

Corporate Services Scrutiny Panel Comprehensive Spending Review: 2012 - 2013 and Delivery

FRIDAY, 20th MAY 2011

Panel:

Senator S.C. Ferguson (Chairman)
Senator J.L. Perchard
Deputy D.J. De Sousa of St. Helier
Mr. M. Oliver, Panel Adviser
Mr. N. McLocklin, Panel Adviser

Witnesses:

Senator F.E. Cohen (The Minister for Planning and Environment)
Deputy C.H. Egré of St. Peter (Assistant Minister for Planning and Environment)
Deputy R.C. Duhamel of St. Saviour (Assistant Minister for Planning and Environment)
Mr. A. Scate, Chief Officer

Also present:

Mr. W. Millow, Scrutiny Officer

[15:06]

The Minister for Planning and Environment:

Hello, I am sorry I am a little bit late. We had a lecture from Sir Richard McCormack and he was late. His flight was cancelled.

Senator S.C. Ferguson (Chairman):

So he did not come?

The Minister for Planning and Environment:

No, he came but he was 45 minutes late; so the whole thing ran on longer than expected.

Senator S.C. Ferguson:

I have some nice questions for him but I was tied up with this, so I could not come. I suppose we ought to be asking you what the International Affairs Department is doing for the C.S.R. (Comprehensive Spending Review).

The Minister for Planning and Environment:

As it has not got a budget I think you probably cut it by as much as you want.

Senator S.C. Ferguson:

Anyway, I am sorry; we had better get official. Welcome to this meeting of the Corporate Services Scrutiny Panel regarding the Comprehensive Spending Review 2012 to 2013 and the delivery thereof. Now, there is a health warning there, a notice which gives you the ground rules for scrutiny. You have probably seen them before, I think, many times but I bring it to your attention. The emergency exit is behind you, et cetera.

Chief Officer:

Is that if the questions get too difficult?

Senator S.C. Ferguson:

I wonder if you could give your name and position for the benefit of the transcribers.

Chief Officer:

Yes. Andy Scate, Chief Officer for the Department of the Environment.

The Minister for Planning and Environment:

Freddy Cohen, Minister for Planning and Environment.

Assistant Minister for Planning and Environment:

Deputy Colin Egré, Assistant Minister for Planning and Environment.

Mr. M. Oliver:

Michael Oliver, an adviser to the panel.

Deputy D.J. De Sousa of St. Helier:

Deputy De Sousa, Deputy.

Senator S.C. Ferguson:

Sarah Ferguson, Chairman.

Mr. N. McLocklin:

Neil McLocklin, panel adviser.

Senator S.C. Ferguson:

Right, what do you understand is the purpose of the C.S.R. (Comprehensive Spending Review)?

The Minister for Planning and Environment:

In simple terms, it is about saving money. The way we have approached it is by assessing what we do, trying to identify whether we need to do it at all and, if we do need to do it, can we do it for less money. We have commissioned an independent review in order to assist us in delivering not only the required C.S.R. savings but additional C.S.R. savings. We have, yesterday, received the draft final version and we have a copy to hand to you in confidence today.

Senator S.C. Ferguson:

Thank you very much indeed, Minister. Yes, because that really jumps to one of our other questions: identifying your core services; but I think that really takes that into account.

The Minister for Planning and Environment:

Shall I ...

Senator S.C. Ferguson:

If you give it to us at the end of the hearing that is fine.

The Minister for Planning and Environment:

I have got four copies here.

Senator S.C. Ferguson:

Thanks very much.

The Minister for Planning and Environment:

You will see it is a pretty ruthless review and it identifies a lot of areas where we may not need to intervene at all. It identifies areas that we can drop in their entirety and it identifies areas that can be delivered for less money. It is pretty ruthless. Of course, particularly with the Department of the Environment, but to some extent with the Planning and Building Services Department, it is a question of pretty much: "How long is a piece of string?" You can implement as many different sections of the department to regulate as many different sections of our lives as you want and, to some extent, you can cut a lot of them without tremendous effect on the community either. My great bug-bear is the regulation in connection with water resources, where my wife tells me on a weekly basis since the day we introduced the regulation: "It has rained non-stop."

Senator S.C. Ferguson:

Presumably your approach to the savings, partly the review that you have got ... have you done anything else to approach looking at savings and what you do?

The Minister for Planning and Environment:

Would you allow the Chief Officer to answer because he can tell you in far more detail?

Senator S.C. Ferguson:

Yes, absolutely.

Chief Officer:

Thanks. First of all, one of the questions was: are we looking for 2012-2013 as well. We have certainly looked at a 3-year horizon. One of the key things we did as a management team across the department was to sit down and have a full and frank workshop in terms of some of the points that the Minister has already raised: what we did and what we continue to need to do, but where we felt savings could be made. We have got a very good idea where costs lie within the departments. We know what we do, in effect, down to the last penny and we have got a very good idea where those costs lay. So it was easier, I felt, that we could identify where we could take some of those costs away. Management took an approach to identify the target of £1 million. We were able to do that fairly early on in the process when C.S.R. was first launched. We have had a couple of iterations of that, if you like, to sort of test certain things, whether they are going to be deliverable or not. I think that was the key issue; not whether we could do them, because we could make our 10 per cent gross budget saving. In effect, that is nearly a 15 per cent net budget saving to the taxpayer and I think that is a key thing for the department. We have got a lot of income coming in. So we are making our £1 million from our net budget, which is £6.8 million. In effect, we road-tested our own ideas and we had a number of solutions. Some of the main principles that we looked at were to preserve public services where they were still required. Secondly, to use natural staff change. Clearly the age profile within the organisation is very clear to us. The report highlights that as well in terms of where our age bands are. We are expecting a certain amount of age natural change to occur. So can we use that as the main principle without

forcing staff compulsorily out of the organisation? I think that is a good principle to follow. The over-arching principle was to take the money out of the business. We had to find the money. The fourth one was to minimise the political and the public impact in doing so. So they are our four major drivers. We were able to identify our 10 per cent gross saving. We have subsequently commissioned BDO Alto to then, if you like, sense-check that work and to make sure we have not missed anything. We have given them very big carte blanche to go through the department, in effect. Frank, who is a forensic accountant who did the piece of work, has gone through the department. Some ideas have come up afresh, some new ideas in there. A big chunk of what management thought was sensible also has been confirmed. So I think it has been a useful exercise, both from our perspective ... sort of a two-pronged exercise. As a result of that, we are very confident we can certainly take the money out of the business and still deliver the public services that we are currently required to by legislation with hopefully none of the public and political impact. That is our general approach. We have approached it from two angles.

