

2016.03.08

3.8 Deputy M. Tadier of the Chief Minister regarding the proposed outsourcing of jobs at the Department for Infrastructure:

Given that the Chief Minister stated in his election manifesto that he wished to continue to work towards a community where everyone feels valued, welcomed, treated fairly and has a future, can the Chief Minister, as chairman of the States Employment Board, advise whether the proposed outsourcing and privatisation of certain jobs at the Department of Infrastructure is in line with these principles?

Senator I.J. Gorst (The Chief Minister):

It is precisely because of these sentiments that the Council of Ministers has prioritised health, education, St. Helier and jobs and growth; key priorities for a community where everyone is valued. All this must, of course, be supported by sustainable public finances in line with the advice of the Fiscal Policy Panel and the Department for Infrastructure is playing its part. They will save £4.6 million, which can only be achieved by a fundamental reshaping of their services. As part of this they are conducting service reviews and market testing to determine how to achieve the savings needed and consulting before any decisions are made as to whether services should be outsourced.

3.8.1 Deputy M. Tadier:

Could the Minister also advise whether he remains committed to reducing income inequality in our Island and if so how does this compare with the words spoken only this morning by his fellow Minister for Infrastructure who, under collective responsibility, presumably shares the Minister's policies, when he said that the likelihood was that these jobs that these individuals would go to if they could find jobs would pay less? Does he agree that the avenue being pursued by his Minister for Infrastructure and his Council of Ministers will create more income inequality in our Island and as such it breaks that pledge and the pledges he made when he stood for election?

Senator I.J. Gorst:

I know the Deputy would like to conflate a number of issues but he knows that issues relating to income inequality are far broader than just one particular section of a department which is looking at reforming the way that it provides public services, and that during this process is undertaking service reviews and it will get to delivering and developing a detailed business case. There are further questions that I will be answering on that later this morning. It is not right to try and correlate those 2 things. When it comes to income inequality and the income distribution service area I have answered lots of questions in that regard. Our policy is not about the differential between those who have great wealth and those that do not. It is about raising the standard of living of the poorest in our community.

3.8.2 Deputy S.Y. Mézec:

Since the beginning of this term of office the Chief Minister has led a government which is cutting supports and benefits to some of the most poorest and vulnerable members of our community, many of whom already live in disproportionately large levels of relative low income. So my question to him is: would he feel valued and looked after by this Government, and in particular this Chief Minister, if he was a single parent who is seeing that their income support is being cut by £2,000 a year over this term? Would he feel valued if he was somebody who suffered from a disability and was on long-term incapacity allowance who was seeing their support cut week by week, and would he feel valued if he was in a family which was having to pay a higher level of tax under his leadership

through the health tax and the waste disposal tax, none of which he had the good courtesy to put in his manifesto instead choosing to put, frankly, these vacuous platitudes?

Senator I.J. Gorst:

I am not sure which question the Deputy would like me to answer but I will certainly have a stab at them all. This Government, as like the previous Government, have prioritised trying to get people into work because it is that job that is going to raise people's income levels. It is a job that is going to give people family incomes and sustain them into the future. It is a job that is going to give them hope for the future and create the community that we are trying to create. The Deputy knows that the proposals in the Medium Term Financial Plan were about maintaining the levels of income support at the level of spend in 2015. The Deputy knows that income support levels have risen from 2011, at around £60 million, to over £80 million. The Deputy knows that that is not sustainable and we are about producing sustainable budgets for the long term while at the same time investing in getting people into work, investing in a sustainable future health service, investing in education which is going to enable people to reach their full potential into the future. Investing in economic growth so that jobs can be maintained and created in our economy and investing in St. Helier. I believe that that is the right policy and not the comments that the Deputy is making, tinkering around the edges.

