

# STATES OF JERSEY



## **COMPREHENSIVE SPENDING REVIEW: SAVINGS PROPOSALS – IMPACT ON EMPLOYMENT OF PUBLIC SECTOR STAFF (P.91/2010) – COMMENTS**

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**Presented to the States on 19th July 2010  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

**On Part (a) the Council of Ministers fully endorses the Comments made by the Minister for Education, Sport and Culture.**

### **Part (b): Reduction in public sector jobs**

The Council of Ministers has made it clear that the States needs to save money if it is to minimise the size of future tax rises. The 2011 Business Plan includes specific proposals to reduce expenditure by £12 million of savings. It will be for the States to determine whether the size and scale of these reductions is agreed. However, the States have previously agreed P.64/2010 [Public Finances (Jersey) Law 2005: funding requests under Article 11(8)] which included agreement to provide funds for a Voluntary Redundancy Scheme. That report included the following comments:

#### ***Voluntary Redundancy (VR) Scheme***

*The States of Jersey is facing a significant Budget deficit in the order of £50 million over the next 3 years and a Comprehensive Spending Review was commissioned in order to address this issue. Departments are currently reviewing their services and proposals are being put forward which involve fundamental changes to services provided in order to reduce their expenditure requirements over the next 3 years. These proposals will inevitably mean some reduction in the number of jobs in the public sector.*

*This reduction will be achieved by –*

- *Robustly managing vacancies as they arise through a challenge process to ensure that only those which are critical are filled. Where possible these vacancies will be filled with “at risk” people before looking outside the organisation.*
- *Use of redeployment and re-training to redirect people to alternative opportunities as they arise. Utilising a voluntary redundancy scheme to enable departments to meet savings targets if they cannot be met solely by the above measures. This will be needed by departments to enable them to change the way that they do their business as well as reduce staff numbers.*

*The Comprehensive Spending Review process is currently requiring all managers to examine how to reduce the costs of service delivery. Employment costs being a significant part of the States overall costs, the need to consider how to manage day-today people issues while potential changes are being considered and options evaluated is critical at this time. The consequences of not effectively managing the workforce could inadvertently lead to losing the wrong people and adding new starters who may not be needed in the medium to long-term. Failure to manage vacancies appropriately could, though, lead to people being recruited who then have to be made redundant shortly afterwards.*

The fact that the States has agreed P.64/2010, and the principles/actions stated above, must surely mean that they wish to support and implement these actions. If, however, Part (b) of P.91/2010 were to be agreed, it would mean that the action to implement the voluntary redundancy scheme could not be implemented, and the current vacancy management process would be discontinued.

**For this reason the Council of Ministers asks the States to reject the proposition.**