

ONE ISLAND. ONE COMMUNITY. ONE GOVERNMENT. ONE FUTURE.

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Welcome, everyone.

You will recall that last November I started to outline my thoughts on where our public services needed to be.

Over the last few weeks, I've overseen some important due diligence reviews of our key service areas, and looked at our finances and the way we operate as a public service.

I've also been listening to what staff, stakeholders and unions are telling us, and of course, talking to politicians.

In addition, I've been looking at the future challenges that face Jersey – and particularly facing our economy – and what we as a public service need to do.

So, today, I'm talking about where we need to be as a modern, effective public administration – in order to meet our future challenges.

I'm going to walk you through the new operating model and structure that I think will help to get us there.

But let me be totally up front.

The journey and the change required to get there will be tough.

It also means that things will change for many people in this room.

Changes to where you work, who you work with, who you work to and critically how we work together.

It will mean changes to some people's terms and conditions.

I'll have to deliver savings to invest in improvement.

Some of those savings will flow from a reduction in our headcount.

This is all work in progress, but I'm not going to pretend that this work isn't happening.

What I can do is make sure that we handle this change well in the circumstances, that we do our very best to keep you informed, and that where change is required, we deliver it well.

And I'll apply a key test to this work: how would I want to be treated if this were happening to me? I've been through lots of change in the different organisations I have worked in and led.

There's always some discomfort that goes with the territory, and we only see the benefit in retrospect and over time.

However, the impact of change can be compounded by not being prepared properly for it.

So I want to avoid as much discomfort as possible that flows from not handling change well.

Where people are subject to major change or possibly leaving the organisation, we'll put in place the advice and support that they'll need.

Let me explain why we need to change.

As I said in a recent speech to the Chamber of Commerce, Jersey has many of the advantages of a much bigger developed country, concentrated into our small island.

We have an advanced economy, low taxes and high average standards of living, a safe and stable society, and a clean and protected environment.

But we also face similar challenges to bigger countries.

Global financial risks, declining productivity and the uncertainties of Brexit threaten our continuing economic prosperity.

Inequality in wealth, income and opportunity mean that not everyone enjoys good standards of living. Housing, and the cost of it, is a significant issue.

Inefficient and out-dated practices and infrastructure undermine our public services, at a time when an ageing and growing population puts more demands on them.

And the balance between our natural and built environment faces pressure from growth.

As a small island, we don't have unlimited capacity to absorb these threats.

We have limited physical space, limited financial reserves, a limited tax base, limits to the economies of scale we can achieve, and a shortage of both workers and skills in some sectors – which is forecast to become more pressing as Jersey's working population shrinks.

So if we're to continue to enjoy the advantages that we have gained over the decades, protect ourselves against the shocks and threats to our island's prosperity and way of life, we need to modernise and rapidly evolve the way that we do some things.

What I am proposing – to support the ambitions of Ministers and the expectations of islanders – is a new, long-term strategic framework for Jersey.

The Future Jersey consultation set our aspirations as an island in much more detail.

And it's our responsibility to organise ourselves and our activities so that we can discharge our duties effectively – to Ministers, to the States Assembly and to the public we serve.

I'm calling this Team Jersey – **one island, one community, one government and one future.**

My ambition, as Chief Executive, is for all islanders to enjoy a good quality of life, in a fair and balanced society, sustained by a prosperous economy and critically, outstanding, modern public services.

And we need a long-term approach, because many of the changes that Jersey needs to make to achieve the Future Jersey aspirations will only bear fruit over such a timeframe.

So the officers of government will need to deliver the Ministerial priorities for their four-year terms. but within and aligned to a long-term approach.

This long-term approach has five critical components:

First, **economy.**

We need the housing, property and other infrastructure, planning, regeneration and regulation to support

all sectors – from small businesses to global financial services companies –
– so that we build and grow a prosperous, sustainable, internationally-competitive economy.

Second, **customers**.

We need to design our policies, operations, services and infrastructure with a customer focus, so that all islanders benefit from, see and feel what government is doing for them.

Third, **people**.

We need the education and skills to support our island's current and future employment needs and improve the life chances of all islanders.

And I have to ensure that the government has the right people, leadership and culture in place to deliver the policies and services that Jersey needs.

Fourth, **services**.

We have to deliver modern, quality, value for money public services for all islanders, protecting and improving their health and well-being, in a fair and balanced society.

And fifth, **place**.

We need the institutional and legislative framework to support our society –

- with clear, transparent and responsive national governance, policies and processes –

- a culture of civic leadership and accountability for the island's people and environment.

