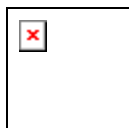


REGULATION OF PUBLIC SECTOR EMPLOYMENT

**Lodged au Greffe on 18th May 1999
by the Establishment Committee**



STATES OF JERSEY

STATES GREFFE

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PROPOSITION

THE STATES are asked to decide whether they are of opinion -

- (a) to charge the Establishment Committee to enter into an agreement with the Finance and Economics Committee to regulate the number of persons that may be employed by the States of Jersey in any area of the States administration, excluding those States' departments that report to Trading Committees, in accordance with the principles contained within the Regulation of Undertakings legislation and the policy statement issued by the Finance and Economics Committee in respect of the application of the Regulation of Undertakings to the private sector, effective from 10th November 1998; and
- (b) to charge the Trading Committees to enter into individual agreements with the Finance and Economics Committee to regulate the number of persons employed by them in accordance with the principles contained within the Regulation of Undertakings legislation and the policy statement issued by the Finance and Economics Committee in respect of the application of the Regulation of Undertakings to the private sector.

ESTABLISHMENT COMMITTEE

Report

It was just over twenty years ago, on 3rd April, 1979, that the States of Jersey determined that it would delegate control over the number of public sector employees to the Establishment Committee. (A copy of the Act of the States is attached at Appendix 1.) Since that time, successive Establishment Committees have sought to balance the competing demands that have been made by administering Committees for additional staff against what was considered appropriate from a corporate point of view, bearing in mind the general needs of the Island and the States of Jersey. (A copy of the Committee's most recent statement in connection with its manpower policy, which was included in the 1997 Strategic Review and Action Plan, is attached at Appendix 2 for information.)

The States clearly indicated in its debate on the 1997 Strategic Review and Action Plan that it wished to contain the growth in the number of public sector employees when it adopted the following proposition -

“(v) the Establishment Committee be requested to bring to the States for approval targets for reducing the manpower employed in the public sector, to be secured by significant improvements in the overall level of productivity of the public sector work force.”

In this context, it was identified on page 18 of the 1997 strategic report that -

“The States cannot expect population growth to be controlled if the entire burden is borne by the private sector.”

In June of 1998, the Finance and Economics Committee was requested by the States of Jersey to take appropriate steps to tighten up the application of the Regulation of Undertakings and Development Law, including the reintroduction of the requirement that all increases in staff numbers in the private sector would be subject to licence.

The application of these Regulations does not extend to the public sector. However, both the Establishment and Finance and Economics Committees considered that there should be consistency of approach in the manner in which control is exercised over the number of people employed in the Island. The President of the Establishment Committee proposed, in September 1998, that this should be achieved by seeking the approval of the States of Jersey to applying manpower controls as if the States, as an employer, was subject to the Regulation of Undertakings. He was advised at that time that it would be more appropriate to seek an amendment to the Regulation of Undertakings legislation. However, it has since been identified by the Attorney General that this was difficult within the structure of the existing legislation.

Thus, in order to avoid any further delays in seeking to apply the Regulation of Undertakings to the public sector, the Establishment Committee has decided that it would wish to exercise control over the size of the workforce by applying immediately the same principles as those which are contained in the Regulations. In practice, this will mean that the Establishment Committee will, on behalf of the Non-trading Committees, enter into a three-year licence agreement with the Finance and Economics Committee in respect of all public sector employees, excluding those who report to Trading Committees. The discussions with the Finance and Economics Committee concerning this licence will cover such matters as -

- engaging additional staff;
- engaging non-locally qualified staff to fill vacancies; and
- engaging locally qualified staff to fill vacancies that are over six months old.

In taking this approach, the Committee considered that, because of the differing nature of the work of the Trading Departments (Airport, Harbours, Jersey Post and Jersey Telecoms), it would be appropriate for the Trading Committees of the States to be treated separately for the purposes of applying the principles of the Regulation of Undertakings. With the approval of those Committees, therefore, it is intended that they will enter into individual three-year licence agreements with the Finance and Economics Committee in respect of all employees in the Trading Departments.