Senator S.C. Ferguson:

You have changed the planning fees.

Chief Officer:

We have made a recent decision on planning fees for two reasons. One of the strategies over and above C.S.R. was, in effect, an additional “user pays”. So the user pays structure does not form part of our 10 per cent. It is in

addition to the 10 per cent as part of a user pays strategy, part of the States; so a Council of Ministers' decision in terms of looking at: "Are there other options for user pays?" At the moment the decision we have made on fees does not yield us too great a change in terms of the income we are getting in, but it is more equitable in terms of who we are charging the fee to. So the householder and the smaller schemes are relatively being charged less than they were and the higher-value schemes and the bigger schemes are, unfortunately, being charged a little bit more. We think it is a more equitable split and frankly does reflect where the work goes. The work does go on the bigger schemes and those higher-value schemes and the work on the smaller residential extensions do not take so much of our time.

[15:15]

The Minister for Planning and Environment:

Can I make a point? I think it is very important to realise that the Department of the Environment in its two guises, Planning and Environment, are both departments of political choice. They are departments that have been created to provide, in certain contexts, non-essential services and it is indeed appropriate to question at some point, or perhaps regularly, whether or not we need to provide the services at all. Do we, for example, need to regulate waste? Do we need to regulate water? Do we need to regulate agricultural industries? Do we need to provide a sea fisheries vessel and a sea fisheries protection service? Do we need to deliver building control or should it be privatised? Should we introduce architectural self-certification? Do we need

to continue funding an energy efficiency service and do we need to continue funding programmes to improve environmental awareness in the Island? The answer to those questions will be different from each person you ask. The reality is that, from a Government perspective, we will do as many of those services as we can afford to do and we will deliver them in the best possible way and the most efficient way we possibly can. However, if push comes to shove and money is not available, no one is going to die as a result of cutting some of those services or significantly cutting them. So it is a department that has been created out of political choice in an effort to reflect a perception of the demands of Islanders, but you can chop and change, delete and introduce as you wish. The department can respond to any political instruction to cut its budget by simply removing services that we provide and each of us will have a different assessment of which service should be number one and which service should number 50.

Senator S.C. Ferguson:

So your lines of accountability within the department, those go from the Minister ...

Chief Officer:

Yes. If I can answer; in terms of the C.S.R. projects, the savings projects in terms of accountability, each savings project in effect has got a nominated officer who is leading on that saving. That is overseen by the Finance Director for the department and myself and the Deputy Chief Officer of the department and we report progress to the monthly management boards for

the departments to keep an eye on progress. Then there are political briefings on progress as and when they are required. At the moment we are in a position that we have delivered 2011 savings and the money has been removed from the 2011 budgets and we have also delivered 2012 savings. In effect, we are now working on delivering the 2013 savings. That is where the focus on the work is now going in terms of the remaining 5 per cent of that 10 per cent gross saving.

Senator S.C. Ferguson:

Are you projecting forward to 2014 as well?

Chief Officer:

I think it is right that we do. The world is not going to end in 2013. We need to continue to look at how we can ...

Senator S.C. Ferguson:

You do not know that.

Chief Officer:

No, I do not know that.

Senator S.C. Ferguson:

I think it is 6 o'clock on Saturday, is it not?

Male speaker:

About 3 o'clock on Friday.

Chief Officer:

Should we continue to evolve our services and evolve our thinking? Yes, we should and certainly we should be geared up to possibly making further efficiency savings in 2014, 2015, 2016 and beyond; depending on, if you like, the policy framework that we are asked to apply, whether that be more or whether that be less. I think ultimately we should be ready to change or just evolve. I will not use the word "change". I think it is about the evolution of public services and I think that is just an ongoing process.

Senator S.C. Ferguson:

Well, it is, as you say, an ongoing process, is it not?

Chief Officer:

Yes, it is.

Senator S.C. Ferguson:

I mean, you are running a business.

Chief Officer:

It is. I think the easier analogy would be to look at where we were 5 years ago and where we were 10 years ago. In every single year in the past we have changed and evolved and it will only follow that we have to do that in the future. Public demands and customer demands are going to change radically

in the future, especially around technology and how we deliver our services through technology. We are somewhat behind the curve already in terms of technology but I think, if we fast-forward 5 years, the curve is going to increase quite steadily and, who knows, we might be delivering an environment application on the next version of the iPhone or whatever. But we need to start thinking in that way: "What will our consumers expect? How will they expect to access public services?" As a result, I think public services will continue to evolve.

The Minister for Planning and Environment:

I think it is worthwhile mentioning that some of the work that Andy has been working on that is clearly identified in this report is the archaic way in which we conduct our business and if you compare the planning process in Jersey, as an example, with Hammersmith and Fulham it is chalk and cheese. In one if you are interested in a planning application you are able to access instantly online, you can access all correspondence, you can make a submission online that goes immediately to an officer, you can check on plans and download the plans. Here we deal on the basis of a thousand cardboard boxes, most of which are offsite and we have to pay to transport backwards and forwards. Andy has been working very hard to deliver a mechanism to change that and, while I cannot speak for other departments, I would imagine that our request for additional funding to enable us to save money could not be more highly essential for the smooth running of our department. We can do an awful lot better in terms of the way we do things for relatively small amounts of investment in the way we do them.

