

STATES OF JERSEY
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 I. Le Marquand (The Minister for Home Affairs)
Mr. S. Austin-Vautier, Chief Officer

Also present:

Mr. Mike Hayden, Scrutiny Officer

[12:08]

Senator S.C. Ferguson (Chairman):

Welcome to this meeting of the Corporate Services Scrutiny Panel on the Comprehensive Spending Review 2012-2013. I wonder, for the sake of the transcription ladies, if you could give your name and position.

The Minister for Home Affairs:

Yes, I am Ian Le Marquand and I am the Minister for Home Affairs.

Chief Officer:

Steven Austin-Vautier, Chief Officer for Home Affairs.

Mr. M. Oliver:

Michael Oliver, and adviser to the panel.

Senator J.L. Perchard:

Senator Jim Perchard.

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

Deputy Debbie De Sousa.

Senator S.C. Ferguson:

Sarah Ferguson, Chairman.

Mr. M. Hayden:

Mike Hayden, Scrutiny Officer.

Mr. N. McLocklin:

Neil McLocklin, Panel Adviser as well.

Senator S.C. Ferguson:

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

The Minister for Home Affairs:

It is to find reductions in public expenditure of £65 million while retaining an acceptable level of public services.

Senator S.C. Ferguson:

Right. So, how are you going to ensure that your department is going to make genuine savings as per the Auditor General's 2008 report?

The Minister for Home Affairs:

This question caused confusion because my staff thought that you were talking about individual items that were suggested that might be possible for cuts and I did not

think that is what you were talking about because my understanding is you are looking at process rather than individual items. So ...

Senator S.C. Ferguson:

Well, the C. and A.G. (Comptroller and Auditor General) had certain definitions.

The Minister for Home Affairs:

I need to ask you what “genuine savings” means so that I can be clear. So, can you clarify please?

Senator S.C. Ferguson:

Yes, the Auditor General had several categories. He said that some savings were exogenous.

The Minister for Home Affairs:

Were what, sorry?

Senator S.C. Ferguson:

Exogenous. They happened without the department being responsible, like the birth rates, so the number of children going into education goes down.

The Minister for Home Affairs:

Oh, right, okay.

Senator S.C. Ferguson:

Some were putting the price up, user pays, but it was put in as a saving.

The Minister for Home Affairs:

Yes.

Senator S.C. Ferguson:

Some were genuine efficiency savings. It was the categories that he gave.

The Minister for Home Affairs:

Okay. Well, the answer is that my understanding of the C.S.R. process is that it would include all of those and that £65 million total target will not be all genuine savings; it will include all of those. That is my understanding. In the case of Home Affairs I would have to go through each item and analyse it individually in order to tell you which were in which categories but if we took, for example, the proposal to change the law with the proposition that I will be bringing on the 7th or 8th of June in terms of the repatriation of prisoners, and then if that then leads to a knock-on change in terms of the rules in relation to whether prisoners can go back to the U.K. (United Kingdom) on restricted transfers or not restricted transfers i.e. ... now I am talking jargon! i.e. on the basis of Jersey's approach to parole rules and so on or on the basis of the U.K. Assuming that we adopt the U.K. on that and assuming then that prison numbers dropped, I have no idea how you would categorise that. It is a by-product of something else but nevertheless it is a by-product of a statutory change proposal that we are making. So, I do not know where that falls. It is quite difficult sometimes to categorise.

Senator S.C. Ferguson:

Yes, that could be interesting.

The Minister for Home Affairs:

If we suddenly get some miraculous reduction in prison numbers other than caused by that, is that just good luck? What is it? I do not know.

Senator S.C. Ferguson:

Are the police not catching as many? Yes! What methodology did you use to identify the savings? Did you start, for instance, by saying: "What are our core services?"

The Minister for Home Affairs:

I am sorry, I just lost a word.

Senator S.C. Ferguson:

Did you start by saying: "What are our core services?" In fact, have you identified your core services?

The Minister for Home Affairs:

Yes, we know what our core services are, yes. Each of the different sections has different core services. In something like the Police Force, although you have core services, it is the level to which you are going to do things which is applicable. My approach, as I said before, has been to make it clear that I was always going to defend our core services, to defend our essential functions and so on and so forth. So, that was quite clear. The way it worked initially, as I think we outlined on a previous occasion, is that the departments went out and they looked at ... I think I am going to say more than 10 per cent. Perhaps if I hand over the details to Steven.

Chief Officer:

You asked about methodology, Chairman.

Senator S.C. Ferguson:

(a) the methodology, and (b) the core services.

Chief Officer:

First of all, the core services, I think we take the view in Home Affairs with the sort of public safety services we have that they are virtually all core services in the sense that if you ask the question: "What would life be like without some of them?" Well, they are essential. So, unlike a lot of departments I think we take the view that you have to maintain virtually all of them. There are some which are, you could say, optional. For example, community safety, and that is an area where we have taken a 75 per cent reduction in order to restructure that. So, we did make a distinction between them. But if you are saying, Fire Service, Prison Service, Police, that is the view we took.

The Minister for Home Affairs:

I think it is the degree to which you do things. I mean, we are virtually all core services. Even the T.A. (Territorial Army) is a by-product of an intergovernmental agreement, so to that extent it is core activity but the real question is, what is the acceptable level? To what level should we be seeking to provide a service? I think that is the issue. It is not so much what we do, it is to what extent do we do it?

[12:15]

Senator J.L. Perchard:

But it goes without saying, policing, ambulance and fire are core services. But servicing the police, for example, I understand there is the police canteen that you have looked at. That is really what we are talking about when we talk about core services; services that service your core services and how you prioritise that.