It's clear from our detailed reviews of the governance, policies, operations, finances, capability and capacity of the island's public services –

- and combined with a raft of independent reviews of the structure, governance and culture of government –

- that we need to make significant changes to how the political and administrative arms of Jersey's government work in future.

What I'm proposing today is the first phase of a fundamental redesign of the operation of the States of Jersey's public services.

But it's not just about a new organisational structure and reporting lines. It's about working as a whole.

It's about how we arrange our teams and activities to achieve our objectives and meet the expectations of Ministers and the public.

In designing our new organisation, we've adopted a few guiding principles.

First and foremost, it will be **customer-focused** – so all islanders and stakeholders will benefit from, see and feel what the government is doing for them.

This means understanding our customers' needs and behaviours and designing our services around them – not for our administrative convenience.

It means not duplicating our activities – we do it once and get it right first time.

And it means collecting and securely storing data about our customers and capturing it only once, so they don't have to keep telling us things we should already know.

We'll be **one government**, working collaboratively to a common purpose – not a series of disconnected fiefdoms.

It will have **simple structures** that are easier to understand and to navigate, with clear accountability, and responsibility and decision-making at the right level in the organisation.

That means some de-layering and flatter management levels.

This also means simplifying pay, terms and conditions and moving from task-specific to more generic job design over the next year, and from individual roles towards job clusters.

We'll be **cross-cutting and agile** – consolidating activities and teams where this can support or underpin multiple activities to achieve economies of scale and minimise duplication.

We'll be **digital** – using cutting-edge technology to simplify internal processes and speed up how customers access our services.

We'll be **transparent and accountable** – in our governance, decision-making and performance; benchmarking, measuring and regularly reporting on our service performance.

And we'll be more **commercial** and more rigorous in our **financial control** – ensuring we get the best value for money and return on investment.

Alongside these principles, we've identified some early priorities that we're going to address.

As I said, we need to improve the value for money of our finances, including in the way we report, and also how quickly we close our accounting arrangements.

We'll ensure that we have skilled, motivated and visible leadership – not just at the head of each department, but among senior and middle managers across the States.

We'll develop a culture that's based on teamwork and collaboration, openness and transparency, learning, innovation and appropriate risk-taking, combined with respect for customers and for each other.

We'll design our services to be digital by default – accelerating the move from paper-based, telephone and face-to-face services to digital self-service for the vast majority of our customers.

We'll invest in modern IT infrastructure to provide these digital services.

We'll replace our outdated and disconnected legacy information systems with new, integrated information platforms for the whole organisation, not just within departments.

We'll replace our outdated finance system, to provide the ability to integrate finance, commercial and HR/payroll data, and ensure that resources of the States are managed effectively and that money is spent well on the right priorities.

These will be secure, cloud-based and scalable, so that they deliver business-critical information for all users and can be evolved and grown over time.

We'll design a set of performance standards for all of our services – I'm calling this the Jersey Standard – and benchmark them against those provided by high-performing public sectors elsewhere in the world.

In particular, for Children's Services, Adult Social Care and Education, we will prioritise a significant improvement programme.

We'll ultimately consolidate our office estate into a single administrative headquarters where all non- frontline staff will work.

This will be combined with a number of key operational sites, such as the hospital, schools and other frontline and local services, based in Parishes.

This 'hub and spoke' model will not only facilitate more cost-effective use of accommodation and promote better teamwork and collaboration across functions and departments, but will also be at the core of a range of operational practices.

We'll establish a seamless front-office operation for services to customers, through a new, integrated customer hub, and a seamless back-office operation to support and enable frontline services to function effectively and efficiently.

And we'll build the capability and capacity of the public service, investing in our workforce, so we have the right people, doing the right work, at the right level, in the right place and in the right way.

This will be for all staff, not just senior leaders.

This won't all happen overnight, since some of the things that we need to change, such as the silo culture, are deeply-entrenched.

We also can't change everything at once, because we need to ensure a continuity of services to our customers while we restructure and introduce new systems, processes, technology and ways of working.

So we're taking a phased approach, which includes making swift progress in delivering some early wins and urgent priorities, and making some significant changes to the structure of the States at departmental, group and functional levels.

For the majority of our workforce, there won't be any immediate changes to the work they do or the part of government that they work for.

Further changes will come, but this phase will initially be through some shifts in management reporting and, more importantly, modernising and improving the way they work, collaborate and deliver services.

For some colleagues though, and especially at the most senior levels of the organisation, there will be more immediate and significant changes from moving services and activities between departments and functions – and indeed in the creation of new and fewer departments out of the existing structure.

There will also be changes in what we expect of our senior leaders through this transition period.

