



Scrutiny Office

Public Accounts Committee

THURSDAY, 30th JUNE 2016

Panel:

Deputy A.D. Lewis of St. Helier (Chairman)

Deputy J.A. Martin of St. Helier

Mr. R. Parker

Mr. G. Drinkwater

Witnesses:

Chief Officer, Economic Development, Tourism, Sport and Culture

Chief Officer, Education

[13:25]

Deputy A.D. Lewis of St. Helier (Chairman):

Welcome, everybody. Welcome to the members of the public who have chosen to come along today. Today's hearing is about travel accommodation and expenses, a review that the P.A.C. (Public Accounts Committee) has been undertaking for a few months now prior to the internal review that was undertaken by the Chief Minister's office. So today we are looking to explore that a little bit further so we can complete our report on this much talked about issue, which seems to grab the imagination of the public to a great extent. So today we would like to welcome Justin Donovan from the Education Department, the Accounting Officer and Chief Officer of that department, and Mike King, Chief Officer of Economic Development, Sport and Tourism. So welcome to you both today. Just for the record, I would like to go around this part of the table now and just if you could all state who is here and what you are.

Deputy A.D. Lewis:

Great, thank you very much. Right, so with that preamble out of the way, we will kick off with my preamble. Just to set the scene, I am just going to read over the piece to you which will just put into context what we are then going to attempt to discuss. As you know, under Financial Direction 5.7 it lays out the terms of expenditure on travel: "Including that departments must ensure that procedures are in place for capturing any benefits accrued to staff from States travel. Preapproval is required in line with the departmental scheme of delegation for all travel, including the purpose of the trip, fully flexible tickets for a flight or train journey, flights other than in economy class or wrapping a personal trip around a business trip." That is the understanding under the direction. The code of conduct indicates, among other things, that: "Staff should exercise prudence when planning trips. An employee should ask himself or herself: 'Is the action intended to take legal, does it comply with States policies and approved practices and does the action feel right and could it be justified to those outside the States [that is stated in the direction] or could I be compromised in my dealings with others as a result of my intended action?'" That is something which you all read and understand as part of your obligations as a public servant. What we are looking to understand through this review is whether F.D. (Financial Direction) 5.7 is fit for purpose. We will also focus on value for money in the centralised booking system, which was set up to save money and time and standardise travelling accommodation and booking arrangements throughout the States departments. Since the P.A.C. launched our review, the Chief Minister asked the Treasurer of the States to commission a review on policies relating to travel, as you know, and the P.A.C. has seen that report, which concludes that there was not widespread misuse of procedures, but there were some instances of non-compliance and identified a number of areas where improvements could be made. These included publishing details of all flights and bookings over £500 on a 6-monthly basis and a general tightening up of compliance and authorisation processes. We would like to explore those findings in more detail and I am just going to come on initially with a question about Financial Direction 5.7 in the recent report I just mentioned that came from the Chief Minister's Department on travel and expenses, and of course there was the Internal Auditor's report last year also, which highlighted issues with non-compliance. We would be very interested to find out from you both as to how often your department has not complied with the Financial Directions, in your mind, and perhaps you could tell us what your departments are doing to improve levels of compliance.

Chief Officer, Economic Development, Tourism, Sport and Culture:

As far as travel expenses and accommodation are concerned, I am confident - and I think it has been borne out not just by the overall review, but a specific review that was undertaken in relation to the flights to South Africa - that E.D.D. (Economic Development Department) is compliant with Financial Direction 5.7.

[13:30]