Chief Officer:

Well, now we are coming on to methodology. If you want to bear with me I will just take you through that. I mean, the first thing we did there, we obviously worked together to crack this nut because with the service that has different core services you either take an equal misery approach, which arguably has been the approach States wide in terms of departments taking 10 per cent, or with the co-operation of heads of service you take a view on priorities and certainly that was the Minister's vision, if I am not putting words in his mouth, but the Minister's vision was to go back to basics and say: "Who can take more? Who has to take less?" So, prioritisation is very much a part of the methodology. So, what we did, 2 per cent was very much a given for this year because the timescale was so short and we had to live with that. So, it is slightly different between the services but broadly speaking we asked everybody to look at what they could stump up on 2 per cent. For 2012 and 2013 rather than an extra 3 and 5, we asked everybody to look for an extra 5 and 7 per cent and the purpose of that was to enable the Ministerial team to take a view on relative priorities and we can tell you, if you are interested in the percentage split that we ended up with. As I say, this relies on the co-operation of the heads of services and I think we have had that; we have had a good approach to this, good co-operation. In terms of getting that across to the workforce I think we had a good go early on at communicating what the objectives were, because we realised with some of the more transformational savings measures we have, which are innovative, we had to get the pay groups on side. So, very early on we have been engaging with the Prison Association and the Fire Service Association for example. That was all in the interests of trying to take away as many obstacles as possible early on otherwise you are just running into trouble downstream. I personally put heads of services in the role of change leaders within their own organisations and to lead it from the front, just as I am leading it from the front across the department as a whole. On that score obviously we need a plan and we need to put the plan into effect. The plan is very much in these spreadsheets, which I am sure you are aware of. That says the

savings that we all agreed upon and in terms of implementing it, if you like, Mr McLocklin, could I pass you those? There are only 4 there but I what I did right at the beginning was set up a programme board for Home Affairs which I lead. On that programme board is also my Finance Director and Senior H.R. (Human Resources) Manager and I now have a Project Manager, who I have only had for a month, in order to make sure we stay on the straight and narrow. Under the programme board you have the heads of service who each run their own project groups within their own service area and then of the 42, I think it is, individual savings measures the ones in yellow there we picked out as the ones with the highest tariff value of difficulty, if you like. Those are the ones where the biggest risk is. So, when we have the programme board meetings every month, and we have had 4 now, we concentrate on those and those are the ones that are being done on formal project management lines. We have had P.I.D.s (Project Initiation Documents) and we have Gantt charts and I can show you some if you like, so that we can track progress. So, right from the outset we have tried to put this on a proper discipline footing; (a) to make sure we can deliver them, but (b) if we get risks that manifest themselves we can think of what Plan B might be because those projects, and if you are interested I can tell you about any of them, they do carry high risk but they are innovative, they are genuine attempts to change the way that we do business without just cutting staff and doing all those simple things, and you can tell by the headings that they are innovative; things like repatriating prisoners, for example, merging with the Ambulance and the Fire Service. I suppose the only other thing to add is that certainly for 2012 and to get people motivated on this we have some quick wins and obvious quick wins were things like reducing police over time, reducing overtime at the prison by being a lot more disciplined about whether people actually have to do extra hours and working more efficiently. A good one we think are Customs and Immigration. We had multifunctional offices working basically answering phones. We now have both those officers back on frontiers and we have replaced them with clerks who we have

trained, one of whom is from the Advanced to Work Scheme. So, that has been a real bonus, getting somebody back into an operational department off that scheme and they are doing a good job. That broadly is the methodology that we followed and we think we are on top of it obviously from a process point of view. Savings is a different matter but we have the process nailed, we think.

Senator S.C. Ferguson:

Yes. The suggestion scheme that was meant to be in place in all departments, have you been using your frontline staff to come back with ideas as to how to improve the way you operate?

Chief Officer:

Yes, in fact the Customs one I mentioned this was staff saying: "Why are we answering these phones?" You could not really see it coming, it was all to do with intelligence work on collection of G.S.T. (Goods and Services Tax) and fraud in freight and what started out as needing people off the frontiers to do that. There were becoming more queries from contractors on how they could pay their G.S.T. more efficiently. That then became more of a mechanical advice rather than needing that expertise.

Deputy D.J.S. De Sousa:

Because that should have been referred to the Chief Minister's Department and the actual G.S.T. Director, if they are just asking about freight rather than your department, should it not?

Chief Officer:

Well, we collect the G.S.T. on freight rather than the Treasury; that is a Customs function, and we collect over £12 million a year.

The Minister for Home Affairs:

Can I just say that there is some ambiguity in the question. I thought it should be able to identify “the savings”. It depends what you mean by “the savings” because of course Home Affairs has never committed itself to the 10 per cent figure and so the actual figures that we are working on, anticipating 7.7, I think we would rise to 7.9 with some user pays. So, just so there is no misunderstanding in relation to that and that is because it was a judgment of the Ministers that we could not retain an acceptable level of service with the 10 per cent figure. At the end of the day it pretty well comes down to police numbers; our sort of final port of call is reduction in terms of police numbers and a judgment has to be taken in relation to that. The other thing, just for the sake of ...

Senator S.C. Ferguson:

Yes, but you are forgetting ... sorry, you talk about going back to police numbers, but you are also talking about a Fire Service, a prison, and Customs and Immigration. Now, if you look at the figures for the Fire Service I think it is something like 41 per cent of their time is not spent on putting fires out, it is spent on advising people on fire safety.

The Minister for Home Affairs:

No, it would not be anything like 41 per cent.

Senator S.C. Ferguson:

Well, if you look at the Jersey figures it was certainly a large chunk of the pie chart, which looked to be about ... the percentage does not matter, but a large chunk of time ...

Chief Officer:

You are talking working practices really.

Senator S.C. Ferguson:

Yes, well, the way to surely accomplish success under C.S.R. is to look at your methods, procedures, working practices and so on. Now, if only a small fraction of your time is spent out with the fire engine putting fires out and a large percentage of time is spent on fire safety, now are you performing that efficiently? Is it a service that people should not be getting free?

The Minister for Home Affairs:

Well, I think this is quite deceptive because we have to have a certain level of people on shift, for instance, in the Fire Service but of course there are times, quite substantial times, when they are not called out and therefore they are involved in training, they are involved in doing other things, but they have to be available to go out.

Senator S.C. Ferguson:

Yes, I am not denying that. With great respect, Minister, every time it seems to come back to: "Oh, well, we are going to have to look at frontline police servicing" and with respect this is perhaps not helpful.

