

4.11 Deputy G.P. Southern of the Chief Minister regarding the modernisation of services provided by the public sector:

In preparatory work with Ministers or with the States Employment Board relating to proposed moves to modernise services provided by the public sector, to what extent, if any, has the privatisation or outsourcing of services been explored and, in particular, has outsourcing been ruled out for any services and if so, which ones?

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

Public sector reform in other jurisdictions has considered the options highlighted in the Deputy's question. However, as Members will be aware from earlier statements and answers to questions, the thinking about public sector reform is at an early stage where it is premature to predict the outcomes of the proposed diagnostic work to be conducted in the coming months.

4.11.1 Deputy G.P. Southern:

Can the Chief Minister inform Members whether he has done any research already to outline possibilities and have any specific proposals for modernisation, including possible outsourcing for particular services, been put to any public sector representatives?

Senator I.J. Gorst:

As the Deputy should be aware, the Housing Department is obviously on a trajectory to become, in effect, independent of the States, as is Harbours and Airports. I am not aware that there have been any formal proposals made with regard to other services but if the Deputy knows otherwise.

4.11.2 Deputy T.M. Pitman:

"Modernise" is a lovely term that usually covers up cutting and mangling, destroying and other such things. I remember it being put forward at the workshop run by the Chief Minister and what I would like to ask, is the Chief Minister fully committed to ensuring that we do maintain high quality public services or does he support a full move to privatisation of almost everything?

Senator I.J. Gorst:

I am absolutely committed to providing high quality public service. However, I am not absolutely committed to us doing it in exactly the same way that we have done it in the past. I think every Member agrees that there needs to be change. Perhaps some of the terms used are not always fit for purpose but it is easy to slip into such terminology. What we are talking about here is workforce modernisation, service redesign and cultural change to improve the service that Government provides to the citizens of our community and that is only right and proper. We know that our finances in due course will come under even more pressure and unless we try to get a better service out of the money that we are providing then of course we will run into difficulties.

4.11.3 Deputy T.M. Pitman:

I think even the Minister for Treasury and Resources has now acknowledged that the £65 million savings was never going to work and was a completely foolish idea. Given that reality, how does the Chief Minister see this progressing to ensure balance of quality services or the public suffering badly just for the sake of savings?

Senator I.J. Gorst:

The difficulty is that I suppose in some respects we have got used to thinking in 3-year terms. This process, this modernisation, this change of culture, this redesign in the way that we are offering services, is not about just 3 years. It is about trying to improve our service and deliver a service which is going to serve us well over the next 5, 10, 15 and 20 years. So we cannot bury our head in the sand. We know that we have an ageing demographic and that is going to present challenges right across the services we provide and that is why we must start this work now. It

will not be quick. It will not be shortly. We have got to be in this for the long-term best interests of our community and, the Deputy is right, balances will have to be made.

4.11.4 Deputy T.A. Vallois:

The Chief Minister mentioned early stages of looking into the modernisation programme. Can he confirm whether he is aware of all of the evidence that was given to Corporate Services Scrutiny Panel over the last 3 years from his Acting Chief Executive Officer with regards to numerous research, numerous work that has been completed by him and whether that is being taken into consideration?

Senator I.J. Gorst:

Yes, it is, but a simple report and pieces of research does not a workforce modernisation or a change of culture or a service redesign make. I am absolutely committed to taking that research, building upon it, but this is going to be a long process. Unless we do it from the - again to use a management term which I am trying not to - bottom up, unless I and the Acting Chief Executive and other Ministers go out and listen to people performing these functions in the department, develop those ideas and understand how we can provide services differently, we will not solve the problem and we will not get to where we endeavour to reach. So it is not a short, simple process.

4.11.5 Deputy T.A. Vallois:

Can I just follow up? The Chief Minister has just stated that they need to go to the front line and see what the service is delivering, *et cetera*. I heard that speech 3 years and again 2 years ago and again a year ago about delivering £65 million of savings for the States. Why has it not happened?

Senator I.J. Gorst:

The target for making £65 million savings monies has already been taken out of departments' budgets so those savings, to a large extent - obviously it runs through to next year as well - have been made. That is absolutely right and proper but we must continue. This, I believe, is a different approach to the one that was delivered via C.S.R. (Comprehensive Spending Review). We can either go on and have a C.S.R. 2, which I do not believe is appropriate because I believe it runs into some of the problems that Deputy Pitman highlighted, or we can try and do it in a much more wholesome way where we consider the culture that we have got, where we consider how we can modernise terms and conditions, and where we consider how we can deliver services better.

4.11.6 Deputy M. Tadier:

The Minister obviously has reaffirmed his commitment to improving public services but at the same time, he seems to be using improvement and spending less public money as synonymous terms. Will the Chief Minister acknowledge that there is a possibility that if we want to improve public services, we need to spend more public money, more of the taxpayers' money to do that? If so, and it is not possible to cut spending to improve services, where does his allegiance lie? Is he committed to absolutely improving services or absolutely cutting States expenditure which he has committed to and signed up to with the current and previous Council of Ministers?

Senator I.J. Gorst:

The Deputy seems to believe, as he has asked in earlier questions, that it is always an either/or. You are either for something or you are against something. These questions are much more finely nuanced. We have made savings; that is right and proper. I have spoken in this Assembly about the extra money that we need to invest in human resources function. That also is right and proper. We must, and I believe the Deputy is committed to this, try and step away from partisan approaches to these issues. Yes, where we want to improve a public service, we are going to be

spending millions of pounds on improving the Health Service. That is absolutely right and proper.

[11:15]

4.11.7 Deputy G.P. Southern:

Does the Chief Minister appreciate that public sector representatives might be somewhat reluctant to discuss modernising their jobs out of existence given the wage freeze that he and his Ministers have imposed upon them? Will he state for Members whether a new date has been set for the meeting on modernisation, which was vitally important 2 weeks ago? Has a date been set for that meeting to take place?

Senator I.J. Gorst:

There are many questions there and I know you are going to tell me that I can only answer one of them. Which one shall I pick? Let me start by saying that a wage deal has not been imposed upon anyone so the normal and proper and right negotiations are ongoing. With regard to the setting of a date, I do not believe at this point that it has. If it has, I have not yet been informed of it. However, you probably appreciate that events get put in my diary without my knowledge and that is the only way, unfortunately, that my diary and department can operate.

Deputy G.P. Southern:

Will the Minister find out what date has been set and circulate it please?

Senator I.J. Gorst:

If a date has been set, yes I will.