Senator S.C. Ferguson:

Obviously part of that is the office strategy and the building you have got.

The Minister for Planning and Environment:

Well, that is a problem. Andy is very much more enthusiastic about the variety of different proposals that are put to us every so often by Property Holdings. I have become rather jaundiced to the constant assertions that we are going to be given smart new office space somewhere else. It just does not happen. The current proposals to relocate us in a variety of different places that seem to change every 5 minutes, I think, will probably end up in the place that the others ended up, which is in the bin. The reality is that we are the last on the list to relocate. Our major attraction is we have got a very valuable site but we cannot go into a tin shed. My preference - and it is not followed by many of the officers - is that we should be a low-cost department and that is that we do not need to be in town. We could easily be accommodated somewhere like Howard Davis Farm in Trinity. I do not see that you need to have anything other than a simple office representation in St. Helier. I think much of our work can be carried on out of town in a low-cost environment and if I was remaining as the Minister for Planning and Environment, which I am not, that would certainly be the area that I would be seeking to promote. The department view is a little contrary to that and that is that we need to be fundamentally in the town and that we need to be accessible to everyone on a town basis. I do not buy that at all.

Senator S.C. Ferguson:

If you had electronic communication you would not need to.

The Minister for Planning and Environment:

Exactly.

Deputy D.J. De Sousa:

Can I come in? On the sheet that we have got, you have still got seven that are amber and 16 that are green. You have just stated that you have achieved 2011 and 2012.

The Minister for Planning and Environment:

We have, yes.

Deputy D.J. De Sousa:

But on our sheet there is one in 2012 of £105,000, PE12. Has that now gone green then?

The Minister for Planning and Environment:

Yes, it has.

Chief Officer:

The majority of our 2012 savings have resulted from the first round of voluntary redundancies. We were expecting some natural change throughout the 3 years but the V.R. (Voluntary Redundancy) Scheme in effect has

enabled us to bring forward 4 voluntary redundancies into 2011, which in effect has hit 2011 and 2012 savings. So, yes, the PE12 is delivered.

Deputy D.J. De Sousa:

Do you have update of where you are then, because it appears ours is out of date? We have 7 at amber. How many have you got at amber?

Chief Officer:

I have got 8.

Deputy D.J. De Sousa:

You have got 8? So one from green has gone amber?

Chief Officer:

I am not entirely sure these are in number order but I have got PE17 at the top of my list. That is a 2013 saving and, as a result, work will be commencing in terms of how that £50,000 is freed up; predominantly through zero-based budgeting and time-recordings. We have matched £100,000 down on the co-location now. That is an amber because there is work still to take place, but we are confident it will be delivered. So if this was a confidence delivery that would be green. It is amber by virtue of the fact that we need to still do some work to deliver it. The next amber I have down is the Met review, which is due to deliver in 2013, and in that review we are about 70 per cent of the way through that now. As a result, because there is still some outstanding pieces of work, that is an amber. We have got the

restructuring of file storage as the next one, PE15. Again, that is an amber by virtue of the fact that we need to, the first of the project issues, thin the files that we have so we only file what is absolutely necessary. Once we have undertaken that we then go into bringing the filing back in-house; so that is why that is an amber. PE8, which is development control online, is a very minimal saving but the I.T. (information technology) investment is going in this year. So, in effect, that may well come forward a year early if we have delivered the I.T. investment this year. But, again, the I.T. investment is not yet in; therefore, that is an amber. PE23, that includes the “over and above user pays” charges. That does not form part of our 10 per cent target but it is over and above that and that is to be delivered by 2013. So not yet done; hence it is an amber. PE7, we have got building control review, including land charge searches. Again, that is an I.T.-related project in terms of if we can, through I.T. investment, make our land charge service far more self-service through, if you like, secure dialling, so with advocates and conveyancing companies. At the moment we have all the information on I.T. systems. We use a person to extract and a person then to pass it on to the conveyancing firms. If we invest suitably in I.T., there is no reason why the conveyancing firms cannot dial in securely and get that information. We would still obviously levy a fee for that but, again, there is some I.T. investment. PE2 is a joint licensing project. We issue a number of licences currently across the department. There is a number in Environment; whether it be fishing licences or shooting licences as a couple of examples. We need to rationalise the administration around that to make sure that we potentially issue joint licences through one process. That, again, is work still to be done in 2013; hence it is

an amber. The co-location is we have added now, PE5. We think there are significant 6-figure savings for co-location. But, again, it is amber in the sense that it is dependent on a third party, another department, in terms of finding us a property solution. But if a property solution is found we are certainly confident there is a good 6-figure saving there by only running one building as opposed to - well, we are in 4 locations - 2 primary locations.

Senator S.C. Ferguson:

Yes, because you ought to be able to have a smaller building surely.

Chief Officer:

Yes.

Senator S.C. Ferguson:

You do not have to have, surely, an exclusive desk because they are not there all the time.

Chief Officer:

Absolutely. Some of the work in terms of looking at a new location has looked at - it is a great phrase - how location-dependent our staff are. There is a number of staff who are in the office maybe no more than half of their day, if that. Some of our building control staff especially will enter the office in the morning. They will be very clear on what work needs to be done, but they are out on-site looking at site. They will come back in the evening to prepare them for the next day. Their desk solution is not the same as a policy officer

who, in effect, sits at the desk most of the day preparing policy. So we have undertaken an assessment of all of our teams in terms of how location-dependent they are. Some of them are 100 per cent have to sit in an office; some of them we get down to sort of 40 or 50 per cent of their time is spent out of the office. If you merge that together, we have got 120 staff, we probably would be able to get away with probably about 80 desks.

The Minister for Planning and Environment:

Remember that if you went down the line of privatising the building control section, which has been model explored in other jurisdictions, you would lose all those people in terms of having to provide them with offices and they would find their own in the private sector.

Deputy D.J. De Sousa:

How did you go about deciding what was green, red and amber? You have not got any red, though.