The Minister for Home Affairs:

Well, the professional advice that we have had is that we are one person per shift less than we should be. Now, I have made a political decision to accept one person per shift less than we should be. In Customs the objective advice of scrutiny panels and other things is, we are one member of staff per shift below where we should be. So, we were already, before the C.S.R. process, operating at levels which were

lower, in terms of the core shifts, than we were advised they should be. I took a decision when I came in as Minister to accept that.

Senator J.L. Perchard:

The Chairman makes a very good point, Minister. One could accuse you and Home Affairs particularly of salami slicing your activities rather than addressing the C.S.R. demands that have placed upon you.

The Minister for Home Affairs:

That is not right at all. It is just not right. What we have done is we have looked at what is achievable in the various different departments while maintaining an acceptable level. So, the percentages are not the same across the different departments; they reflect that. It so happened, for instance, if we look at Customs and Immigration, that they were already starting from a basis where they had been salami sliced.

Senator J.L. Perchard:

But shift patterns, working practices, are we really addressing the core issues of inefficiencies within systems that have built up over decades and probably centuries, that we know are out dated and not relevant to modern practices?

The Minister for Home Affairs:

They had already been addressed. I mean, Steven could give you more detail on that but, I mean, Customs and Immigration for instance we have merged 2 departments together to create more efficiency before my time. Fire Service has changed the structure.

Chief Officer:

That is right. I think we had already made certain changes before C.S.R., in fact during F.S.R. (Fiscal Strategy Review). Let us talk about multi-functionality. By joining together Customs and Immigration and training people in both disciplines we are able to cover the range of tasks a lot more efficiently, even though we were 6 down, but the C. & A.G. recognised that we were now 3 down and in fact in emerging issues he says both of those under the Prison Service that there were no economies to be had there. So, that was from him. So, that was an efficiency move in Customs. In Prison, it is not a C.S.R. project, but it has emerged because of it, the Prison Governor is working on a new pay line for Prison Officers which reduces it down to a 5-year increment process and part of that is achieving that by changing the shift patterns. So, we have looked at these things, and just coming back on the salami slicing, if you just look at the yellow ones on there they are really difficult, innovative and brave projects, we think, and it is going into ground that we have never been in before and in diving terms the tariff value is about 7.9 and we are having to work on Plan B and because of our programme board work we know now that there is a high risk we will not do it by the end of next year and we are going to have to have something else to buy us some time.

Mr. N. McLocklin:

One thing that I have seen in delivering lots of benefits on the mainland is looking at the whole end-to-end Criminal Justice process. Where would that fit in here?

[12:30]

Chief Officer:

In the Criminal Justice process?

Mr. N. McLocklin:

Yes, everything from putting into courts and back into prisons.

The Minister for Home Affairs:

Well, there is a separate piece of work being done on the Criminal Justice system review and that is outside of Home Affairs except insofar as workloads on the police on production of documents, or sending documents to ... whether they get sent to parish for inquiries or do not, or that kind of thing. So, there is another piece of work that is being done in relation to this which Tribal did a separate report on but this is outside of Home Affairs, except insofar as it impinges on the police or Customs. It is more so in the courts.

Chief Officer:

We have facilitated the project though that flows from the Tribal Report. It identified £900,000 of potential cashable savings, but we just got the go-ahead to appoint somebody fulltime from September. It is from within, there is no extra cost. Somebody from within Home Affairs Police will lead a project. There is some work to do between now and September but she will work on this fulltime from September to build a project and deliver these and any other savings that might be identified that Tribal did not find.

Mr. N. McLocklin:

So, that £900,000 is savings in your department, or across the States?

Chief Officer:

This is a corporate project. They are not in our savings schedule. It was one of those cross cutting projects but we have taken the lead in trying to put a project plan together to work on this report.

Mr. N. McLocklin:

So, the C.S.R. programme is helping to identify some of those, or is that something that has come up from your own initiative?

Chief Officer:

This and the Law Enforcement Review were both major reviews, not strictly departmental, but because it is mainly Criminal Justice I have just taken it on board to set the project up.

Senator S.C. Ferguson:

So, they are really coming out of the C.S.R. thinking?

Chief Officer:

Yes.

Deputy D.J.S. De Sousa:

Can I just take you back a step? I wrote it down when you said it. You said that you did not feel that you would be able to achieve this within the period up to next year. So, up to the 2012?

Chief Officer:

I said we know now that we will have difficulty, not that we would not. Because unless you are honest with yourself you just go on a false trail. We know it is difficult. It is best if I give you an example. Repatriation of prisoners to foreign countries; we have never done it ever. We do it to the U.K. The only way we do it is by deportation at the moment.

Deputy D.J.S. De Sousa:

But is that not after they have completed, or is it for prisoners for a longer term?

The Minister for Home Affairs:

No. This is the law that will be debated in the session starting on the 7th of June and we have to reach agreements with foreign countries on this, but enables in principle prisoners to be returned to serve their sentence in their home country. Now, there are prisoners that we have in that category and therefore on the assumption that they will return there will be a reduction in the numbers of foreign prisoners in the prison, but it is likely that the Minister for Home Affairs will take the view, once you have that situation, that we should apply the same criteria to prisoners returning to the U.K. and that is the point in relation to unrestricted transfers. If we move to unrestricted transfers, which means they serve the sentence in accordance with the regime in the country where they serve, which would then put them in line with foreign prisoners, then there are likely to be a substantial number of prisoners who will want to return to the U.K. to serve their sentence who do not at the moment because at the moment they prefer to stay in Jersey because it is a nicer prison probably. So, that is a knock-on effect of this, but it is dependent upon (a) the States passing legislation, (b) a decision being made on unrestricted transfers, and (c) agreements being reached with foreign countries, and (d) it having the anticipated effect in terms of reductions.

Mr. M. Oliver:

Is there a reciprocal agreement in place that if we have Jersey prisoners in Italian jails, or whatever, that they would then come back?

The Minister for Home Affairs:

Yes, that is right. Yes, that is right, but of course because of the nature of our prison community, where we have a high number of people serving long sentences for drug offences and particularly what are colloquially called mules, couriers, who have

virtually no ties with the Island the expectation is that there will be a net outflow. Quite a substantial net outflow and similarly with the U.K. that if the rules were changed that there would be more people who would want to return to the U.K. to serve their sentence because they serve a shorter sentence.

