

### 3. Public Services Commission Bill 2014 – First Reading approved

**The President:** Mr Turner.

**Mr Turner:** Thank you, Madam President, and apologies to Members who thought they were about to get the rest of what is left of the afternoon! (*Laughter*)

**The President:** My apologies too. I slipped that one.

**Mr Turner:** As Hon. Members will be aware, the management of human resources, in its varying guises within the Isle of Man Government, has been the subject of debate over a number of years.

Indeed, the matter was considered as part of the 2006 Review of the Scope and Structure of Government. At that time, the review team recommended that, amongst other things:

‘Government should urgently initiate a root and branch review into the future arrangements for developing and delivering Human Resource policies across the entire public sector, encompassing structural, cultural and process change, with the objective of establishing a more effective, centralised and streamlined approach to:

Pay and pensions;

Conditions of Service;

Training and Development;

Recruitment and Retention;

Deployment;

Employee Representation.’

Subsequent to this, in 2009 an independent review of Whitley Council was commissioned by the Council of Ministers, the outcome of which, the Harris Report, while supporting the continuance of a centralised joint negotiating forum, which promotes effective industrial relations and joint co-operation, proposed a number of measures for modernising and reform of the Council.

Regrettably, at that time, some Members may recall it was not possible to elicit support from the employee side of the Council to take the proposals forward.

In addition, and as part of ongoing efforts to modernise and streamline Government’s HR functions, the Council of Ministers established a subcommittee tasked with reviewing the function and structure of the HR management and development across the central Government public service.

The subcommittee, which comprised public and private sector and union representatives, reported towards the end of 2010. The principal recommendation was that a single employing body should be established. It became the subject of a public consultation exercise in 2011.

As a result of the consultation, which identified concerns about such a body encompassing Government entities with a significant regulatory role or those with terms and conditions that continue to be largely determined in the UK, it was decided, unsurprisingly, that a more limited approach should be taken going forward.

In support of change across Government, in March 2012 the Review of the Scope of Government suggested that the development of new, more responsive and flexible employment structures would be helpful, and that they would support the Chief Minister’s intention to progress culture change within Government.

Modernising and introducing more flexible and responsive employment structures, coupled with cultural change, are fundamental to the development of more efficient ways of working and the reduction of bureaucracy – all of which contribute to the ongoing imperative to rebalance the budget and achieve long-term financial sustainability.

Of course, over a number of years important steps have been taken already to modernise and, in doing so, a more consistent approach to the issues across the employment groups and, where practical, to move towards harmonisation of terms and conditions of employment.

These include: the maintenance of pay restraint across central Government, coupled with a continuing downward pressure on the number of public service posts; the introduction of the Government Unified Pension Scheme, known as GUS, with modernised pension provision for the majority of central Government's public servants; the introduction of a public sector compensation scheme, which modernised and amended provisions in relation to redundancy, applicable to those covered by GUS; and the establishment of an HR shared services function, in the form of the Office of Human Resources which now forms part of the recently established Cabinet Office.

Individual terms and conditions of employment continue, of course, to be addressed through work being done both centrally and by individual employers, to revise and update them and to work to revise those terms which are no longer sustainable.

In keeping with this work that has been going on now for a number of years and the need to create a smaller, simpler Government with more efficient ways of working, in April 2013 the Council of Ministers agreed that a public consultation be undertaken in relation to the benefits which might be realised from establishing a public services commission.

As a result of this, and consideration of those consultation responses, Council determined that a Bill to establish such a commission be drafted; and that is where we are today, Madam President, Hon. Members.

The Bill before the Council today, which is promoted by the Council of Ministers, is designed to establish a new commission which would have a broader remit than the Civil Service Commission and would, if established, become the employer not only of civil servants but also other categories of employee.

Enabling provisions in the Bill provide that those public sector employees in an employment or office prescribed for the purpose by the Council of Ministers, would become employees of the commission. Initially, it is intended that civil servants and Whitley workers employed in central Government would become employees of the commission, but other employment groups could come within the purview of the commission at a later date, as circumstances require.

A public services commission would be a key employment body in central Government, which would have a mandate to deliver consistent policies in respect of more than 4,000. It would facilitate simplification of employment structures, the harmonisation of terms and conditions and enhance our ability to redeploy staff to relevant Departments, Boards and Offices in support of Government's priorities and changing circumstances.

A public services commission would also provide the opportunity to both streamline and modernise collective bargaining arrangements in respect of its staff and enable arrangements to be put in place that are modern, representative and focused on agreed outcomes. In this context, discussions have begun with employee representatives about the collective bargaining arrangements that would be utilised following the establishment of the new commission.

Madam President, I will go into some greater detail at the Second Reading; but these, at this stage, are the principles behind the formation of the new public services commission.

I am aware, and I would like to advise you and Hon. Members, that Mr Crowe will be moving some amendments of a technical nature that have been required, having had the Bill reviewed, and they will be coming during the clauses stage – that was the reason for the Bill being delayed a few weeks.

Madam President, I do commend the Bill to the Legislative Council as an important further step in modernising and making more responsive and flexible employment arrangements applicable to a key element of central Government's workforce; and thus beg to move the First Reading of the Public Services Commission Bill 2014.

**Mr Butt:** I beg to second, Madam President, and reserve my remarks.

**The President:** The motion is that the Public Services Commission Bill 2014 be read a first time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Sorry, was there something we missed?

**Mr Turner:** No, not at all, thank you! *(Laughter)* I thank Members for their support.

**Mr Braidwood:** He did not want any awkward questions!

**The President:** You had no need to reply. *(Laughter)*

That *does* conclude the public element of our Order Paper, Hon. Members. We will now sit in private.