The Establishment Committee and the Trading Committees will also publish similar quarterly manpower returns to those submitted by the private sector to the Finance and Economics Committee in connection with those employees for which they retain a responsibility in accordance with this revised approach.

In addition to submitting itself voluntarily to the headcount controls exercised by the Finance and Economics Committee under the Regulation of Undertakings, the Committee will also continue to apply its controls over increases in the number of jobs in the public sector. However, it will amend the existing controls (as set out in Appendix 2) in order to complement the Regulations in the following manner -

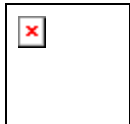
- Any increase from agreed baseline manpower levels must be approved by the Establishment Committee. This will include all permanent, short and long-term contracts and training posts.
- All existing time limited contracts shall not be extended beyond their expiry date unless agreed by the Establishment Committee. (The Establishment Committee would want to be given at least three months' notice of any request for an extension of such a contract.)
- The number of seasonal posts required by a Committee will need to be approved by the Establishment Committee.

The Establishment Committee will, however, no longer exercise these controls over increases in the number of posts established within the Trading Departments.

In looking to the future, the Establishment Committee will, in discussion with the Policy and Resources and Finance and Economics Committees, look to -

- implement a revised manpower policy and reporting procedure;
- develop the existing corporate business planning process in order to highlight manpower issues;
- implement manpower information systems to ensure information for decision making is accurate and timely;
- develop processes for the budgeting of scarce manpower resources;
- develop further procedures to facilitate the transfer/secondment of all public sector employees; and
- continue to develop a policy on employing those who have attained normal retirement age.

The Establishment Committee is conscious of the fact that the States of Jersey, as an employer, must be seen to be supporting the Island's immigration and population policy. It proposes to do so, in future, by exercising the manpower controls that have been delegated to it by the States in 1979 in the manner which has been set out above. Effectively, controls over the numbers that are employed within the public sector will be applied in exactly the same way as those that are exercised by the Finance and Economics Committee over the private sector under the Regulation of Undertakings legislation. It looks to the States of Jersey to give its support to this proposed new approach.



THE STATES assembled on Tuesday,
3rd April 1979, at 10.15 a.m. under the
Presidency of the Bailiff, Sir Frank
Ereaut.

Public employees - staffing

THE STATES, adopting a proposition of the Establishment Committee, agreed that -

- (1) all Committees should examine very closely the level and range of services which they supply and should make every effort to reduce their staffing requirements;
- (2) all Committees should prepare manpower budgets for the ensuing year at the time of preparing their financial estimates and that these should be submitted to the States for information;
- (3) all propositions, draft legislation or any other item of business presented to the States by Committees should include information about resultant effects on staffing, together with the Establishment Committee's comments thereon;
- (4) any requirement for increased staffing in any area of the States administration should be subject to the approval of the Establishment Committee, or, in the event of disagreement between the initiating Committee and the Establishment Committee, to the approval of the States;
- (5) any requirement of the Establishment Committee for increased staff within its own Department should be subject to the approval of the Finance and Economics Committee, or, in the event of disagreement between those two Committees, to the approval of the States;
- (6) the Establishment Committee be required to submit to the States, once in each Session, details of any establishment increases approved.

R.S. GRAY,

Deputy Greffier of the States.

STRATEGIC POLICY REVIEW AND ACTION PLAN 1997

Manpower Policy - Application by post category, etc.