Chief Officer:

So, the point I was making, Deputy De Sousa, was not that we cannot make the savings, if it is going to be a problem because we have assessed the risks, what else could we do to make the savings by the due date to tide us over until we do make that saving? That was the thinking.

The Minister for Home Affairs:

We have a whole lot of stuff which is dependent upon outside things. Some of it is dependent upon negotiations with staff and so on and therefore we write these things up as orange, we think they are achievable but they are dependent on decisions and agreements outside of us.

Deputy D.J.S. De Sousa:

Outside of your control.

The Minister for Home Affairs:

Now, what I have said to my colleagues on the Council of Ministers and to the Minister for Treasury in particular is, we will produce a certain level of savings because I am not going to say I am going to do something and then not do it, but I cannot tell exactly how I will do it. I know from past history that new ideas and new thoughts come up in the process of time, new possibilities. It is an ongoing process. But the harsh reality is that if some of these things fail and we do not come up with

others then we will have to start cutting police posts because we do not have the degree of flexibility over and above what we are already doing in the other sections.

Senator J.L. Perchard:

You say that, Minister. I notice here in HA12, and you do not have to bother finding it, but you can see a saving next year of £75,000 by outsourcing prisoner transport and security. Now, there is a principle, and I understand it is still yellow and as Ian explained it is not done and dusted, but it is a principle you are exploring here rather than cutting police posts, trying to deliver the service more efficiently. Is this principle not being extended throughout everything that you do?

The Minister for Home Affairs:

Well, it can be.

Chief Officer:

Well, as far as we possibly can.

The Minister for Home Affairs:

It can be.

Senator J.L. Perchard:

But you are changing tack completely here. You are looking to find somebody else to provide a service more efficiently than you are providing it yourself. This is a fundamental departure from the rest of your programme where you are, in my opinion, with a few exceptions, just slicing a bit here, slicing a bit there.

Chief Officer:

Well, we have made an assessment as to what things we think can be outsourced and done differently and those which we think we do not really want to go there yet, or at all, and what you see on the spreadsheet are the things that we thought are right for ...

Senator J.L. Perchard:

Why would you not go there in order to achieve your 10 per cent C.S.R. request savings?

The Minister for Home Affairs:

It depends what they are. I mean, you cannot outsource the Police Force. We have looked at whether it would be viable to outsource the entire management of the Prison Service. We are of the opinion that we could not effectively and that has to do with the nature of the prison, the fact that we have an existing staff team but also we are effectively a Category B prison in terms of security levels, and I will explain what that means if you want, but also a Category B has to have the capacity to have Category A prisoners in it. Most outsourcing in the U.K. has either been in new prisons, or it has been very low security.

Senator J.L. Perchard:

Is your big problem employment relations, if you were to really look at this aggressively? For example, if you were in the U.K. the Police Force would be expected to reduce its expenditure by nearly up to 20 per cent. Is that not right?

The Minister for Home Affairs:

Well, that is because they are bloated. That is because they are starting from a position of being bloated. I mean, they have had 30 per cent increase over ... I am trying to remember. Senator Ferguson is very expert on the bloated nature of the

U.K. Police. She has sent emails on it but if my memory is right they have had a 30 per cent increase over the last ... I am trying to remember if it was 10 years or 15 years. I cannot remember. But the Government of the U.K. apart from anything else, is that they have been able to raise the extra money through increasing the rates effectively. What is the ...?

Chief Officer:

Precept.

The Minister for Home Affairs:

You have this thing called the precept which is basically part of the rates which is raised on a local basis and the public have been crying out for law and order, law and order, law and order, but have not been crying out sufficiently for efficiently run law and order and so the systems frankly become bloated. Now, in Jersey I have to say that my conclusion is that insufficient effort had been put historically to find savings in the previous rounds because some of the stuff that we have come up with is frankly stuff that should have been found in earlier processes. Some of the initial areas of savings which have come up in the Police should have been found earlier, in my opinion, and I give credit to Messrs. Warcup and Taylor who have very rapidly come up with the stuff which should have been there. There are other major issues over which I do not directly have control in terms of expenditure in my areas and particularly the salary levels of individual pay groups. There may well be issues there. I do not want to express a view on that specifically but those are not controlled. It is well-documented that some pay groups within Home Affairs have substantially higher levels of salaries than what, on the face of it, appear to be parallels. Now, having said that, you have to be very careful that you are comparing like with like and some superficial work has been done at times in the past which has been demonstrably wrong, but that is another issue.

Senator J.L. Perchard:

What about, Minister, when you hear a policeman retiring at 50 on 60 per cent of their final salary? Are these areas that you feel you should be able to address?

The Minister for Home Affairs:

That is an issue to do with the pension scheme. That is all part of terms and conditions but, as I say, the ...

Senator J.L. Perchard:

Yes, that is outside your portfolio.

The Minister for Home Affairs:

The paradox that we have in Jersey is that individual Ministers do not negotiate, or have an involvement in a negotiation directly of the terms and conditions of their own staff and that is the paradox. Deputy De Sousa of course I am sure feels the burden of the difficulty of decisions on that, but that is the paradox and you must also understand within Home Affairs that we are running departments which are at very high percentage levels, and we are not the only ones. Teaching is the same. I was looking in detail at the teaching figures yesterday and their percentage cost in terms of staff are very high and therefore staffing ...

Senator S.C. Ferguson:

Fifty per cent of the States expenditure goes on salaries.

The Minister for Home Affairs:

Well, we are up in the 80s for each one of our departments. Apart from T.A.

Senator S.C. Ferguson:

Now, going back to your spreadsheet, what is your definition of red? What do you understand by the red on the spreadsheet?

The Minister for Home Affairs:

Okay, some of the red are red because ...

Senator S.C. Ferguson:

No, no, the actual definition of red. What do you put into the red area? If you say, "Ah, this is obviously red." What do you mean by it?

The Minister for Home Affairs:

Some of the things that will not happen. We now ...