[15:30]

Chief Officer:

We have not. We started on the basis that what we have got on our list we think is entirely deliverable and I think, as a result of that, our default position is green. I do not think there are any items on the list here that we feel have got, if you like, a political red flag or a public red flag or a deliverability red flag. I do not think any of them fall into any of those boxes; hence, if you like,

our default position is they should all be green because there are ideas to come up with savings. They only go amber because we have not yet done some work, if you like, to prove that we can do them. But we are very confident that this is very deliverable and we are a year ahead, in effect, in our delivery plan, which confirms our feelings.

Senator S.C. Ferguson:

So are you going to even improve that and be 2 years ahead?

Chief Officer:

I mentioned the I.T. area. The I.T. investment and planning is going in this year. Certainly there are a couple of items here which we could see slip into 2012, so we could see some of the savings delivered earlier. I think if we can do that, we should do that. The big areas of saving around co-location, if we could do it earlier, that would be absolutely fantastic because our department would be so much more productive if we were together.

The Minister for Planning and Environment:

You are dreaming again.

Chief Officer:

I am dreaming. At the moment I think that is probably right to sit in the 2013 box. The Met review, potentially we could take a saving out and some of that saving could hit 2012. Again, we have got some natural changes occurring in staff in the Met team, for instance. We need to take our opportunities when

they arise, because it removes the need to go more forcibly for staff changes. I do not think we need to do that if we do not have to because it is harder to deliver.

The Minister for Planning and Environment:

The gains, in my view, that you could move forward quickly are privatisation and building control, which is not even on the list as a major item; file storage you could accelerate and I.T. you can accelerate. So on the planning side you can do those more quickly but with more effort.

Chief Officer:

I think the interesting thing on building control, while the gross costs of that service is around £1 million a year, the net cost is £50,000 a year because it pretty much self-funds.

The Minister for Planning and Environment:

Well, yes and no. That is a straight accounting answer. The reality is it also requires office space; it requires services; it requires the payment of rates and all those other things that are not costed into the £50,000. So if you privatise it you get rid of all that as well.

Chief Officer:

It is a curious thing, under the C.S.R. rules if we were to take building control out of our gross budget we would instantly hit our 10 per cent because our £10 million gross would go down to £9 million, which is where the C.S.R. rules

on gross and net are slightly for us because we are about 35 per cent dependent on income. The only other department with more than that, I think, is T.T.S. (Transport and Technical Services) who are just a bit higher; 38 per cent dependent on income or around that sort of figure. So the rules for C.S.R. making savings on gross possibly are disproportionately unfair on income-related departments. But, yes, if we move building control out of the public sector, ironically we would hit our C.S.R. savings.

Mr. N. McLocklin:

In terms of the actual methodology in the work from yourselves and BDO and taking that example of building control and location-dependent working type scenario, have you done an activity analysis on what they are doing or thinking about lean processes? Basically my experience in that space, a lot of the time it is not the desk that is the wasted asset; it is the officer coming in and out during the day. He or she is spending half of his or her time finding a car-parking space rather than doing the job.

Chief Officer:

While we have not formally badged our C.S.R. under a leading principle and said: "This is a leading project," I think some of the principles that we have applied, we certainly have taken on board what does the customer currently require? That has got to play a role. What is the political framework we are working within? What do the policies and the political needs reflect? So I think we are very clear what our customer base requires. Have we done a time analysis? If I take a building control officer, we have not done a direct

time analysis on that. If we did, I have got no doubt we can ... it comes back to what the Minister said in terms of how much regulation do you want. While we may have a statutory service in delivering building standards, how we deliver that building standard is we can have 10 site visits on a building that is going up or we can have 3 site visits on a building that is going up. At the moment we are probably at the higher end of that. We have a resource and it is utilised every day of the week with the jobs that arrive. So it is the same as anything, the resource gets spread across the work. If the work increases they have to do more work. If there is less applications they potentially can do more site visits. If we were to take a risk management approach to building control, for instance, and say: "At what critical stages do we need to have a site visit," I have got no doubt we could probably bring the average site visit down from probably 10 visits to a site down to probably 5. If we were to do that, we would not need so many building control officers. I think at the moment under the public sector, the way we work, that would be quite new for the public sector. I have got no doubt if it was privatised or put at arm's length that would happen within a year because, with a different mind-set, you would apply your resources ... you would probably take some resource out and you would probably run a very cost-effective building control company.

The Minister for Planning and Environment:

Can I add a little bit to that? I know exactly what you are getting at and I have observed very carefully the function of the planning officers and the building control officers. They are generally a very diligent team and they do not waste their time. They do not spend half the day trying to find a parking

space and they are not lazy. I do not think that there are significant savings to be made through re-arranging the management of their time. They are very good at managing their time and particularly the building control team. Mo Roscouet is tough task master and he runs a very efficient, very tight ship. They are really good. The savings that can be made is, as Andy is saying, by looking at what they are doing. Do they need to do all the stuff they are doing? A lot of it, the answer to it is “yes”, but it is not life and death stuff and you do not need to visit a building project 10 times. You can visit it 5 times and, if you cannot afford to visit 5, you can visit 3 and, if you cannot afford to visit 3, you can probably get away with one at the end. It is just a matter of matching what our team does to the available budget. So you can squeeze it as much as you can and, if you cannot squeeze it any further, then you simply change the amount of it that you do.

Chief Officer:

It depends on the developer as well. You have to take a risk-management approach to it. Some developers are, if you like, far more trusted than others and we would need to keep an eye on some developers more than other developers.

The Minister for Planning and Environment:

Although I keep changing my mind on which one is which.

Deputy D.J. De Sousa:

There was a case in St. Ouen’s, was there not?

Chief Officer:

Yes. Ultimately it is a very fine balance in building standards because we want to have buildings that are safe, both structurally safe but also means of access, fire, carbon monoxide, et cetera. So we need to make sure that there is an appropriate balance, but could well explore more self-certification, more self-assurance or more of an insurance model whereby the requirement is placed on the building owner and occupier, as is now the case in some of the U.K. (United Kingdom) legislation in terms of fire safety. It is under health and safety; if something happens in a building, it is the building owner's responsibility.

