

# STATES OF JERSEY

## Corporate Services Scrutiny Panel Comprehensive Spending Review Hearing

**FRIDAY, 18th JUNE 2010**

**Panel:**

Senator S.C. Ferguson (Chairman)  
Deputy T.A. Vallois of St. Saviour  
Connétable D.J. Murphy of Grouville

**Witnesses:**

Connétable J. Gallichan of St. Mary (Chairman, Privileges and Procedures Committee)  
Mr. M. de la Haye (Greffier of the States)

**In attendance:**

Mr. M. Robbins (Scrutiny Officer)

[11:02]

**Senator S.C. Ferguson (Chairman):**

Welcome to this session of the Corporate Services Scrutiny Panel public hearing on the Comprehensive Spending Review. I wonder if, Chairman, you could give your name and position for the benefit of our transcription service.

**Chairman, Privileges and Procedures Committee:**

Yes, Chairman. I am Juliette Gallichan, Connétable of St. Mary and for these purposes Chairman of the Privileges and Procedures Committee.

**Greffier of the States:**

I am Michael de la Haye, Greffier of the States, for these purposes here as accounting officer for the States Assembly and its services.

**Connétable D.J. Murphy of Grouville:**

Dan Murphy, Constable of Grouville.

**Deputy T.A. Vallois of St. Saviour:**

Tracey Vallois, Deputy of St. Saviour.

**Senator S.C. Ferguson:**

Sarah Ferguson, Chairman.

**Mr. M. Robbins (Scrutiny Officer):**

Mick Robbins, Scrutiny Officer.

**Senator S.C. Ferguson:**

Why did P.P.C. (Privileges and Procedures Committee) decide to participate in the C.S.R.(Comprehensive Spending Review) when Article 10 of the Public Finance Law detaches P.P.C. from the decision-making process and requirements of the Council of Ministers?

**Chairman, Privileges and Procedures Committee:**

Chairman, you are, of course, right to say that under the provisions of Article 10 we could simply have declined to participate but Article 10 does require us to liaise with the Council over budgetary policy. In view of the annual underspend which has continually happened on the States Assembly budget, and also the fact that it is always our intention to try to participate wherever possible, I think it was only right that P.P.C. did agree to participate.

**Senator S.C. Ferguson:**

Thank you.

**Deputy T.A. Vallois:**

Other areas of the States are looking to make savings by reducing staff; the value of salaries and other terms and conditions are all up for consideration. P.P.C. has agreed to remove consideration of numbers or remuneration of Members. Why should States Members not suffer the same examination as everybody else?

**Chairman, Privileges and Procedures Committee:**

As you are well aware, States Members' remuneration is a matter for the Remuneration Board, duly constituted by the States for that purpose. The number of Members has been debated several times in the Assembly and so far the reduction has not attracted any political support so for the purposes of this review it was impossible for P.P.C. arbitrarily to say there would be a reduction.

**Deputy T.A. Vallois:**

Has there been any discussions with the Remuneration Board as to whether they will be looking at this?

**Chairman, Privileges and Procedures Committee:**

At a reduction in Members? They only look at the level of remuneration. They have set terms of reference.

**Deputy T.A. Vallois:**

The question was asked of the remuneration of Members as well so ...

**Chairman, Privileges and Procedures Committee:**

So you are asking has P.P.C. ...

**Deputy T.A. Vallois:**

Has P.P.C. gone to the board and asked them if they will be looking at the remuneration of States Members as part of the C.S.R.?

**Chairman, Privileges and Procedures Committee:**

They will be looking at the remuneration of States Members as part of their ongoing programme. Previously they had been constituted for a 3-year term and in the 2005-2008 slot had made awards for the entire 3-year period. As you are aware, there is currently a pay freeze for Members and the board are due to reconvene to discuss the 2011 award. That is their decision. They operate apolitically and so we await their report, which I believe will be forthcoming soon.

**Deputy T.A. Vallois:**

Can I just ask at what point did you stop asking about the cuts and focus purely on the management teams or services, or indeed both, within the States Assembly?

**Chairman, Privileges and Procedures Committee:**

I do not think anything has been closed. What we have done is identify the 2 per cent allocation, as you are aware, from the overspend. Having done that, the only thing then that we can look at is staff and premises. Nothing has been excluded but nothing has yet been decided.

**Senator S.C. Ferguson:**

Obviously you will want to look at process and systems rather than just sort of saying: "Oh, we will cut this, this, this and this"?

**Chairman, Privileges and Procedures Committee:**

Absolutely, and you are aware, of course, that Senator Breckon has a proposition that could radically change the way that aspects of the Assembly function. So there may well be fundamental changes as result of that proposition if it is approved in any form.