Senator S.C. Ferguson:

So, when you say it is red it will not happen?

The Minister for Home Affairs:

Not all of them. Either it will not happen, or it is unlikely to happen.

Chief Officer:

It is a high degree of difficulty of achievement. We have not taken the view at officer level that it will not happen. Red, green and amber are degrees of difficulty of achieving the saving.

[12:45]

Senator S.C. Ferguson:

Yes, so when you put something as red you say: "Well, only a 5 per cent chance of achieving it" say, or less?

Chief Officer:

Yes, you have to take a judgment on what goes into each category. So, basically with green we are saying that is probably going to be achieved without any difficulty and then amber occupies the middle ground and red are the ones that there is a high degree of difficulty with making the saving through that measure.

Mr. N. McLocklin:

So, they correspond with those? Those are the reds?

Chief Officer:

Yes, most of them are, yes. The reds you will find in there, if you were to look at them.

Senator S.C. Ferguson:

So, if you had a project which: "We reckon we can do it but we have to take it to the States", where would you put it?

The Minister for Home Affairs:

Amber.

Chief Officer:

Yes, probably.

The Minister for Home Affairs:

Probably amber.

Senator S.C. Ferguson:

Oh. The definitions are varying between departments.

The Minister for Home Affairs:

Yes, I think they do.

Senator S.C. Ferguson:

This is a problem.

The Minister for Home Affairs:

Actually looking at our own I can see that there are differences between the reds. We have some reds now we are now pretty confident cannot happen and we are looking at another red which is a major one where we are confident that we can do part of it definitely, part of it is amber, and part of it is red but we have put it in red. So, it is quite difficult to categorise.

Senator S.C. Ferguson:

So, what is Plan B?

The Minister for Home Affairs:

Sorry?

Senator S.C. Ferguson:

So, what is Plan B?

The Minister for Home Affairs:

Well, it depends on the individual things. Plan B in relation to that one is we have to work out how much we can do of that. But Plan B in relation to the definitely cannots ...

Senator S.C. Ferguson:

But are you going to come up with additional savings instead?

The Minister for Home Affairs:

Well, Plan B in relation to the definitely cannot is obviously we are continuing to look for new ideas but at the end of the day when we have run out of ideas we are going to have to take a balance in terms of either reprioritising other things or in terms of reduction in police numbers. Reduction in police numbers is not a shroud waving thing from my perspective. If I could explain this to you, the Police Force is the most flexible organisation that we have because once a Police Officer is a Police Officer they can be deployed into different sections and therefore it is unlike any other Home Affairs organisation. There is a degree of flexibility of redeployment. If there is a sudden pressure in the Public Protection Unit you can short term send more people to help. You can second people from away, or whatever. If you have a certain pressure in terms of shoplifting you can direct more energy from the shift into that. The Police Service by its nature is more flexible, whereas in the other organisations you have people doing specific tasks who cannot easily be deployed across to other tasks. A halfway house would be the prison where Prison Warders are Prison Warders and they may slightly change the tasks they are doing but they are still doing Prison Warder functions. But that is why at the end of the day if you have to make cuts it is more likely to come back to the organisation which has the most flexibility in the deployment of its officers. I do not know if that is helpful or confusing, but it is a structure in a different type of animal.

Deputy D.J.S. De Sousa:

I would have understood across the board using a red, amber, green that red was when you identify the initial saving, amber was when the preparation work had been done to put that saving in motion, and then green was when it was actually done.

The Minister for Home Affairs:

Oh, no. No, this is assessment as to how likely we think we are to achieve it.

Deputy D.J.S. De Sousa:

All right. Okay.

Chief Officer:

Can I give you a good example? If you look at HA4 which is in 2013 and it is at the bottom of the second ... oh, no, you have a different sheet but it is the Customs one to go to cheaper premises at Elizabeth Terminal. We know now that there must be great doubt over whether there will be a new building at Elizabeth Terminal by 31st December next year. But that £100,000 saving is rent, so at the programme board meeting last week we have discussed with Head of Customs and Immigration how much rent he could save by rationalising what he is occupying now and how he could make up the difference via the means, one of which is getting slightly more out of the Law Enforcement Review. So, those are the conversations. That is the point of this. Those are the conversations that are going on once a month at the programme board when we review the risks and the progress against the Gantt charts and what have you. So, it is not all about bits of paper and diagrams; it is about what is happening on the ground and what is likely to happen in reality.

Senator S.C. Ferguson:

But this is surely where you start having interdepartmental meetings. Because surely the amount of space you occupy is something you discuss with Property Holdings, for instance. Are you getting the sort of interdepartmental co-operation and discussions that we would dearly like to think happens?

The Minister for Home Affairs:

Well, we have a Plan B in this area which is to occupy less space in the same building. I mean, we are getting into an individual ...

Senator S.C. Ferguson:

No, no, but I am talking about interdepartmental working.

Chief Officer:

There is at the Customs level, in order to come to me with their progress they do have their own project group who have met regularly with Property Holdings because that Elizabeth Terminal move is also linked, or was linked, to the police move and all the others, as I am sure you are aware. So, yes, those discussions are happening across the piece but when I have my meeting I do not get into that level of detail, I am just quizzing with the departmental project team.

Senator J.L. Perchard:

So there are things that are outside your control that will put a bit more pressure on you achieving your C.S.R. For example, you have just described not moving into a new building, a cheaper building. What about a decision to raise the level of G.S.T. to 5 per cent? That will mean that you will more customers to claim G.S.T. from, because the *de minimis* is going down from 400 to 200 and something.

Chief Officer:

To 240, yes.

Senator J.L. Perchard:

Yes, so there will be more work. Will you be compensated for that?

Chief Officer:

They are assessing what the effect is likely to be. It is difficult to tell, but you are quite right to put your finger on the fact that it will have a workload impact, yes.

Senator J.L. Perchard:

You say you do not get any compensation for collecting tax for the Treasury, the Customs Department?

Chief Officer:

Other than the staff we have.

Senator J.L. Perchard:

Okay.

Senator J.L. Perchard:

I am not you should. I am just ...

The Minister for Home Affairs:

That is what we do.

