

4.4 Deputy M. Tadier of the Chief Minister regarding the social and economic consequences of the voluntary leavers and compulsory redundancy programmes:

What impact assessments, if any, have been undertaken to ascertain the social and economic consequences of the voluntary leavers and compulsory redundancy programmes?

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

The Fiscal Policy Panel considers the economic impact of Jersey's fiscal policy. It is said that the States should develop a plan that will address any structural deficit by 2018 and 2019. The voluntary leavers' scheme is one aspect of a broad financial plan that prioritises our agreed priorities and enables us to invest in health, education and our infrastructure while continuing to support the economy as it recovers. We must control costs and provide value for money. Managing staff numbers is part of that process. We believe it is an appropriate element of our financial plan and it is consistent with Jersey's position in the economic cycle.

4.4.1 Deputy M. Tadier:

We have already started to have the euphemistic spin language. We are talking about managing numbers now where the intention of this Council of Ministers is to drastically cut our public servants through all the sectors. Does he accept that this could have unintended consequences from his point of view - although fully expected ones from ours - about the social impact on the wider society, which would cause more harm than good?

Senator I.J. Gorst:

The economic impact of this plan is going to be reviewed by the Fiscal Policy Panel and we will have their review in September. I am not sure if the Deputy is wilfully trying to misinterpret the Medium-Term Financial Plan but he knows that in some areas we are looking to reduce numbers of staff; in other areas like Health and Education we are going to be employing more staff, so what we are trying to do is manage current spend, manage growth and expenditure so that we can put money into the areas that we believe are a priority for our future. He, I accept, would like to continue spending in all those areas and not control growth of expenditure at all but that is not what this plan does and we believe it is the right plan for our future.

4.4.2 Deputy G.P. Southern:

The Chief Minister has released the overall numbers for voluntary release at around 300. Is he prepared to publish those 300 by department and by grade in order that we can understand the impact these 300 may have and where that will be? If so, when will he publish those figures?

Senator I.J. Gorst:

There is no intention to publish those detailed figures. The whole point of this process is that it was an opening of voluntary redundancy so that those who wish to leave States employment could. There has got to be an appropriate payback. It has to provide savings and at the same time it allows departments to work not only in department but cross-department to reorganise the way that they deliver their service and we have said that we expect departments to start by removing administrative posts and delayering management. The Deputy himself I think has a question for me later. Some of those proposals, the voluntary redundancy, fall into that sector. Others do not. But the decision about whether accepting the voluntary redundancy lies with departments - management - and ultimately Ministers will be involved in that process so that we get a good outcome of a redesigned service and not simply a reduction in a post.

4.4.3 Deputy G.P. Southern:

If the Minister has - and he just did - refused to publish the data that we were interested in, how can we judge the £70 million of savings from the reorganisation that is attached to the Medium-Term

Financial Plan? Unless we know what levels and how many are being released how can we judge whether any figures presented are correct and whether any savings that are presented, it is central to the Medium-Term Financial Plan, are accurate? How can we judge the M.T.F.P. without those figures?

Senator I.J. Gorst:

If I simply produced a list of posts and titles and salary scope he would not be able to judge it either because the whole point is about reorganising the service, looking at posts across departments to see where we can make savings, where we do not need to refill posts, where we can reorganise the way that we provide the service, so the information that he is asking for is not going to provide the answers that he wants either.

4.4.4 Deputy J.A. Martin:

In the very, very original answer to Deputy Tadier's question I was quite disappointed when the question is about economic and social impact... but probably 4 question times ago I asked the Chief Minister who was doing the economic impact across the employees who were being made redundant and he said: "The economic impact was going to be done in-house by each department."

[10:15]

It is in Hansard, I will find out and I know he said it, but is this Minister saying this is now not happening as he did not reply this to the original answer to Deputy Tadier?

Senator I.J. Gorst:

Sorry, I made the assumption that if I reiterated an answer that I had given previously Members would have been aware of that, as the Deputy is. It is the independent economic assessment which is going to be carried out by the Fiscal Policy Panel, as I hope Members would expect. Only last night I was speaking with 2 or 3 chief officers to talk about the social impact because in certain areas of certain departments there might be some individuals that one could look at voluntary redundancy and that would provide or cause other social impacts. This is about trying to find ways of delivering a service at less cost, reducing duplication and at the same time mitigating social impact and making sure that we do not have an adverse impact upon the economy. So each department when they are accepting or not voluntary redundancies need to consider what the social impact will be on that person, and that will be part of the analysis about whether they think that that post can be removed or not.

4.4.5 Deputy M. Tadier:

Although he did not have the monopoly on economic thought I think Keens was well respected and he certainly espoused the idea that you do not create more jobs and you do not cut unemployment or solve a recession by cutting wages and cutting employment in your public sector. So it would be interesting to know what kind of model the Minister is following. If I could ask him: is it not a problem that his Council of Ministers has cut legs, so that they have gone in, albeit with some exceptions for certain departments for whose funding we do not yet know where that will come from, has said: "Right, we want you to find 2 per cent savings, go away and find that" even if that is not necessarily the most efficient way of doing things? So what is the ideology that the Chief Minister is pursuing that seems so hell bent on decimating our public sector?

Senator I.J. Gorst:

It does not matter how many times the Deputy or the previous questioners make what they believe are statements of actuality about the Medium-Term Financial Plan, it does not make it true. If we look at the proposed income and spend during the course between 2016 and 2019 we see that both rise despite what the questioner tries to indicate to the Assembly and to the public. This is a Medium-Term Financial Plan that invests in health, it invests in education, it invests in infrastructure, it invests for the future, and at the same time it asks departments to cut out waste,

inefficiency and reprioritise spend so that we can manage the growth in expenditure and not continue to see expenditure growing, which ultimately the public and the taxpayer will have to pick up if we do not do anything about it. I think it is absolutely the right approach, reorganising government to make it more efficient, more effective and more value for money for the public.