**Senator S.C. Ferguson:**

What confidence do you have in getting support from all other spending departments for structural, planned States reform, the emphasis being on "planned"?

**Chairman, Privileges and Procedures Committee:**

By that you mean how will I get people to ...

**Senator S.C. Ferguson:**

Are you confident that everybody else is going to weigh in properly and seriously?

**Chairman, Privileges and Procedures Committee:**

To fulfil their part rather than to support mine?

**Senator S.C. Ferguson:**

Yes.

**Chairman, Privileges and Procedures Committee:**

Really I think that is something that needs to be addressed to the Council of Ministers. They are the ones who have the majority of strings to pull in this round. As I have said, there are various things that the States Assembly budget could focus on and some of those will require States Members support in the Assembly if, for example, there is a reduction of States Members proposed. As regards what the other departments do, I cannot speak for them.

**Senator S.C. Ferguson:**

Do you feel that the timescales you have been given for the 2, 3 and 5 per cent are in fact achievable?

**Chairman, Privileges and Procedures Committee:**

Yes, I think they are achievable but we will have to give a lot more radical thought, I think, to the 3 and 5 per cent because, as I have said, once we have squeezed out the overspend there is only staff and premises that is available, flexible within our budget. Of course, the scrutiny budget, as we know, is always something that we can look at. The Greffier is keen to remind me, as a former scrutiny member I have perhaps quite strong views on the scrutiny budget. Here I am Chairman of P.P.C.

**Senator S.C. Ferguson:**

Some departments we have found have said: "Right, we have got to look at 10 per cent over the next 3 years." Would you consider your 2 per cent is just trading water while you get to grips with the 3 and the 5?

**Chairman, Privileges and Procedures Committee:**

All I know is that P.P.C. is willing to make the 3 and 5 per cent changes but to do that we have to undertake restructuring of services, for example. We are unable at this stage to say precisely how cuts will be made. All we know is that we are willing to do our utmost to achieve those targets but it is too early yet to say precisely how that can happen.

**Senator S.C. Ferguson:**

I suppose historically printing has always been very expensive. Is that an area you are looking at?

**Chairman, Privileges and Procedures Committee:**

You mean whether we could do more things electronically, et cetera?

**Senator S.C. Ferguson:**

Yes.

**Chairman, Privileges and Procedures Committee:**

P.P.C. is looking at all aspects of delivery of facilities to Members, including how they get their paperwork, et cetera, or electronic work, and we are looking at other means of Members having access to all their documentation as part of ongoing P.P.C. work. So we are not looking at that in isolation. It is kind of an holistic continual review. Our terms of reference are that we have

to keep under review the provision of services to Members and I can say that we are always cost conscious when we do that.

**Senator S.C. Ferguson:**

According to your little sheet, you are saving £33,000 from the scrutiny budget and this looks spectacular but it is a part of a regular underspend. Normally the money would go back to the States at the end of the year as part of the underspend. So if you are receiving £33,000 less in future, only to give £33,000 less back, is it really a saving?

**Chairman, Privileges and Procedures Committee:**

What it does in effect is allow for certainty of planning because at the moment we have to wait and see. If there is an underspend then it gets sent back and reallocated outside of our control but if we take less money to begin with then that money is theoretically available to be included in a department's budget earlier on for a specific purpose. So it is really only down to planning, I think. I think there are swings and roundabouts.

**The Connétable of Grouville:**

You said it is reallocated when it goes back. How is it reallocated?

**Chairman, Privileges and Procedures Committee:**

If we do not use it it goes back to Treasury and Resources.

**The Connétable of Grouville:**

It goes back to the Treasury, does it? It does not get reallocated within our system.

**Greffier of the States:**

No. In the last 4 years no underspend has been retained by the States Assembly. It has gone back to Treasury. Now, Treasury has reallocated that, I suppose. What would be different if it is taken off the initial bottom line it is never there in the first place. What happens at the moment, as you know the underspends tend to get spent at the end of the year by Treasury but that has never come back to us.

**The Connétable of Grouville:**

That is what we found.

**Greffier of the States:**

The C.S.R. in my understanding is about getting the start line down, is it not?

**The Connétable of Grouville:**

That is right, absolutely.

**Greffier of the States:**

It does do that.

**The Connétable of Grouville:**

Basically it is coming off the top because it is not there to spend there in the first place. I understand what you are saying is the £33,000 is coming off the top line.

**Greffier of the States:**

I think it is an indirect saving to the States as a whole because if you follow through recent years the £33,000 has been there, we have not spent it but the Treasury Minister then has on his year end reallocation.

**Senator S.C. Ferguson:**

Well, yes, and this is a bone of contention that under the Finance Law once £33,000 has been allocated then the Treasury Department appears to consider that as money available when it should actually go back into the consolidated fund and be reallocated. It should not be regarded as being available just to dish out.

