

STATES OF JERSEY



STATES' EXPENDITURE: REDUCTION IN COST OF PUBLIC SECTOR WORKFORCE (P.90/2003) – COMMENTS

**Presented to the States on 20th January 2004
by the Policy and Resources Committee**

STATES GREFFE

COMMENTS

The Policy and Resources Committee raises no objection in principle to part (a) of the proposition, in which it is proposed that all States committees should provide full details of their staff costs for the year 2003, together with projected costs for 2004 and 2005, and that these details should show which staff are employed in areas considered by the Committee concerned to be core functions and those who are employed in non-core functions.

However, the Committee wishes to point out that responsibility for staff costs and numbers actually rests with the Finance and Economics Committee, in accordance with the States' decision of 20th November 2002 to transfer to that committee the responsibility for the allocation and monitoring of public sector manpower numbers (P.192/2002). If Connétable Crowcroft is minded to proceed with these proposals, then it is suggested that he will need to amend part (a) of the proposition to refer to the Finance and Economics Committee.

Should the States decide to adopt an amended version of part (a) of the proposition, the Policy and Resources Committee believes that it is important that there should be clarity about what is meant by 'core' and 'non-core' functions. In providing full details of their staff costs, States Committees should therefore also be asked to indicate what they consider to be meant by 'core' and 'non-core' in relation to their own services.

The second part of the proposition asks the Policy and Resources Committee to bring forward proposals for reductions to the overall cost of the public sector workforce by the end of 2005 by not less than 10%. Here too, the Committee has no objection in principle to the general nature of the proposal, but believes that in this case the proposal has to some extent been overtaken by events. It is worth noting that the proposition was lodged in June 2003, i.e. before detailed work had commenced on the draft Strategic Plan, the performance benchmarking project, and the Fundamental Spending Review (FSR) process. All of these initiatives will have a bearing on the debate on the overall cost of the public sector workforce, whilst the FSR process will be giving specific consideration to targets for reductions in expenditure. In this context it is worth noting that the Finance and Economics Committee has already identified that savings of £33 million will be required over the period to 2008 and detailed discussions are now taking place as to how these savings will be achieved. In these circumstances, the Committee recommends that the States should await the outcome of the Strategic Plan, FSR process, and performance benchmarking project.

The second part of the proposition also refers to reducing the overall cost of States members' remuneration, and Connétable Crowcroft indicates that this could be achieved through a reduction in the number of States members or through adjustments to remuneration levels. The possibility of adjustments to remuneration levels could be considered as part of the FSR process, whilst a possible reduction in the overall number of States members is something which could be considered by the Special Committee on the Composition and Election of the States Assembly. Any proposed changes to the number of members would presumably need to be the subject of consultation with other States Committees, including the Policy and Resources and Privileges and Procedures Committees, and would need to take into account the requirements of the new ministerial system of government

The third and final part of the proposition proposes that the Policy and Resources Committee should be empowered to direct any Committee of the States to alter its staffing levels 'so as to achieve the corporate objective of lowering the cost of the public sector workforce'. As already noted in connection with part (a) of the proposition, the responsibility for the allocation and monitoring of manpower numbers has actually been transferred to the Finance and Economics Committee. On the assumption therefore that this authority would be assigned to the Finance and Economics Committee, rather than the Policy and Resources Committee, then the Committee would raise no objection to this proposal. Indeed, it is accepted that the authority to direct other Committees to alter their staffing levels would enable the Finance and Economics Committee to carry out its work more effectively.