The Minister for Planning and Environment:

When you look at the whole process of applying and constructing a small building extension, if you are employing a qualified architect who has been through a rigorous training process and has a professional qualification and professional insurance is it necessary to involve the Government in building your garage extension? Is it necessary at all? Can it not be left to the architect to certify whether the work has been done properly and to simply have a system of spot-checks where if you are shown as a professional not to be delivering to the required legal standards you simply get struck off?

Senator S.C. Ferguson:

At the same time, if you give your building inspectors the right equipment and take advantage of technology you probably only need to see them twice a week or something like that.

Chief Officer:

I certainly agree. There is an example from previous employment where we, in effect, merged two building control services; one which was a city council and one was the neighbouring borough council. Vastly different practices: one did 2 visits per site; one did it far more risk management based, probably 7 or 8 visits per site. One of the key things that we want to do is introduce tough-book technology, if you like, which sort of tablets this sort of thing. They are rough and robust because building control officers knock them about a bit and drop them on site and things. But online technology to be able to view plans, check plans and instantly give the approvals, push the button and it is seamlessly linked to the back office in terms of permit generation, letter generation or even just electronic correspondence to the applicant that, yes, he has been on the site and push the button, yes, that is okay. It removes a whole host of back office functions that just do not need to exist.

The Minister for Planning and Environment:

If you take that right from the start of a planning process, why are we accepting paper plans? Why are we not requiring people to submit everything electronically when you then avert the need to file things, you reduce the risk of losing things which is a regular occurrence, and you have got a far better mechanism to track what you are doing?

Assistant Minister for Planning and Environment:

The data handling and recording is so much more effective based on the I.T. systems.

Mr. M. Oliver:

Can I say; there is a lot of drive here from you, Minister, and your Chief Officer. Is there a danger, with the ministerial changes after election that you alluded to earlier, that some of this might be dropped? How embedded is this?

The Minister for Planning and Environment:

The answer to that a lot of this comes from the enthusiasm of the people who are in charge. That can be the Minister. It can be the Chief Officer. It can, if you are lucky, be the Chief Officer and the Minister together. But if one becomes less enthusiastic or is replaced by someone who is less enthusiastic it will have an effect. The fact is that the technologies that we are talking about have not just become available today. They have been available for some considerable period. Yes, they are always improving. The fact is we have not done it yet and, therefore, that shows that, while we are talking a good story at the moment, the reality is that some of this we could have implemented in the past. Now, Andy can claim that it is not his responsibility because he has not been here for that long. I cannot. So while I am enthusiastic at the moment over this issue and that has been stimulated by the necessity through C.S.R., it has only become something which I am

greatly enthusiastic about as a result of a requirement to deliver C.S.R. So as long as the pressure is kept up on C.S.R. the Chief Officer and the Minister will be required to deliver and, once you have started to get enthusiastic, you want to deliver more.

Assistant Minister for Planning and Environment:

I think the enthusiasm that has been generated within the department, anyone taking over the new ministerial post would be on very dangerous ground not to continue with that enthusiasm because it will be the Minister who is going to get it in the neck in the final event because they will be seen to be failing.

Chief Officer:

Ultimately I think this is about not only is it a great statement, public service is lean and more efficient, but it is a better place for staff to work in. It is an easier place for staff to work in. That is the big selling point, it is making life easier because we have adopted a number of processes which are quite painful and are making our life easier; it is a better place to work and our staff are happy with that as well.

Assistant Minister for Planning and Environment:

I think, from a personal perspective and having sat on the other side of this table, the reality within the department as I have seen is that C.S.R. is very real, very real and is happening, and it is not making up a story to fit a scenario. It is real and working.

The Minister for Planning and Environment:

We have had 2 reviews; not just the BDO review, we have also had a process improvement review, which also we should provide a copy of. Some of it concentrates, unfortunately, on removing the Minister's powers, which I consider to be entirely inappropriate. The rest of the process improvement programme review is quite good.

Deputy D.J. De Sousa:

Who carried out that one?

Chief Officer:

The Planning Officers Society Enterprises, which is the consultancy arm of the Planning Officers Society from England and Wales. They have got a consultancy arm who operate solely in the public sector.

Deputy D.J. De Sousa:

So it was based on a U.K. scenario?

Chief Officer:

Well, they brought some ideas from the U.K., yes. They did. Some of the recommendations are based on British planning, if you like.

The Minister for Planning and Environment:

The elements to try and remove the Minister's magical powers have been reviewed by a small team. They are about to publish their review and it will make quite interesting reading.

Assistant Minister for Planning and Environment:

The final report is being produced as we speak.

The Minister for Planning and Environment:

Yes. So we could also perhaps send a draft of that.

Assistant Minister for Planning and Environment:

Although I understand your concerns about the U.K. investment into our planning strategies, I have to say that, having been involved with the team that came over, they listened to what was being said about Jersey and the way that we run our own businesses.

[15:45]

The Minister for Planning and Environment:

You will probably say: "He would say this anyway, would he not?" But I think that they were a little bit out of touch with the way things happen in Jersey. I do not think they were aware that if Mrs. Le Sueur's garage is not dealt with promptly she rings the Minister up on Friday at home and wants to know why on earth her garage has not been approved because the builders are starting on Monday. That is not something that they are used to in the mainland and

that is sort of quite difficult to factor into any analysis of how to operate the very hands-on system that we have in Jersey.

Chief Officer:

What we did, I think about 80 per cent of those recommendations, I would say the coffee-making recommendations, are fairly mundane, low-level recommendations; that process about where the bits of paper moved within the department. There was a chunk of recommendations which had a political dimension and were about how it works here and those are the recommendations that have gone through a political steering group to get a bit of a sense check as to whether we go that far or not. Some of the recommendations, for instance, on planning rights, they recommended that we push some of the pre-permitted planning rights, i.e. the stuff you can do without planning permission, a lot further. While that may work in the U.K., it may not work here because we have got a lot denser development in certain areas. So those certain limits may not be appropriate. That is another example of where we just have got to make sure that the recommendation suits the Island.