**The Connétable of Grouville:**

It is a spending, is it not? They look at that and they say: "Right, okay, what are we going to do with it?" instead of saying: "Let us forget we ever had it."

**Chairman, Privileges and Procedures Committee:**

That is why I think it is better to take it off at the beginning.

**Senator S.C. Ferguson:**

This was one of my P.A.C. (Public Accounts Committee) feelings when we were looking at the accounts. What obstacles do you see in achieving the overall process from your sort of P.P.C. vantage point?

**Chairman, Privileges and Procedures Committee:**

I have made little scribbly notes here. Let me see. I think it is going to be political issues really. Most of what we do, of course, in P.P.C. most of what we have control over follows on the States' requirement. There are things we are required to do. It may well be that people decide in the States that they require us to do different things.

**Senator S.C. Ferguson:**

Have you looked at what you are required to do and sort of said: "We really should not be doing that"? Or have you looked at other things and said: "We ought to do that"?

**Chairman, Privileges and Procedures Committee:**

We are frequently coming across things that we think we should be involved with. More frequently, I would think it is fair to say, we come across things that other Members think we should be involved with: "P.P.C. is charged to do", that sort of thing. When a States decision is taken in a debate that ends with "... and to charge the P.P.C." then we have to take it on board and we have to do it, which sometimes comes out of the left field. We do not see that coming. One of the things that might happen as an obstacle is that if we are forced to reduce staffing, which is already quite tight, then the helpful nature of services provided by the Greffe, for example, at the moment - I think there

are things where Members get assistance and quite deservedly so which is not necessarily part of the function of the Greffe but they go that extra mile - it may well be that we have to trim that back but that would be, I think, something that would be a great shame.

[11:15]

**Senator S.C. Ferguson:**

Do you feel that perhaps in the next round it is the departments which may or may not be fatter or perhaps perceived to be fatter ... perhaps there should be a differential implementation of the 3 and 5 per cent, perhaps some departments should be cutting back more and less for the Assembly?

**Chairman, Privileges and Procedures Committee:**

Speaking with my own personal views, I think it is quite clear that different areas of the States are going to find significant challenges in bringing forward the cuts in the way they are and it may well be that there is some ... I will not say shifting of the goalposts. I think we are all committed to making some changes but it may well be that some departments do things in a different way to achieve the end result but, again, that is just my personal opinion. Certainly it is very difficult to see an across the board, uniform way of achieving it.

**Greffier of the States:**

If I am permitted to comment, Chairman, it does nevertheless strike me, speaking also generally about the States, that you need a fairly mature organisation, do you not, to be able to do those sort of: "You will take 15 because I can only take 5"? I think the 2 per cent has probably worked because it is a fairly blunt instrument and every Minister knows they have got to just do it and there has been no hiding place. As soon as you say: "We will differentiate" it becomes that much easier. It is like that old poster that used to be around about: "It was a job that anybody could have done and everybody thought somebody would do it but in the end nobody did it." It is like saying: "I know we have got to make a saving and somebody can make a saving but I cannot make it" and in the end you never make the saving. It is a blunt thing, pro rata, but you know at least where you stand.

**Chairman, Privileges and Procedures Committee:**

That is why it has been set that way, quite clearly. I was thinking more of it might be some department could not achieve the 3 per cent in one year but perhaps could say: "If I do 2 per cent this year again I can get 6 per cent next time." It might be over the timescale. I think they are committed over the period to achieve the 10 per cent.

**Senator S.C. Ferguson:**

We have had other chief officers who have said: "Two per cent? Well, that is just normal business practice."

**The Connétable of Grouville:**

Yes, but we have had some ducking and diving as well, not to put too fine a point on it.

**Senator S.C. Ferguson:**

Oh, yes, there have been a variety of comments. How does this spending review differ from the one produced in 2005?

**Chairman, Privileges and Procedures Committee:**

I was not in the Assembly in 2005 so I do not know how directly that affected it. We sent the question back because, of course, I was concerned about the Council of Ministers' role in 2005 when it did not exist. I have to say I did not understand the question but, no, I was not in the Assembly so I cannot say how exactly that affected the States Assembly budget.

**Senator S.C. Ferguson:**

Perhaps your Chief Officer might.

**Greffier of the States:**

I think this is referring to what was called the fundamental spending review at the time. I think the only thing with that it was a fairly short term review. I think it was like an attempt to make a one-off hit.

**Deputy T.A. Vallois:**

It was supposed to be going up to 2009. It was a long term ... from 2005 to 2009 a certain amount of savings that were supposed to be made. I think it was something like £35.8 million worth of savings.

**Senator S.C. Ferguson:**

The change programme.