Structurally, I'm going to simplify titles and layers of management. At present, there are three Chief Executives, 72 Directors, and 23 Assistant and Deputy Directors. That's just plain daft.

I'll be introducing the term Director General for Chief Officers, Group Directors for large clusters of services and Directors for some operational areas.

After that, there will be Heads of Service roles.

The proposed new structure, on which we will formally consult for 90 days, comprises an **Office of the Chief Executive**, a **Chief Operating Office** and seven new departments.

The structure for the new organisation is grouped into four colours.

The new structure for the States of Jersey



Red shows the **Office of the Chief Executive**, and **Chief Operating Office** – leading and supporting the back-office functions for all the other departments.

The light blue groups the customer-facing departments

- Customer and Local Services – which is our front door
- Children, Young People, Education and Skills
- Health and Community Services
- Justice and Home Affairs

The dark blue shows the economic and financial departments:

- States Treasurer and Exchequer
- Growth, Housing and Island Environment

And the grey is the Department of Strategic Policy, Performance and Population. This provides what it says on the tin across the whole organisation.

The **Office of the Chief Executive** initially is responsible for keeping oversight of two critical areas of activity: Brexit and trade, plus the impact of changes on our financial services.

Over time, these functions will be separated out, once we have greater clarity post-Brexit.

It's also responsible for the effective coordination of the government's relations with Ministers, islanders, island stakeholders and international governments, financial regulators, partners and stakeholders.

So, initially, it will be made up of:

- **Financial Services and Digital Economy**
- **Communications** – the restructuring of which is already underway

- **External Affairs**

- **Government business and Ministerial support** – this means giving Minister's effective private office support and ensuring the right sequencing of policy from department through CSB and EMT to CoM.

The **Department for the States Treasurer and Exchequer** will ensure that the financial responsibilities of public servants are properly discharged and that public service administration finances are well managed and represent value for money.

It will give greater emphasis to the strategic finances of the island, with a focus on the organisation's longer-term goals.

The new department will be made up of:

- **Strategic Finance** – including long-term financial planning, the prioritisation of investment decisions and ensuring the financial stability of the States
- **Performance, Accounting and Reporting** – including financial management, accounting, reporting and compliance. It will be a transactional hub and support to internal customers through business partnering
- **Treasury and Investment Management** – to administer the financial assets and holdings of the States, optimise liquidity and mitigate financial risk, and fulfil the States' role as a shareholder in our partner organisations
- **Risk and Audit** – to evaluate and improve the effectiveness of risk management, controls and governance processes
- **Revenue Jersey** – the collection and compliance of taxes, duties and social security contributions, currently carried out by The Taxes Office, Social Security and Customs.

The **Department for Customer and Local Services** will put customers at the heart of our new government structure.

It will be the front door to all of our frontline customer services, except health and education.

At present, islanders have to deal with multiple teams in multiple departments in lots of different ways – face to face, by post, by phone and online – and in most cases they have to provide the same information to us each time.

In the recent opinion poll we commissioned, 84 per cent of islanders said they wanted to apply for government services in one place, rather than in different departments.

This new department will establish a single, streamlined service for all those direct interactions that islanders have with government, from applying for income support to filing taxes.

We'll also seek to integrate this front door with the Parishes.

The new department will be made up of:

- **Customer Services** – this will be the front desk for most government services, for submitting forms, planning and licensing applications, though the service itself might still sit elsewhere; for instance, it will receive tax returns which are then processed by Taxes Office
- **Customer Operations** – this includes state pensions and investment, Social Security and Back to Work support.

- **Local Services** – including Parish liaison, community consultation, planning and grants, third sector liaison, registrar and libraries.

The **Department for Children, Young People, Education and Skills** will put the care, welfare, education and whole life chances of children and young people absolutely at its heart.

The pace of reform, and the scale of cultural and service change we need to ensure that our children and young people are protected and enabled to flourish, is too slow.

This new department will be responsible for putting children first, completing the urgent Care Inquiry reforms and adopting worldwide best practice in the care of children and young people.

It will also modernise and improve the standards of academic education and vocational skills in Jersey.

And it will strengthen the links between Jersey's businesses and our schools and colleges, so that our young people have better opportunities to build careers in the island, reducing our reliance on skilled migrants, and improved whole life chances.

The department will be made up of:

- **Children's Services** – transferred from Health and Social Services, alongside health visitors and school nurses. It also includes commissioning and early years provision.
- **Young People, Further Education, Skills and Learning** – includes the Youth Service, Skills Jersey, Higher and Further Education.
- **Education** – includes schools, standards and attainment.