The Minister for Planning and Environment:

One thing I do think we need to be aware when one reads that report, I think it is worth bearing in mind that Islanders expect a personal level of service. The process we use at a political level is we allocate jobs. So the Assistant Minister will be allocated something that he is particularly interested in and he will effectively deal with the applicant, deal with the objectives and make a

decision. Now, that is a very unusual way of operating because usually the decision-making and the dealing with the applicant and the objectives in most jurisdictions is separate. However, in Jersey it is entirely appropriate because of our close, small community that we operate in a different way and I am not sure that the planning inspectors understood that.

Mr. N. McLocklin:

You mentioned how much Hammersmith and Fulham as a sort of benchmark and obviously I wonder if you are looking at organisations in terms of sharing at the moment in their sort of partnership with Westminster and Kensington and Chelsea. Are there any opportunities with Guernsey in this space, maybe in terms of sharing some of the I.T. infrastructure?

The Minister for Planning and Environment:

Where is that?

Mr. N. McLocklin:

Two areas I was thinking about, in terms of I.T. infrastructure and potentially, I guess, in some of your areas. In Environment, in particular, you have got very specialist technical services - maybe one or 2 people.

The Minister for Planning and Environment:

The answer is obviously yes. The practicality is it is quite difficult to deliver. I found it very difficult for a variety of different reasons to deliver joint projects with Guernsey. Partly it is because our political cycles are out of kilter. Partly

it is become different Ministers are enthusiastic about different things and, as we are changing at different times, what is enthusiastic to both one moment is not something that meets enthusiasm with the successors. But it is surprisingly difficult to deliver. It is such an obvious thing to do, but in practical terms it is very hard to deliver. For example, to go out and jointly purchase new I.T. systems, if we have not got the budget or they have not got the budget or it does not quite fit into their timescales, it will not happen. My experience is that we are largely better to go off and try and do things on our own; to try and benefit from opportunities with Guernsey, but understanding that it tends to slow things down a bit.

Chief Officer:

I can add, we do have some specialist services. The States veterinary service, for instance; we have a States vet. That is a function that potentially could be shared. There is only one States vet here and she is very, very thinly spread over all the work areas that she currently covers here. So undertaking another role in Guernsey as well, it would make even further spreading difficulty. Fisheries, for instance, would be a good example. We have a fisheries protection team and we have a fisheries protection vessel, as do Guernsey. However, we have been able to negotiate a Fisheries Management Agreement with France and the U.K. which Guernsey have not been able to agree. So the regulation that we can apply and the benefits that the Jersey fishermen can achieve, Guernsey fishermen do not currently have that. The differences in our legislative basis would probably make it difficult in the short term. If I look at environment laws, for instance; we have got a lot

stronger environment laws here than Guernsey. So if we were on more of an even keel in legislative terms, I think joint services would be ...

The Minister for Planning and Environment:

But it is not all failure. Andy is running, very successfully, the sale of Met data to Guernsey and that provides a significant contribution towards the running of out. But it is very difficult particularly if you are of the mentality, if you are from outside the public sector as I am, that when you cash into a good idea you want it done tomorrow; trying to meander through the civil service to get it done and compounding that with trying to meander through another jurisdiction just means that you move on to the next thing. When we have identified we want a new I.T. system, I want it tomorrow morning and I am constantly pestering Andy: "Why has it not happened?" I would not be keen to slow things down by adding additional unnecessary layers, but it is an obvious thing to do where we can.

Chief Officer:

The Met service that we run is the Channel Islands Met Service. It is not badged that. It is called the Jersey Met Department, but it serves the Channel Islands in its entirety.

The Minister for Planning and Environment:

We sell the services.

Chief Officer:

We sell that product to Guernsey as well. The report that we have commissioned does highlight some areas where we could look at further joint working in the future, but I think it is one of those cases that we need to bring both funding legal levels to the same place and then into the political discussions as to whether this is politically acceptable to share some of these services. I think it certainly pushes the savings from that outside this current C.S.R. period; so I think it is more of a 4 or 5-year plan, rather than now a 2-year plan.

Deputy D.J. De Sousa:

Touching on that, Sarah has asked most of the Ministers that we have had in, the C.S.R. is up until 2013, and I know this is difficult because you have said you will not be the Minister, as a department are you looking at savings beyond 2013 and, if so, to what degree?

Chief Officer:

I think the answer is “yes”. In embarking on some of this work, I.T. is a really good example, it is not going to stop there. I.T. and technology will continue to change. Our customers’ expectations will continue to change. There will be a day where people do not want to visit the Planning and Building Services Department. They just expect 24/7, 365 access online or whatever application they are using. Whether it be T.V. (television), fast streaming or anything, that will be what their expectation will be. Yes, we are currently delivering services with a very firm idea of what public services look like and

gradually that will just change; so I think we should be delivering efficiencies year on year.

The Minister for Planning and Environment:

I think some of it will come naturally. I think building control privatisation will come naturally. I could not think of a more natural thing to happen when you have got the right people there and we have in Mo Roscouet. I think I.T., once we get going, will continually improve and continually save money because it is not very expensive to add on bits to it. I think co-location will happen by default and I think, once it does happen, there will be significant efficiencies there. I think self-certification in relation to applications by qualified architects will happen naturally as well. So I think that a lot of the stuff that will be further savings will materialise naturally. One other area we have not talked about is a complete review of the whole ground structure. It is perfectly fine that we should be allocating public money towards the provision of the Energy Efficiency Grant Service that provides a huge improvement in the lives of low-income families, but it is not acceptable that we should be providing grant money to millionaire farmers. It is not a criticism of the farmers. It is not criticism of anything other than we found ourselves in a place where if we had reviewed it at the start we would not want to be. I am sure that over the next 3 years, somehow or other, there will be a review, not just in our department but holistically throughout the States, of why we are providing grant funds in the areas that we currently are and directing grant money towards the people who really need it.