Senator J.L. Perchard:

That is what you do.

The Minister for Home Affairs:

Because the Impôts stuff, the alcohol and so on coming in, we have always done that; so it is just an extension of that. It was a staffing provision.

Chief Officer:

At the outset.

The Minister for Home Affairs:

At the outset.

Senator J.L. Perchard:

Yes, I remember that.

Chief Officer:

About 5 staff.

Mr. N. McLocklin:

Just building on from this; I understand that, it all looks really good. Just sort of below the waterline, what is the sort of process of engaging the frontline staff with ideas and different ways of thinking and looking at processes?

Chief Officer:

Okay, I will come back to Senator Perchard's point about retirement ages perhaps to answer that. I said at the outset there had been a lot of engagement with the Prison Service Association. One of the measures we have got here is a new prison officer grade. Part of that, the very early engagement - not an easy group to deal with - but they want to increase the retirement age to 60. So part of the negotiation, the carrot dangling, with this project is we try and accommodate that. It is a bit of a no-brainer.

So they want that, and we have built that into, when we go for a new grade, what the terms and conditions will be. So that is an example of how we have engaged early. The Chief Fire Officer has had similar negotiations on the new structure for the lower ranks of the Fire Brigade, which is also a measure. Then on the ambulance merger, the Chief Ambulance Officer is on the working group for the merger and so he is an integral part of that. On that programme, we are doing the preparatory work to work out what the eventual service will look like, so we are going to need to engage with the Minister for Health and that is programmed in the chart for the end of June. So we are aware of all these levels of communication and engagement that we have got to do.

Mr. N. McLocklin:

In terms of your *Red Report*, we have obviously got sort of, I think, a March version, but it is going in the right direction or is it ... you know, are reds being converted to ambers, or is it going the other way?

Chief Officer:

Well, I think we have got the sort of spread that we would pretty much expect. I mean, this year is a done deal. 2012 is showing 15 greens, 2 ambers and one red.

Mr. N. McLocklin:

Sorry, when you say 2011 is a done deal, does that mean they are all green and banked.

Chief Officer:

The money has gone. We have made the savings in the way that we said, I would say by and large. There may be the odd thing. 2012 is looking good and I think, when you look at 2013, it would be odd if that was full of greens because that is

where the really demanding and innovative projects are, the long-term ones. So showing 10 amber and 3 red is not strange to me.

Mr. N. McLocklin:

So that is where you are now, 10 amber and 3 red? So it looks like you are going in the right direction from ...

Chief Officer:

Yes, I think so, and I think we have tried to be honest about the reds as well.

Senator J.L. Perchard:

But incidentally, in 2013, Ian, you have only got £55,000 worth of savings in the green.

The Minister for Home Affairs:

Yes, there is a breakdown there, Jim.

Senator J.L. Perchard:

Most of it, they are red.

Chief Officer:

A lot of that depends on the major law enforcement review.

Deputy D.J. De Sousa:

While we are on there in 2013 and the greens, one of the very last ones, HA41, bearing in mind something that happened this year, it is the user pay. How would you go about doing a user pay in the instance of what happened last year, when King Street was closed off, because I understand that that would be from the likes of the

fireworks that we had, if they were escorted off, then the user would have paid for having them escorted away. But we had a bomb scare in King Street last year and we had an issue with an explosives expert, did we not, because ...

Chief Officer:

Yes, he happened to be away.

Deputy D.J. De Sousa:

He was in Guernsey and away?

Chief Officer:

Well, he was away, but Guernsey came in to cover, which is the procedure that was already planned, yes.

Deputy D.J. De Sousa:

Can you foresee any difficulties with that one?

The Minister for Home Affairs:

Well, this is a different thing.

Deputy D.J. De Sousa:

Is it?

The Minister for Home Affairs:

That particular user pays is a different thing. On that particular thing, we want to reverse the previous policy direction that was taken, which was we want to move this functionality back into the police force. I think that is right, is it not?

Chief Officer:

That is your policy.

The Minister for Home Affairs:

Well, that is my policy. We think we went in the wrong direction, but that is going to take a few years.

Deputy D.J. De Sousa:

So have you got any projected growth areas that you are looking for?

Chief Officer:

You mean for user pay?

Deputy D.J. De Sousa:

No, across the board. Have you got any growth that you think you will have?

The Minister for Home Affairs:

Yes. We are still experiencing the problem in relation to the effective increments on us, so we expect to have a growth bid to cover incremental into 2012 and 2013. My colleagues and [...] Ministers have accepted there is a real problem. It is caused by the fact that we have incremental increases for some of our service upgrades over 10 years, I think it is, or 12 years in one case. When you have an increase in numbers of staff, as we had at the prison some years ago and, therefore you get an influx of people at the lower grades, you are going to inevitably get an increase in your overall costs simply because they are gaining experience and gaining seniority and they are drifting up. We are in a period right across Home Affairs where we have incremental drift. It is a particular problem in Home Affairs, caused by the longer scale.

[13:00]

I mean, normally in the Civil Service, as you probably know, when somebody comes in, they come in /0. At the end of the first calendar year, they go to /1, then the second /2 - unless they have blotted their copybook - end of the third to /3. So, on average, in 2 and a half years, they go from /0 to /3. So the effect in terms of incremental drift, if you have got a whole mass of new staff coming in, it is much faster. But in Home Affairs, it is much longer. So we have a growth area in that.

Chief Officer:

Financial planning.

The Minister for Home Affairs:

No, we have already had that. I mean, we are talking about 2012, 2013. Have we got any other growth areas?

Chief Officer:

No, it was just increments.

The Minister for Home Affairs:

I do not think we have, have we?

Chief Officer:

No.

The Minister for Home Affairs:

We had a substantial growth in relation to the sex offenders' law. This is why when you see figures for the overall figures for Home Affairs, the percentage reductions

were down something like 3 per cent over the whole thing, because we have had debited to us roughly £1 million a year for the sex offenders, although some of that is on staff elsewhere, some of that it is in court and case costs, plus the increments for last ... what else did we have? We had something else. Sorry, yes, we lied. We do have a growth bid.

Deputy D.J. De Sousa:

Yes, we have found it.