The **Department for Health and Community Services** is responsible for health from the cradle to the grave, and will coordinate the wide range of frontline health services, whether in the community or in hospital.

But we need to ensure that not only are our medical services of the highest standard, but that the services we provide in the community to vulnerable groups – the elderly, the disabled and those suffering from mental ill health – also meet the high standards of care that they deserve.

The department will retain most of the functions of the current Health and Social Services Department, but will place a greater emphasis on community care for vulnerable groups.

It will be made up of:

- **General Hospital**
- **Nursing**
- **Adult Services** – including a stronger focus on preventative social and community health care services for adults and vulnerable people
- **Commissioning, healthcare modernisation and integration** – including greater primary care and public and mental health collaboration.

The **Department for Justice and Home Affairs** will integrate the elements of public protection that in bigger countries are too cumbersome to bring together.

It will provide more effective and co-ordinated management of the services that keep islanders safe.

It will be made up of:

- **Public Protection and Law Enforcement** – bringing together all the blue light services – Police, Fire and Rescue, Ambulance Service, Customs and Immigration, Field Squadron, Emergency Planning and Coastguard.
- **Criminal Justice and Offender Management** – including Prison Service and Probation, police complaints, the Independent Prison Monitoring Board and custody visitors.

The **Department for Growth, Housing and Island Environment** will bring together all the elements we need to provide the right infrastructure for economic growth and business – from the smallest start-up to the largest multinational.

It will also ensure that we continue to develop sustainably, with urban planning that enhances, rather than undermines, our natural and cultural heritage.

It will enforce the many regulations – from consumer protection to biodiversity – that protect our quality of life in our unique island environment.

And it will ensure that the environment and economy are not competing forces, but are complementary partners in developing our island's future.

The new department will be made up of:

- **Economy** – including business (SME) support, tourism strategy, sports, culture and the rural economy.
- **Natural Environment** – including the States Vet, Meteorological Service, rural environment, environmental ecology, marine and fisheries.
- **Operations and Transport** – the operational services of the former Environment and Infrastructure departments.
- **Regulation** – economic, business, consumer, transport, building control, planning, agriculture and fishing, environmental health, food standards and water quality.
- **Special Projects** – such as the new hospital and St Helier regeneration.
- **Partnership** – working closer with state-funded, arm's length organisations and enterprises in the interests of the island.

The **Department for Strategic Policy, Performance and Population** will bring together the long-term strategy and the policy and performance framework that underpins the effective functioning of government in delivering for our island.

It will be made up of:

- **Future Island Strategy and Planning** – including Future Jersey, the island plan, population planning, strategic and corporate planning.
- **Public policy** – including children, education, planning, environment, sustainability, population policy, and health and social policy.
- **Performance, Information and Statistics** – including oversight and development of organisational Key Performance Indicators, benchmarking, scenario planning and insight.

The **Chief Operating Office** brings together the many internal services that support and enable the effective functioning of our public service, and will be based on a “hub and spoke” principle.

In short, it's the back office, or back door, for public services.

It will have centrally-provided and co-ordinated 'hub' services, partnered with the 'spoke' departments.

It will also host a new Commercial Division, which will create a more rigorous approach to contract management, procurement and commercial negotiations for services, on behalf of the States of Jersey.

It will be made up of:

- **People and Corporate Services** – including Human Resources, people change, business management, business continuity, compliance, facilities management and business administrative support for all of government
- **Modernisation and Digital** – including the transformation programmes currently part of Public Sector Reform, such as e-Government, digital services and the Design Authority, Chief Information Officer, IT and data protection
- **Commercial Services** – developing the market and third-party supplier management, commissioning and procurement.

So that's the detail of the proposed new Target Operating Model for the States of Jersey.

We're consulting on this for the next three months with all staff and trade unions.

The proposals were approved by the States Employment Board last week, shared with the Council of Ministers and endorsed by the Chief Minister.

In addition, as some of the changes will affect you first, there will be a specific 45-day consultation with senior staff in parallel.

In addition, we intend to launch a further consultation for tier 3 managers during the 90 days, on a date to be determined.

This is because we recognise that the changes at tiers 1 and 2 will have an impact on tier 3, so we will need to consult on the consequences of those impacts.

Before I finish, let me restate my commitment to handling these changes well.

But it is everyone's responsibility to play their part.

And we need to do it to the standards I've set out in this and other speeches.

You are the States of Jersey's extended leadership team – there's not another leadership group waiting in another room getting ready to do the heavy lifting.

It's our job, our challenge and our responsibility to make this happen, so we best serve our Ministers, the Assembly and the islanders they represent.

Thank you.