Mr. N. McLocklin:

Obviously you are committed to the C.S.R. and that comes across very strongly, but what about the guys on the ground? For example, you mentioned ePlanning and moving everything into electronic documents. The typical planners and building control guys like to have their A1 plans.

The Minister for Planning and Environment:

I am not sure in our case that is right. I think they are a pretty modern team. They would like to embrace better technology. They are frustrated by the lack of availability to access modern forms of doing things. I do not think there is any resistance at all from officers. I think if that morphed into accepting change that is going to result in you being paid less you would have a problem, but that is not the intention. I do not think there is any resistance from officer.

Assistant Minister for Planning and Environment:

You may not be aware, I am very much the new boy on the block here and certainly I have been spending quite a lot of time in the department and I see no resistance to the sort of thing you are talking about here, none at all; in fact the opposite.

Chief Officer:

The plan viewing is something that you have highlighted. There are ways of dealing with plan viewing and certainly we have already purchased some slightly larger screens in the department for planners to look at plans on, but

there is also availability of just buying bigger flat-screen T.V.s to view plans on and that can be done in meetings rooms and I have seen it happen in other places. There is a technology solution for most things. You need to move away from the scale rule and the paper, but it depends on the technology you have got to be able to measure things on a screen and if the technology exists you do not need a scale rule. The general view of staff on the front line of C.S.R., certainly the C.S.R. plan that we have got, I think is good. Maybe it is a very simplistic answer but we have had a number of staff meetings around what the C.S.R. plan looks like. We have got a lot of enthusiasts working within the Department of the Environment. We have got a lot of experts. We have got a lot of doctors. We have got a lot of scientific experts. Some of these jobs are also their private hobbies because that is the life and the area they have come through. In terms of their enthusiasm to deliver the service it is unrivalled, it exists. Most of the staff want to know that the services that we currently are bound to do by law still remain. So do we still deliver the public service? Have I still got a job? If I am being honest, that was pretty much where they ended.

The Minister for Planning and Environment:

They are very happy to take on board any opportunity we offer them. They are a really good team and I was quite surprised because my experience of dealing with the public sector as a private sector person was it was always a lot of hassle and they tried to find ways of making everything difficult. But when you are on the inside they are a really good team and they help people and they deal with things efficiently and they do the best. Yes, they

occasionally make mistakes but I would find it hard to find a better team. They are really good and there is certainly no resistance to change.

Chief Officer:

The message we have given them that we are not going into a compulsory redundancy round was probably the biggest issue that they wanted some assurance on; that we can do a lot of staff changes through natural opportunities, because we will get natural opportunities over the next 2 or 3 years. People are retiring and people will move jobs. So once they heard that message and that certain key public services will remain, because that is what is still expected, if I am being honest, they said: "Well, that is what the management's job is then. Your management job is to deal with the budget and get on with it." That is pretty much where they left it. If I was to summarise staff feeling around C.S.R., that is pretty much it. We have had some suggestions in obviously for saving points here and there. They tend to be lower-level savings but they all add up. But generally most people wanted reassurance that their jobs were safe and the services that they deliver, which are important, are also going to continue. So that was pretty much where we left things with them.

Senator S.C. Ferguson:

Yes. I was interested, in your list you have 8 planning and environment C.S.R. efficiency savings, user pays and so on. You have got 14 for the Department of the Environment. Does that imply that environment was ...

[16:00]

Chief Officer:

I think that just demonstrates where the net budgets exist. At the moment the department gross budget is about £10 million but the vast majority of income comes into the Planning and Building Service Department. So we get over £2 million worth of income through planning and building fees. As a result, because the C.S.R. rules mean we cannot touch income and we should not be using user pays as a quick get out, if you like, the vast majority of net budget sits on the environment side of the business. So that is where the majority of the money is. That is probably why the solution is skewed.

The Minister for Planning and Environment:

I think also the Department of the Environment represents a department, the environment section, that the world does not stop if we stop doing it; whereas the function of Government changes significantly if you stop doing a lot of the planning functions. You do not end up with a significantly changing Island if, for example, you cut down on the fisheries service or if you cut down on the agricultural service. But you do end up with a changing Island or an Island that does not change if you stop the planning service, because people cannot, under the present regime or present system, get on with building new houses and providing new schools and all the other things that we require.

Senator S.C. Ferguson:

Yes. It was just the implication is if you can find more savings in one area it does imply that perhaps it was a little bloated to begin with.

The Minister for Planning and Environment:

The Department of the Environment could be regarded as bloated, but it is bloated because the States as a body have chosen to make it bloated. The States have chosen to regulate a lot of things that you or I or Deputy De Sousa or Deputy Egré may personally feel is not something we need to do. Some of that has come from our obligations in terms of the protocol with the E.U. (European Union). Some of it has come because States Members want to do it because it sounds like a jolly good thing and some of it has come because States Members did not realise it was going to cost so much.

Assistant Minister for Planning and Environment:

But, equally, within Environment, a lot of things came into the Department of the Environment from other departments within ministerial Government and that is where it is bloated. Planning was very much Planning, where lots of other little issues came into ...

Deputy D.J. De Sousa:

You have come now it is over, Rob.

Chief Officer:

It is important to look at the legislation that, in effect, the department regulates, because the vast majority of legislation sits on the environment

side. There is also, I think on the last count, 32 international environmental agreements that the Island has signed up to that, in effect, sits within Environment.

Senator S.C. Ferguson:

Well, Kyoto goes next year.

Chief Officer:

Yes, there is Byrne; there is Bonn; there is Basel; there is umpteen.

The Minister for Planning and Environment:

Yes, and it does more different things. The Department of the Environment does more different things than the Planning and Building Services Department.