3.8.3 Deputy S.Y. Mézec:

Supplementary. How I wish we had the T.V. (television) cameras installed in this Assembly already so that the public could hear further platitudes from this Chief Minister. Would he not agree that when he is cutting support to these individuals, because it is fine to talk about statistics, we all know the saying about in what form statistics come. People are seeing their standard of living going down under his leadership. All of the statistics back that. He is cutting support for single parent families by £2,000 a year. He is cutting support for individuals who are on disability benefit. Would he not accept that these are facts and when he stands up and has the gall to tell the electorate that he wants to create a community where everyone feels valued that frankly it is no wonder that we have the absolutely disgraceful levels of voter abstention and in statistics in polls which show how many people in this community have no faith whatsoever in his Government and his leadership? Would he not accept that he would be doing the public of this Island a favour if he just got on with it and resigned and let somebody who was competent take over instead?

Senator I.J. Gorst:

Absolutely not. The Deputy knows that the issues highlighted in the Income Distribution Survey were largely around the issues of housing. We, unlike the Deputy sitting next to the Deputy asking the question, have absolute confidence in the Minister for Housing. She is starting to get to grips. It was this Government that pushed through this Assembly rezoning of land so that we can build more houses and increase the supply. Just because the Deputy says it does not mean that it is reality just because he makes a political point. The reality is that this Minister for Housing will increase the supply and she has got plans to further increase the supply; that she is going to extend the availability of various tenures so that more people can own homes and get into home ownership and be in suitable housing accommodation. It is this Government that has ploughed tens of millions of pounds into programmes to get people into work and they are working and they continue to work. We are seeing wages increase. We are seeing economic growth during the course of the last year for the first time. Those policies are working and we will continue to support them and ensure that they do work. Unlike the Deputy who is trying to suggest that policies that have been found not to work in the past elsewhere continues to push as suitable options.

The Bailiff:

That was exactly one minute and 30 minutes, Chief Minister. That is very good.

3.8.4 Senator Z.A. Cameron:

Is the Chief Minister concerned that by focusing attention on providing a service at the cheapest possible price the Council of Ministers is in danger of losing sight of the bigger picture of the impacts of their policy? Would he consider that there may in fact be a link between the policy of cutting costs that is in fact driving the income support benefits up and the need to invest in creating jobs elsewhere?

[11:15]

Senator I.J. Gorst:

The Minister is not focusing simply on cutting cost. He rightly is making sure that he has a sustainable budget into the future and he is reviewing the way that he is delivering services to this community and asking the question whether the current model is an appropriate one. If we look at Visit Jersey, there we have a part of government that was delivered by government. We moved it out of government. We created a new way of delivering that service and already we are starting to see the benefits along what the aims of this Assembly would be. The Minister is not simply focusing on cost and he has not said that he is this morning. He is also focusing on the service and the quality of service that will be delivered providing those services that he knows need to be provided but he is trying - and I think this surely is the right thing - to make sure that we are providing those services at the best possible cost to the taxpayer.

3.8.5 Deputy G.P. Southern:

I am so glad the Chief Minister has concentrated so much on jobs as a creator of feeling valued and having a future. I refer to up to 50 workers who have good employment with the Department of Infrastructure. They understand, now, that they are to be outsourced, likely. Some of these workers, on average, have worked for the department for an average of 27 years. They are quite elderly, unskilled workers. They have been tremendously loyal to this department and here they are being sold down the river. What future will they have? What esteem will they feel and, indeed, what will they do without a job in a number of months' time?

Senator I.J. Gorst:

The Minister has answered a lot of questions in this regard and I will be answering another question, No. 10, which will deal with some of the more detailed areas that I think the Deputy is referring to. The Minister said, and he is absolutely right, the decision has not yet been taken. The service review has been undertaken. They are in the process of putting together the detailed business plan to see if the numbers stack-up and there are a number of other social issues that rightly will be considered by the Economic Adviser in conjunction with other departments which will help the ultimate decision to be made.

3.8.6 Deputy M.R. Higgins:

I am rising because I heard the Chief Minister talking about economic growth and lauding the fact that we have had economic growth in the last year and for the previous 6 we had none. When we look over the previous 20 years it has been absolutely abysmal except for one period. Will the Chief Minister tell us, tell also the public of Jersey on the radio, what he has achieved over the last while to improve economic growth? We hear about Digital Jersey. We hear about all the other initiatives. Where is the proof it is paying off? I have heard nothing to date.