The Minister for Home Affairs:

The Police Authority.

Chief Officer:

Have we got anything else?

The Minister for Home Affairs:

Sorry, you have got us. We did not think you were going into so much detail.

Deputy D.J. De Sousa:

According to this, in 2012, the growth bid would be in legislation, police, fire and rescue, Customs and Immigration, costs of staffing, and there is additional staff ... in Children's Services and court and case costs.

The Minister for Home Affairs:

That is the sex offenders, because we did not have enough to cover the full cost of the sex offenders, which is one of the reasons why part of the monies we needed to keep from underspends last year was to cover an amount of case costs, which we

did not have the full amount for 2011, so there is an increased amount to balance that up for 2012.

Mr. N. McLocklin:

Yes, I was just going to say, I think I read in some of Tribal reports about potential other opportunities of savings, like collaboration with Guernsey, like shared services, like single custody suite. Are they all being looked at, or where are they in the sort of pipeline of opportunity?

The Minister for Home Affairs:

They are all being looked at. I mean, Tribal came in frankly with wildly optimistic aspirations, based upon their experience in the U.K. (United Kingdom) but then, as I say, they have been dealing what I have described as bloated police forces. So their initial statements were: "Oh well, we will have no trouble in achieving this, based upon experiences of other jurisdictions." I did not believe them and I was right. So there was a difficulty and we also had this difficulty ... I mean, we had this assumption that somehow we could make £1.5 million savings out of a review of the way the criminal justice ...

Mr. N. McLocklin:

Maybe forget the Tribal bit, but just think about those things like collaboration with Guernsey, single custody suite and shared services, so they are just 3 examples. You know, me as an outsider would think collaboration with Guernsey would be a good opportunity, but I do not see it here.

Chief Officer:

Yes, on your coloured sheet, in the bottom left-hand corner under 3, the one that says: "Training" the saving there has been achieved by doing joint police training with

Guernsey, so we are in bed with them, basically. The requirements are very, very similar, just the odd difference.

Mr. N. McLocklin:

Is there an ongoing dialogue about that in terms of opportunities?

Chief Officer:

Yes, looking for other things. I mean, it does help that the current Police Chief and the Police Chief in Guernsey were Chief and Deputy in the City of London, so they already know each other very well. But that is life; that is all significant. Custody suite, they did say: "Could you not do this together?" but there is no saving, because the Customs, if we are talking about stuffers and swallowers at the port, now when we get one, it is the Frontier officers who then have to come away, one or 2 of them, supervise the person. We do not have jailers and the like down at the Frontier, and so the relative benefit, you would make it more inefficient if you tried to do something. So we ruled that one out. Not on C.S.R., but we have just had a major success in collaboration with Guernsey over T.E.T.R.A. (Terrestrial Trunked Radio), where ... in fact, I am going to the World Congress next week because I have been asked to speak, together with Guernsey, about doing that joint project in replacing the T.E.T.R.A. system, and nothing to do with this, but we got a really good deal out of Motorola and saved the capital programme £600,000. So, you know, these things are happening.

The Minister for Home Affairs:

Which we are hoping to spend somewhere else, on a worthy project.

Chief Officer:

So we have this in our minds all the time now, I think.

Senator S.C. Ferguson:

Will you be able to keep it in your minds?

Chief Officer:

Well, I am getting older.

Senator S.C. Ferguson:

No, but getting the culture changed within the organisation. This is not just a 3-year episode, this is something that should be continued into the future. Have you got it through, do you think?

The Minister for Home Affairs:

You are straying there into one of my favourite areas, which is the need for fundamental ...

Senator S.C. Ferguson:

In 2 sentences.

The Minister for Home Affairs:

... change of the public sector. I view that the C.S.R. process is essentially a response to a particular short-term challenge, but I think we have to have a culture of constant review and constant change, and I think there are fundamental issues at a wider level than are being met by the C.S.R. as to the way in which we run the public sector in Jersey. But that is not a Home Affairs issue; I think this is a right across the board issue.

Senator J.L. Perchard:

May I, Chairman?

Senator S.C. Ferguson:

Yes.

Senator J.L. Perchard:

One of your biggest proposals for savings is service redesign, right at the top, HA18, of over £600,000 in year 2013. Now, so you are proposing a review into law enforcing and you are anticipating that that could save two-thirds of £1 million ongoing. I am confused. You recognise you are inefficient by making this statement, saying that: "If we redesign our service, we can save a lot of money." Why are we waiting for a review and not starting on that efficiency drive now with regards to law enforcing?

The Minister for Home Affairs:

Well, I need to explain the history of this. This is where we started to talk about Tribal and the Tribal process, because Tribal basically said it should be possible to make savings of the order of £1.5 million in relation to this, okay? But there was no detail. There was going to be a study and it was presupposed at one stage there would be a large project in relation to this. I was by no means convinced by this, and hence ... but I accepted there would be some savings that could be found, hence I committed the department to a target range of between £0.5 million and £1.5 million, but I did not believe the £1.5 million, okay? But I was confident that from this and from other things that somehow we would cobble together £0.5 million. At some stage, there was another £114,000 that came into play, which I cannot even remember why, but it was something that we could not do, so effectively we are looking at £614,000, which is why you have got that figure in relation to that. Tribal have produced a report. As a result of that report, there are some savings,

particularly in the area of joint working between Customs and police in the law enforcing area. I think it is fair to say that we now believe that we can make those savings. They are probably somewhere between green and amber in terms of our coding as to how we do that. They did come up with some other things, some of which we do not think work, some of which may work, but they may not properly belong within Home Affairs, they may in fact belong more properly within the wider court review. We are currently in the process of identifying how much of what is going to be categorised into what. So what will happen shortly is you will see I have a green or an amber appearing for the joint working in the sum of £200,000-plus and you may see other items, but far from this being something that we think we could achieve, this was entirely nebulous. I have described it in meetings you may have attended, I described the £1.5 million as entirely nebulous, even the £0.5 million was entirely nebulous. But I was right. If I may say so, I was right that the initial £1.5 million was nebulous and not achievable. So it is still a work in progress as to what can be achieved. But that is why it was there.