The Minister for Planning and Environment:

Planning and Environment are that.

The Minister for Planning and Environment:

Yes, Environment Service is a tag. It covers probably 6 very distinct businesses, from a weather service all the way through to a fisheries service, to countryside management and footpaths. It is a very diverse part of the business. Yes, it is a tag because it is all in Environment, but there is a lot of uniqueness out there.

Deputy D.J. De Sousa:

I just wonder, I have asked all the other Ministers, of the £21 million in underspend is any of it for Planning and, if so, how much and where does it come from?

Chief Officer:

The answer to that is “yes”. There is £181,000 of energy grants which were committed last year but not spent. So accountancy rules mean that it could not have been accounted last year because the works were not completed; we had not put through grants for people and works that possibly were possibly started on some schemes but not finished. So there was carry over, in effect, against a commitment we had given. That was £181,000. There was £101,000 carry over for Planning and Building, primarily related to our Planning Improvement Programme and I.T. When we make a planning decision the money hits the budget. The way we currently account for planning fees is that income is banked and held in a deferred income account and then once we carry out the work, i.e. we give a decision, it then hits the budget. So if we make any decisions in December of every year - and this year we did have a planning panel around 20th December, I think - the money hits the budget and it is very hard then to lose it once it hits the budget. So while we can probably work-flow differently earlier on in the year, we just want to make a decision. So some of that was down to increased income expectation but we were able to carry it over because we knew we had a big requirement to do I.T. spend this year to drive out some of these efficiencies.

Deputy D.J. De Sousa:

So officially that goes back to Treasury? Do you need to claim it back?

Chief Officer:

Yes, in effect the default position is it ultimately goes to Treasury and we then make a bid, in effect, for it to come back. So some of the committed funds, the fact that a bill is going to be paid in January rather than December, it is a bit of an accountancy issue really, but that was where the energy grant carry over was required. The £101,000 for Planning, yes, could have easily gone back to Treasury, but it was acknowledged that we did have some I.T. requirements because if we are going to drive out some change we just need to invest a bit in I.T. So that is why we have had that back.

Senator S.C. Ferguson:

I am sorry; I will not keep you longer. If you cannot collect or sort of transfer the money from the deferred account until the planning decision is made, is there a danger that that might encourage you to make decisions in order to get the money transferred?

The Minister for Planning and Environment:

Well, it depends if we have got to comply with the Minister for Treasury and Resources. If the Minister for Treasury and Resources is difficult then it very well may and that is the honest answer. The fact is that everyone understands the difficulties of the planning budget issue and would generally regard it as a bit of an exception.

Chief Officer:

I have worked in both scenarios where you do not have a deferred income budget and, if you do not have one, whatever you get receipted that year just hits your budget. Then you get problems of big applications coming in at nearly the close of the financial year; so we had a big application in December. We know we do all the work with it in January, February, March and April the next year but the money we would have given back in the previous year and we would have lost it. So it works both ways. I think the deferred income works better because at least the money hits your budget when you have done the work. I guess the key to it is just to make sure the rules on deferred income are sensible. The building control deferred income, for instance, is drawn down at 4 very specific points based on what work is taking place. The planning one is less usable. We take a percentage at receipt and then the rest of it hits on decision, but clearly we do a lot of work in between that. As long as the deferred income laws are sensible I think it is a sensible approach to adopt.

Senator S.C. Ferguson:

Super, thank you very much indeed. No more questions? Thank you very much, Minister, Assistant Minister, Chief Officer, Assistant Minister.

Deputy D.J. De Sousa:

Who came in at the end.

Senator S.C. Ferguson:

I am sorry you were not here long enough to say anything.

Assistant Minister for Planning and Environment:

I was waiting for the final question, but you have an answer so that is fine.

Senator S.C. Ferguson:

We have already dealt with the fact that because all the cuts are in the Department of the Environment, it was obviously bloated.

Assistant Minister for Planning and Environment:

No, I do not think it is, if I can make a comment. I think there is a fundamental problem in the States at the moment as to whether or not environmental spend is something you only do when you are flush with funds - it is like gold-plating tax and things - or whether or not the money that you spend on the environment is the things you do ordinarily as day-to-day business.

The Minister for Planning and Environment:

I correct the Assistant Minister. The current fashion is for chrome-plated tax.

Senator S.C. Ferguson:

What about brass ones?

The Minister for Planning and Environment:

No, they are very fashionable.

Assistant Minister for Planning and Environment:

No, it is an important because, as you have probably discussed with Kyoto and other international agreements, if the Island is signing up to things which do have a cash grab in terms of spend and the framework under which those spends is undertaken is only to spend the monies if you have got more than enough money from other sources, then in actual fact it raises an bigger question in my mind which underlies the Comprehensive Spending Review on one sense of it in some cases as to whether or not we should be dealing with these things and signing them in the first place.

Senator S.C. Ferguson:

In actual fact Kyoto is not expected to be renewed next year.

Assistant Minister for Planning and Environment:

That may well be the case but none of us have crystal balls and when we do sign up to international agreements we do think that it is projected on into the future. The other thing is it is somewhat surprising, in my view, that Planning and Environment or Environment is offering up 13 per cent, or they are about to, in savings and we only have around about 0.5 per cent of the total monies; whereas the other bigger income bodies who are telling us they cannot deliver any more than 2 per cent savings and would be struggling to get that are in fact doing less with more monies. That is totally wrong. So, again, it heightens in my mind, from the environmental point of view, the importance or lack of it in terms of the overall agreement within the States as to how much

they want to spend on the environment and whether something, as I said earlier, you do as a matter of course, because it is something sensible you want to sign up to, or whether or not you only do these things as an add-on when you can afford to do it.

Senator S.C. Ferguson:

Or, if you look at it as you do in the private sector and look at the sort of value for money and cost benefit.

Assistant Minister for Planning and Environment:

Yes, that is right.

Senator S.C. Ferguson:

You did get your say after all. Thank you very much.

[16:11]