Senator I.J. Gorst:

The Deputy knows that you can pick any single number from any cycle of numbers and try and make it suggest something other than it might be over any given cycle. I am grateful he admitted that there was economic growth; absolutely, one year 4 per cent coming out of the very difficult recessionary period that the western world has been in. So the Deputy needs to look no further than the financial services industry to see that. I am forgetting now whether it was 2014 or 2015, but there is an industry that the prophets of doom, and I think the Deputy was one of those - I am not sure if that is parliamentary language - suggested it was dying, it was on its last legs, it had no future in our community. We did not accept that. We were not complacent. We undertook a jurisdictional review with some of the best advisers from across the world. They advised us of action that needed to be taken. We set up working groups to deliver on that action, not only in my department but in Jersey Finance and in the regulator and we see that is paying off. We see greater usage of our financial services. We see 400 jobs put on over the course of the last year. The Deputy said we have been losing jobs in that industry. He was wrong and he will continue to be wrong because we continue to see growth in that industry. The work that we are doing in the international arena about transparency, about exchange of information, engaging with our critics is paying off and it will continue to pay off.

Deputy M.R. Higgins:

Supplementary?

The Bailiff:

No. Thank you, Deputy. We must finish questions.

3.8.7 Deputy M. Tadier:

I think the question was originally about jobs at Infrastructure but we have managed to roam round the houses literally. Talking about housing, the Minister said the way we create more houses and create cheaper houses, better houses, is by building houses yet when it comes to investing in jobs the way we create more jobs and get more people into work is by sacking people who already have jobs, putting them on to unemployment, sending them down to Social Security and then at the same time saying: "And by the way we are cutting social security budgets because it is too big already." That does not give any hope. It does not make people feel valued. It does not talk about treating our people fairly and securing their future. So what I would like to ask the Minister is that I do not want the Minister to resign as a first port of call. What I would like the Chief Minister to do is to live up to his promises when he said that he wants people in society and people at Infrastructure to feel valued, treated fairly and welcome with a future and to rethink this policy of outsourcing, privatising, with this fear that is hanging over their heads because he has already said it is not a done deal and to find a way to restructure our finances, our tax and spending model so that we can have valued services? Will the Minister

The Bailiff:

Will you rethink your policy?

Deputy M. Tadier:

... give that undertaking to live up to the promises that he has already made?

Senator I.J. Gorst:

The Minister will not rethink his approach. He is doing it carefully. He is doing it thoroughly and he is doing it in consultation.

Deputy M. Tadier:

Point of Order, the question as to the Chief Minister. Will the Chief Minister rethink his ... would he stick to his election promises?

The Bailiff:

The question was for you, Chief Minister.

Senator I.J. Gorst:

I do not think that the approach that the Minister is taking is at odds with what was in the Strategic Plan or what was in my, as it happens, manifesto nor his manifesto. We absolutely must make sure that we transform the public service so that we can curtail the continuing growth in the cost and people employed in that service and that means we need to look and reform some of the ways that we are delivering that service. It is not only the Minister for Infrastructure that is doing that. We are doing it in my department in the delivery of I.T. (information technology). Other Ministers are doing it right across their departments. The Deputy cannot have it both ways. Saying that we can continue to spend, spend, spend and see the cost of government grow, grow, grow but it is not going to have any effect on the public either. Of course it does. There is a direct correlation. There is no free money. The money has to come from taxpayers. We have an obligation to those taxpayers to make sure that we are delivering the best value for money and curtailing what has been constant growth and the rise of the cost of government. That is what we are doing and we believe that ultimately when we have completed this plan we will have a better, more fit for service, delivering better value for money in the services that we provide to the taxpayers and to the community.

The Bailiff:

We have 20 minutes left for questions. Four questions: I am going to allow 5 minutes for each question only and that may mean that the usual supplementary rules will not apply.