that is more agile, more cost effective, delivering efficient services at the right price, bearing in mind cost is a key driver. But that very much will be flowing in phase 2. What I have described to the Deputy, and to Members is phase one, which is the building blocks of a reform programme, which needs to be sustainable. I can give him a lot more detail, this is a very difficult one with an oral question and I am happy to give more detail in writing or in person.

### **3.4.2 Senator S.C. Ferguson:**

Given the problems with the e-returns in January has the Minister got evidence that these have been solved; not just speech but hard evidence?

#### **Deputy A.J.H. Maclean:**

Again, the Senator here raises a very important point and that is around one of the workstreams, which is e-Government. Currently in the States of Jersey, we have digital means of interacting with the public, which is only 7.5 per cent of all digital transactions, which is very low.

[10:00]

The plan seeks to move to 75 per cent, which is at the heart of public sector reform. Yes, there have been problems. I am told that these problems are resolved but e-payments at all elements of using digital means to interact with Islanders and customers is key and central to the programme. Funding has been agreed. A programme has been agreed. I am confident that we are now moving in the right direction.

### **3.4.3 Senator S.C. Ferguson:**

Given the fact that the Chief Statistician does not feel that he can rely on the results of the manpower returns in January, does the Minister really believe at this stage that the e-returns, the problems have really been solved? Has he got hard evidence, not just speech?

#### **Deputy A.J.H. Maclean:**

I think the Senator is conflating 2 issues. We are talking about an e-Government project which is just starting. The funding and the plan has only just been approved. The funding has just been put in place. She is a little bit ahead of the game in this respect. I understand the problems with regard to this information. I believe that 96 per cent or so of the information is now collated but this is far wider and broader than the small item that the Senator is referring to.

### **3.4.4 Deputy G.C.L. Baudains:**

The Minister will be aware of my frustration with this reform, something I thought should take months we were told would take 6 years, and now looks like a lot longer. Could the Minister give us tangible evidence of progress and would he also advise us who is now driving it, given that the 2 individuals doing most of the driving work left a little while ago?

#### **Deputy A.J.H. Maclean:**

Again, there was a States Members briefing to bring Members up to date with progress. A number of Members attended, which I thank them. There will be a further update for States Members on the progress of public sector reform. Make no mistake, this is, in my view, the most important agenda item in terms of reform. Public sector reform is and should be at the very forefront of what we are seeking to achieve. It is not short term, as I have already pointed out. We have a programme which is setting the building blocks in place. There have been various pilot schemes running at Health and Social Security very successfully. Some of those pilot schemes have delivered tangible results, which is what the Deputy is referring to. I can give an example, the canteen at the hospital which was costing £100,000 in taxpayers' money in terms of losses, that has been turned around as a result of the Lean Academy project where staff have been at the forefront of designing the improvement in that particular canteen. It has eliminated waste and it has returned a profit to that particular area. I think that is a fantastic result. Another quick example, and I know I am short on time, is the Five

Oaks store, which was taking 7 days to turn round orders, following Lean it is now 48 hours. These are small but they are important and they are spreading out across the organisation. Again, I am happy to talk to the Deputy, who has engaged with me quite a bit on this project, some more.

**3.4.5 Deputy G.P. Southern:**

Quite simply: can the Minister show the Members of this Assembly and not just Ministers, his interim progress report with his 80 changes on track so we can identify what these changes are? Does he admit that as far as workforce modernisation is concerned he is yet to tackle the difficult things and negotiate with the unions? There have been no negotiations so far with the unions over workforce modernisation.

**Deputy A.J.H. Maclean:**

The second point I do not agree with the Deputy on in regard to the unions. In fact there has been great progress made with the unions in terms of negotiation across a whole raft of different areas. I would also say to the Deputy that, as I have already stated, there has been a presentation for States Members on the progress of the reform programme. The Deputy sadly was unable to attend that. There will be, of course, another presentation to States Members. I am very keen that not only the Political Oversight Group and the Council of Ministers but Members are all party to the reform programme. As I have said, it is the most important issue ... or one of the most important issues with regard to reform this Assembly will face and it is important that all Members are part of the solution, as we move forward.

**3.4.6 Deputy G.P. Southern:**

Will he produce the interim report he referred to for Members?

**Deputy A.J.H. Maclean:**

Yes, I am very happy to supply to the Deputy and to Members an update in electronic form on the basis that some Members were unable to attend the briefing that we held.

**3.4.7 Deputy J.H. Young:**

The Minister in his answers I think promised us, as was sometimes described as jam tomorrow. Could he tell us please how much has been spent on the programme to date on sufficient I.T. (information technology) consultancy and temporary support so we know what our investment is which we are looking to save in the future?

**Deputy A.J.H. Maclean:**

The Deputy has given a specific line item of cost. I have not got that to my fingertips. What I can tell him, and Members will be aware, that through the Medium-Term Financial Plan £7 million per year was agreed from a restructuring perspective. I am very happy to give a breakdown to the Deputy if he would like details on the individual workstreams, of which there are a number, in terms of the cost expended and that in budgets over the coming period, 13 and 14.

**3.4.8 Deputy J.H. Young:**

Can I clarify that? Is it £7 million or is it £7 million for each year, in which case how many years?

**Deputy A.J.H. Maclean:**

Yes, per year and it is through the Medium-Term Financial Plan. That was agreed restructuring funds. Of course the actual costs and budget for individual work items I am

happy to supply individually to the Deputy if he would be interested, both what has been spent and what is in budget.

**3.4.9 Deputy R.G. Le Hérissier:**

I think when the Minister inherited or took on the mantle of this programme he said it was very unfortunate he was taking it on at a time when there was a contemporaneous announcement about, I think, 150 person growth in the public sector. Has he managed to get to the roots of that issue or will we have to accept growth as just a normal part of how we operate in Jersey?

**Deputy A.J.H. Maclean:**

The Deputy asks a very poignant question. He is absolutely right. This is a matter of great concern. We are going to see short-term growth without doubt. Some of that is driven by requests and requirements of this Assembly, for example, the freedom of information is requiring more staff in the short term to be brought on board. As such, we will see an increase in the headcount. This is an issue we have to tackle. This is not about cutting, at this stage, jobs or anything else of that type. What it is about is properly controlling the headcount, vacancy management, so that we can deal with people who leave the organisation through retirement or for whatever reason, and we do not automatically replace roles without going through a proper process to ensure that that role is required, that function is required, and that perhaps we can carry out that particular function in a different way more cost effectively. Ultimately short term we have to address the issue of vacancy management.

**3.4.10 Deputy R.G. Le Hérissier:**

Just to clarify: can the Minister assure us that that process he has outlined is indeed in place?

**Deputy A.J.H. Maclean:**

It is a point that has been raised in the strongest possible terms with the Executive to ensure that plans are put afoot to make sure that vacancy management is an issue that is controlled. As I have said, in the very short term, we are going to see headcount numbers continue to rise. That is not a good position but in many respects it is as a result of the items that I have already identified around decisions taken by this Assembly with regard to issues like freedom of information which, in the short term, will see an increase in headcount.