**Greffier of the States:**

Yes. I know we have certainly had some efficiencies knocked off annually as a result of the knock on from that one. I think the main change programme, and I am not sure if it was really ... it did not appear to be following through in a very transparent way. Perhaps the savings were pulled out but I would have a job to put my finger on saying exactly where they were and what was saved.

**Deputy T.A. Vallois:**

I imagine your area would have changed fundamentally during that period anyway because of the changeover to ministerial government.

**Greffier of the States:**

Yes. One of the disadvantages of previous processes - and I suppose there will always be mistakes - is there were some very high profile examples of things that just went, a saving was made that had not been thought through. It is not a high profile one but a very low level one, because the Bailiff's chambers, I recall, had to save a certain amount of money they cut one of the usher posts out and they found they could not cope with the courts and the States and they ended up recruiting a private firm who now sit at the entrance

to this building. That does not seem to be a very efficient way to make savings, to make a saving that does not work. So one hopes the practical implications of the C.S.R. savings are being thought through across the piece.

**Chairman, Privileges and Procedures Committee:**

One can only hope.

**Senator S.C. Ferguson:**

This is unfair I know but how does the public relations disaster relating to the hiring of a tea lady, or sorry, tea person ...

**Chairman, Privileges and Procedures Committee:**

Beverage assistant.

**Senator S.C. Ferguson:**

Thank you. Do you feel this has died down now or have you had to ...

**Chairman, Privileges and Procedures Committee:**

I am sorry but I think I have a different definition of public relations disaster or fiasco, because there was one journalist querying off one little bit of information. It is interesting, I have not had a single call from a member of the public, nor from any States Members who all seem to have happily accepted the lady who is upstairs after Norma left and proceeded as normal. We have got somebody temping there and the appointment of a permanent person will obviously cut the cost. As you all know, temps are more expensive than fulltime staff. The cost, we have absolutely double checked, triple checked it. It is the most cost effective way to provide the service and I am afraid that from my own point, having experience of many, in the past 3 years, scrutiny meetings and since then lots of meetings, know full well if that you put a dozen Members in a room with a coffee cup, 11 coffee cups and saucers will be left for someone else to clear up when they leave. A case in point, there was a scrutiny meeting downstairs last week in the Members room and all over the weekend whenever I came in the coffee cups were still there. So I think it is completely unrealistic to expect 53 States Members to clean up themselves, let alone organise the stocking of the tea, coffee, et cetera. So it is not a public relations disaster at all, I do not think.

**Senator S.C. Ferguson:**

Interestingly, we have had 2 submissions. We issued a call for submissions on how to save money and we have had 2 submissions saying: "What a pity they cannot make their own tea."

**Chairman, Privileges and Procedures Committee:**

I can reassure you that we are saving money because this job has been re-Hay evaluated and is now at the lowest grade paid by the States, significantly less cost than by the previous incumbent. We have saved.

**Senator S.C. Ferguson:**

The other one was will the whole cost of Members' remuneration, car parking, et cetera, all be referred to the panel?

**Chairman, Privileges and Procedures Committee:**

To the S.M.R.B. (States Members Remuneration Board)? We have talked in general terms with them about a package for States Members, and I believe that was the outcome of our last meeting, that they were going to look at a package. They have of course in the past never wanted to be involved in the nitty gritty of things like that but I think, while the various things that States Members have are being attacked and picked off on a piecemeal basis, the best thing is to look at the whole thing as a package so that we all know what is available. So basically we would expect that.

**Deputy T.A. Vallois:**

Just to confirm that the budget that is allocated to the States Assembly, that the 10 per cent will be saved on the £5.3 million minus the remuneration of the Members.

**Chairman, Privileges and Procedures Committee:**

Yes, that is correct, the remuneration is outside that. I am just trying to add it up. Yes, you are right.

**Senator S.C. Ferguson:**

Just reverting to the printing, have you done any cost benefit to see whether it is cheaper, considering the personal costs and so on, to give Members an additional allowance for paper and get them to print their own propositions out without it having to go through 53 copies of 53 whatever they are in the post?

**Chairman, Privileges and Procedures Committee:**

I do not know if that has been looked at recently, but certainly I think one of the things we have to do is make sure that all Members receive all propositions. So, have we ever looked at that? We are, I am told, looking at that and rationalising if printing costs, et cetera, can be done. It is coming to our next committee meeting.

**Senator S.C. Ferguson:**

I am sorry, yes, I have relatives who are printers and it is a very profitable business.

**Chairman, Privileges and Procedures Committee:**

Well, absolutely, but it is being looked at.

**Senator S.C. Ferguson:**

Super. Dan, anything else?

**The Connétable of Grouville:**

No, I do not think so. I am sorry, I am just where Michael came in previously, so I am just catching up on this one.

**Senator S.C. Ferguson:**

Thank you very much indeed.

[11:24]