1. The Committee's manpower policy is based on the control over the number of full-time equivalent posts in the public sector. In the main this policy applies all public sector posts although there are special policies that are applied only to the Trading Committees.
2. The Committee's manpower policy is as follows -
 - the creation of new permanent posts and contract posts of more than one year will normally only be considered as part of the annual cash limits exercise;
 - the Establishment Committee may give its approval only if the following conditions are satisfied -
 - (a) compensatory savings in terms of numbers are identified elsewhere in the public service;
 - (b) the need for the post(s) has clearly been identified in the administering Committee/Department's Business Plan;
 - (c) the Department (or Departments if appropriate) has been subject to an externally produced Service Review;
 - subject to certain conditions, Committee/Departments have the flexibility to employ temporary staff, to create seasonal posts and contract posts for periods of one year or less without resort to the Establishment Committee;
 - to treat as supernumerary, registered disabled staff and those who are employed on approved training schemes.
3. The Committee will attach the following controls in connection with each specific category of post.

Permanent posts are Full time Equivalent Posts (FTE) approved by the Establishment Committee for the running of a department's normal services.

Permanent posts will only be created in very exceptional circumstances, and ordinarily only if compensatory savings have been identified elsewhere in the public sector. Before considering approval of permanent posts the Committee will normally require as a minimum -

- an Act of the Committee and supporting documentation detailing the business case for the request;
- confirmation that the post(s) have been agreed as part of the annual cash limits and decision conferencing exercise;
- evidence of compensatory savings in terms of numbers identified elsewhere in the public sector;
- evidence that the need for the post(s) has been clearly identified in the administering Committee/Department's Business Plan;
- evidence that the Department has been subject to, or is committed to undertake, an externally produced Service Review.

Contract posts greater than one year are non-permanent that may be approved by the Establishment Committee in exceptional circumstances for a period of up to five years in order to undertake specific tasks that cannot be achieved within existing approved manpower resources.

Before considering approval of contract posts of more than one year the Committee may require an Act of the administering Committee and supporting documentation detailing the business case for the request;

- confirmation that the post(s) have been agreed as part of the annual cash limits and decision conferencing exercise;
- evidence of compensatory savings in terms of numbers identified elsewhere in the public service;
- evidence that the need for the post(s) has been clearly identified in the administering Committee/Department's Business Plan;
- evidence that the Department has been subject to, or is committed to undertake, an externally produced Service Review.

Contract posts less than or equal to one year are non-permanent posts created by departments, for a period of not more than one year in order to satisfy short-term or unforeseen requirements. These posts are not meant as solutions to long-term operational needs and therefore if departments wish to renew or extend the period beyond one year they must seek the express approval of the Establishment Committee to do so, allowing sufficient time for the matter to be discussed.

Trainee posts are posts that may be created with the approval of the Establishment Committee.

Before considering approval of the creation of a trainee post the Committee may require -

- an Act of the administering Committee and supporting documentation detailing the business case for the request;
- evidence that the need for the post(s) has been clearly identified in the administering Committee/Department's Business Plan.

Training Scheme Posts are training posts for occupational groups that include secretaries and apprentices, which may be created with the approval of the Establishment Committee.

Temporary Posts are created by departments in order to employ temporary staff, to cover permanent posts or contract posts, when it is not possible for the work load to be absorbed by the remaining staff. Temporaries can only provide cover for absence due to -

- Sick leave
- Annual leave
- Maternity leave
- Special leave
- Compassionate leave

Seasonal posts are posts created by departments for periods of less than nine months, to deal with seasonal peaks of work.

Special Needs posts are posts created by departments, without recourse to States Personnel, for those employees who are registered disabled by the Employment and Social Security Department.

4. **Trading Committees**

For Trading Committees the creation of new permanent posts and contract posts of more than one year will also be considered where it can be shown that the new post directly impacts on the new profit of that Committee, whether by increased revenue or by decreased costs. In these circumstances a post will only normally be approved if it can be demonstrated that the establishment of the new post will result in a net increase in the financial return to the States.

5. The Telecoms Board and the Postal Committee are currently authorised to create posts for Telecoms engineers and Postal workers respectively, without recourse to the Establishment Committee.