Senator J.L. Perchard:

But if this £614,000 is not achieved, it is half of your proposed savings over the next 3 years. That represents half, so you are down to 1.5 per cent efficiency savings if you do not achieve that, if it is entirely nebulous. Yes, you are looking ...

The Minister for Home Affairs:

That does not sound right.

Senator J.L. Perchard:

You are looking at £1.26 million worth of savings over your 3 years.

Chief Officer:

It is a third of the 2013 savings.

The Minister for Home Affairs:

Third?

Chief Officer:

Yes, 3.7 is the same. We are already ... I brought this project within the programme board. It was a corporate project that last week I agreed with the police and Customs that in order to get it going, bringing it under that umbrella, and we have taken the view with this, much like the others, I mean, that is how it is split up into the individual projects - you can see there are quite a few - is that where some of these are difficult, we will look for other compensatory savings within the police and Customs to make the figure, in principle.

Senator S.C. Ferguson:

All right, thank you.

The Minister for Home Affairs:

We do not know how much at this stage, because we are not at the end of the stage to categorise the greens and the reds, but we should be fairly shortly.

Chief Officer:

Well, yes, they will each have their own colour. We are showing red on the sheet, but that is because again it has been given the high degree of difficulty for delivery tag at the moment.

The Minister for Home Affairs:

But something is going to come out of this. I mean, I am faced with a situation within the Council of Ministers where I am being asked: "What can you achieve?" Now, the view that I took was that I would commit to a figure that I was confident I could achieve. It might be a bit painful, but nevertheless, I was confident that I could achieve, and I committed to £0.5 million rather than the £1.5 million that I had been asked for. I am frankly pleased I did that, because I think I am still saying to the Treasury and to my colleagues: "We will achieve this. We do not know precisely how, but we will achieve this." Some of my colleagues committed, and with the greatest of respect to them, are now saying they cannot deliver what they committed to. Now, I do not know who is the more blameworthy. I never committed to the 10 per cent, because my personality and character is if I say I am going to do something, then I am going to do it, unless I keel over and die, as it were, something totally major happens and I cannot do it. I will not promise something that may not be achievable. I do not know how we are going to achieve it, but the department will achieve it. I hope whoever the Minister is after December, after the reshuffle, will take the same view, but I was not prepared to commit to the extra £1 million, which I did not think could be achieved without excessive pain. That was the approach I took.

Senator S.C. Ferguson:

All right, thank you very much. Anything else, Michael?

Mr. M. Oliver:

No.

Senator S.C. Ferguson:

Neil?

Mr. N. McLocklin:

No, thank you.

Senator S.C. Ferguson:

Deputy?

Deputy D.J. De Sousa:

Yes. Do you feel that the C.S.R. at all will affect any recruitments drives? Was it 2010 or 2011 you had a freeze in recruitment, you did not take on any new recruits?

The Minister for Home Affairs:

We delayed recruitments in 2010 so that we could recruit people within our means and maintain them into 2011.

[13:15]

Again, when we are talking about underspends these days, the term “underspends” is really quite misleading, because in our context, in this particular context, we held back expenditure to recruit later, but on the understanding that we would need to commit forward the money that we had saved in order to be able to pay between the 2 years. Now, that is what we did. It is not a genuine underspend, it is just money that we needed to balance ...

Senator S.C. Ferguson:

It is a timing difference.

The Minister for Home Affairs:

Sorry?

Senator S.C. Ferguson:

A timing difference, you just delayed it.

The Minister for Home Affairs:

Yes, exactly. Yes, exactly.

Deputy D.J. De Sousa:

That follows on nicely, because I have asked every single Minister that we have had in what was the percentage of the £21 million underspend that was for your department; what was the amount?

Chief Officer:

£680,000.

Deputy D.J. De Sousa:

That was for?

Chief Officer:

It was mainly delayed staff costs, particularly in the police, that was about £450,000 of that.

Deputy D.J. De Sousa:

That was for ...

The Minister for Home Affairs:

That is what I am saying. I think that is the same position in the Prison Service.

Chief Officer:

Yes, the prison has got 9 vacancies.

Senator J.L. Perchard:

There is no point in achieving those targets then.

Chief Officer:

Well, you see, what has happened is that people are being naturally cautious when it comes to plan B. You cannot on the one hand go driving ahead, recruiting loads of people when you know you have got difficulty with savings over here. We meet and discuss that and you have got to find a balance.

Deputy D.J. De Sousa:

So are you going to be asking for that money to come back to the department?

The Minister for Home Affairs:

Which monies?

Deputy D.J. De Sousa:

The underspend.

The Minister for Home Affairs:

Well, it has been agreed in principle that we are getting the underspends, but again, I mention another major area, which was that we needed to keep underspends to pay for the full cost of the sex offenders' law in 2011, hence why there was a growth bid in 2012 for the gap. The whole system has changed. In my day, when I was in a former life - back with Ben Fox for a moment - when I was Chief Officer of the Judicial Greffe Department, the system was that if you had placed an order in any

given year, you were then able to commit forward, you were able to keep the money for the thing that you had ordered, even though you did not spend it into the next year. The current system has changed so that, in fact, if you placed an order in a particular year, but had not paid for it, it does not come out of the money of that year. It then appears to be an underspend, although in reality you have already placed the order for it. This is why the whole concept of underspend, and when you are looking at underspends, if you want to get sensible figures, you have got to ask the department and say: "Well, how much of this is just deferred expenditure?" I mean, I will give you another example, we have an underspend in relation to work on windows up at T.A. Headquarters. It just so happened for some reason we could not do it in 2010, but okay, we will do it in 2011. It is not a saving, in reality, and that is causing great confusion politically at the moment.

Senator S.C. Ferguson:

Super. Thank you very much. Neil, have you anything?

Mr. N. McLocklin:

No, that is fine. Thank you very much.

Deputy D.J. De Sousa:

Thank you.

Senator S.C. Ferguson:

Thank you very much indeed, Minister.

The Minister for Home Affairs:

The pleasure is always to come and talk figures.

Senator J.L. Perchard:

Thank you very much.

[13:19]