STATES OF JERSEY

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STRATEGIC PLAN 2006 TO 2011 (P.40/2006): THIRD AMENDMENTS

Lodged au Greffe on 22nd May 2006
by Senator J.L. Perchard

STATES GREFFE

STRATEGIC PLAN 2006 TO 2011 (P.40/2006): THIRD AMENDMENTS

After the word "Appendix" *insert the words* –

", except that,

(a) in Commitment Six, Outcome 6.2, insert as the first action –

'6.2.1 Implement a programme of internal reviews to check at frequent and regular intervals whether public services are provided efficiently and effectively, including the use of new technology and whether services are best provided by directly employed staff, by another provider, or through partnership arrangements (CM)'

and renumber the remaining actions accordingly.

(b) in Commitment Six, Outcome 6.2., as the first indicator, insert the following –

'• Regular efficiency reviews undertaken to a timetable.'

(c) In Commitment Six, Outcome 6.2, after Action 6.2.6 insert the following action –

'6.2.7 By the end of 2006 complete a study to identify those public services that might be provided more efficiently by the private sector or through a partnership arrangement and identify suitable pilot reviews, one of which to be completed by the end of 2007 (CM)'

and renumber the remaining actions accordingly.".

SENATOR J.L. PERCHARD

REPORT

Introduction

The Chief Minister in his forward to the Draft Strategic Plan writes of "the tough decisions that have had to be made to strike the right balance between delivering better public services and maintaining public sector spending at a sustainable level".

This conundrum is, of course, not just a problem for Jersey but one with which every government has to wrestle. However, we in Jersey are currently faced with the extra complication of introducing a new fiscal strategy. A strategy that is vague as to the size of the Zero/Ten black hole and how it is actually to be filled. This is why I am surprised that within the Draft Strategic Plan, the Council of Ministers proposes to increase public spending by more than 11% over the next 3 years, at the same time as introducing a 3% GST, whilst hoping to deliver an anti-inflation strategy that plans to keep the RPI(X) at or below 2.5%. It should be noted that proposals in the Draft Strategic Plan to resolve the tough decisions as described by the Chief Minister include a substantial increase in the level of public spending, to the all-time high level of half a billion pounds in 2007. With a further 4% increase being proposed in 2008, States expenditure will rise to a level in excess of £10 million a week.

With the planned increase in public spending, the introduction of GST and 20 means 20, coupled with the ever-increasing competitive pressures from other jurisdictions on our financial services industry, I am of the opinion that we must look to all options to achieve best value from the taxes we collect. Jersey simply must remain competitive.

I consider Jersey's economic future to be dependent on maintaining a low tax economy, whilst at the same time, maintaining our excellence in public service provision; however, I believe this desirable combination is under threat if we are to respond as other jurisdictions become more competitive. We all want the best possible public services and the lowest possible taxes. I ask members to consider how this combination can be delivered in a sustainable way. I believe my proposition will aid the objective of providing better, simpler and cheaper public services by identifying those services that could be provided more efficiently.

Members may be aware that I am concerned by the size and cost of our government, an opinion I expressed regularly during my recent senatorial election campaign. I said then, and I say now, that I believe that we should be able to deliver improved efficiency by engaging the private sector, other agencies and new technology, thus allowing the public sector to focus on its core tasks, including setting policy and standards, monitoring quality and ensuring equity of access. Ministers are required to review their aims and objectives each year for the States Business Plan; I urge them to produce a vision and mission statement that identifies the main thrust and focus of their work. A clearly stated mission and vision will create a common understanding among all decision-makers and managers about the direction and aims of their departments' activities.

Conclusion

There is a debate to be had regarding the future provision of public services. Therefore, to begin this process, I am proposing an ongoing programme of internal reviews that will identify opportunities for improving efficiency – including investigating the use of technology, or whether some services could sensibly be provided more efficiently by involving the private sector or other partners. This should be included as part of the programme of 10-year rolling internal service reviews which, I understand, are already planned as part of the new budgeting process. To ensure transparency, the programme and output of the reviews should be available for examination by the Comptroller and Auditor General, the Public Accounts Committee and Scrutiny Panels.

I am proposing an initial exercise that will identify those services where privatisation or a partnership arrangement may be a realistic option, followed by a detailed pilot review of one specific area by the end of next year. This should identify the issues that will need to be addressed for further reviews.

Whilst I have outlined some of my views on privatisation in this report, I wish to remind members that my proposition does not call for wholesale privatisation, but asks only for the States to agree to undertake a study that will identify any public service that could be provided more efficiently by the private sector or through partnership arrangements.

Resource implications

There are no additional resource implications for (a) and (b) as reviews would be undertaken internally with independent scrutiny by the Comptroller and Auditor General. Any costs arising from alternative service provision would need to be met from the net savings generated.

The resource implications for (c) are estimated at £100,000 for a pilot review.