

STATES OF JERSEY



OUTSOURCING (P.29/2016): COMMENTS

Presented to the States on 23rd May 2016
by the Council of Ministers

STATES GREFFE

COMMENTS

The Council of Ministers asks States Members to reject this proposition. The States Employment Board are the employer, comprised of Ministers and other States Members elected by the Assembly. They should be able to discharge their responsibilities as a good employer, while supporting whatever decisions are made by the Assembly as part of the Medium Term Financial Plan. To assist them, they are giving consideration as to how they create a sub-group of elected States Members to provide them with more advice and support on Compulsory Redundancies. This is a practical approach, which will support the States Employment Board.

All this is important because our society is changing and ageing, and this will bring significant additional costs. This is already taking place in Jersey, and across much of the world. This is why the Strategic and Medium Term Financial Plans sought to provide a clear direction for our public finances – reducing costs in some areas so we can invest in others, in particular, in health and education. This will enable us to constrain expenditure over the life of the MTFP, helping us to live within our means, invest in our priorities, and not pass deficits onto future generations. In doing this, we provide a fiscal climate that continues to deliver jobs and investment.

The MTFP Addition will outline in detail considered and evaluated proposals, such as driving greater efficiency, outsourcing services where it is appropriate, and raising income. The overall package will be subject to a distributional analysis, the Fiscal Policy Panel will report on its alignment with economic objectives, and it will be subject to scrutiny, debate, and amendment. This approach will mean that financial, economic, and employment decisions are not made in isolation.

In support of this, the States Employment Board, as the employer, is exploring the creation of a sub-group to advise it on any compulsory redundancies required to deliver the MTFP. This group would include the 2 existing non-Ministerial members, plus 2 additional States Members, providing the fullest consideration of individual schemes on an ongoing basis.

The alternative is that the Assembly debates each detailed initiative when it is ready, and makes redundancy decisions itself. It is difficult to see how this could work. We cannot evaluate services, invite tenders, understand the detailed implications, and then ask staff and tenderers to wait 6 weeks for a debate. Private businesses will not subject themselves to this uncertainty, or will build in a risk premium, and staff should not have to. Equally, we cannot seek States approval on a scheme before tendering and before knowing the full implications. The approach being developed by the States Employment Board is the more practical one.

For these reasons, the Council of Ministers strongly believes it is important that States Members reject this Proposition, and support the work of the States Employment Board.