We have an approved departmental travel policy, which was signed off by the then Minister of Economic Development in 2012. We have a scheme of delegation which very clearly outlines levels of approval from the accounting officer down through the direct reports, and we both plan for, justify, account for and post-event analyse all of the international and domestic travel that we undertake. For the avoidance of any doubt, a member of the Economic Development staff would not dream of flying to the U.K. (United Kingdom) in anything other than economy. Our policy, which was, as I said, signed off by the Minister in 2012, does allow consideration to be made for higher classes of travel for long-haul trips, of which there are a small number in the department. So we believe that we are compliant. The one area I think which has been submitted to you, where I think the term that was used there is 35 per cent non-compliance, but it is not technically non-compliance, and that is the approval of the chief officer's travel. As accounting officer, I have delegated authority for expenditure over the entire Economic Development budget, and at the time of the bookings that have been made to date, there was no process put in place by the chief executive for approval of chief officer's travel expenses. That is now changing, I understand, which perhaps is slightly a conflict with the Public Finance Law, whereby the Minister is a corporation sole, the accounting officer has responsibility for the budget and the chief executive is not accountable for departmental spend. But nobody in E.D.D. - and I certainly do not - and the Ministers have no problem with the chief executive signing off on my travel, which I think closes the loop on what was described in the papers supplied to you as potential non-compliance that was technically not non-compliant.

Deputy A.D. Lewis:

Okay, thanks for that. You mentioned just now that you would not consider travelling business class to London, there is really no need with the shortness of the flight. However, the evidence we have in front of us here - and there is maybe a good reason for this, because it is a through fare - but clearly it states what sectors were business class and there is a number of long-haul flights here in your department where it says: "Business, business, business" on all 4 sectors. That is because of the fare structure?

Chief Officer, Economic Development, Tourism, Sport and Culture:

That is because of the fare structure and that there is no cost differential associated with it. In fact, it could very well increase the cost, because essentially the cost of the Jersey to London leg is included in the overall price. There would be no difference if it was London to X as if it was Jersey to X.

Deputy A.D. Lewis:

We will come on to some questions about H.R.G. (Hogg Robinson Group) and how you can challenge that system at the end. Justin, would you like to ...?

Chief Officer, Education:

Similarly, we have systems in place. We are a little different to other departments, where we do not do much in the way of long-haul travel. Last year we had some head teachers go to China and we are going again in October. We have a policy which is a little over the top, some would argue, but even if it is a long-haul flight, we fly economy. So a number of heads looked at the policy and said: "We think we ought to be able to fly a slightly higher grade" and we said no, we would not do that. So they all flew economy class. This year we are flying again and we have managed to get access to the Avios points that we hold as the States of Jersey and so we have managed to reduce the flights to about £300-odd this October. Again, we will not even use the Avios points to upgrade, so they will all go economy. The problem we had last year is that people arrived off an economy flight and went straight into work, which they found difficult, it took them a few days to catch up and we found it was cheaper to just fly a day earlier, not least because the Chinese are paying for all of the hotels, accommodation and travel when we get to China, so the trip is just the flights and the Chinese Government. So we are a little over the top in the sense we just play safe and say: "You only travel economy." We have had one head teacher travel business class simply because it was the only seat left to London and we had to get him to a conference. The only way we could get him on there was business class. We had 7 heads and there was only 6 seats in economy. But other than that, we fly economy.

Deputy A.D. Lewis:

You make an interesting point there about sometimes going a day early or coming back a day earlier, if it is possible, so that you have that rest inbetween. Mike, in your department, is it slightly that is not always feasible, so you cannot have that rest after a trip? Because I am just looking at some of the prices here, for example, for the same trips: Education, Peking, just over £1,000; Economic Development, £4,500. So was there a good reason for that differential in the style of the trip you were making and what you were doing when you got there?

Chief Officer, Economic Development, Tourism, Sport and Culture:

I think all of the trips that we have taken to Beijing have been accompanying a Minister and therefore we have flown with the Minister in business class. I do not think there is an example where we have looked at going a day earlier and extending the trip in the same way that Justin has. Can I just add one thing, Mr. Chairman? Financial Direction 5.7 has attached to it an authorisation form. That authorisation form was based on a form that was drawn up by Economic Development before 5.7 was issued, and I am sure the same is true in Education, but every single

piece of travel, not just international travel, but any travel off the Island and accommodation are all authorised and every person flying has to declare that they are compliant with 5.7. It is signed by them, their line manager and me as chief executive and that form that was then adopted under 5.7 was based on the internal process that we put in place many, many years ago.

Deputy A.D. Lewis:

I think it is probably similar to the delegation form that Health use, which looks a bit like that, very similar looking.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes.

Deputy A.D. Lewis:

Okay, thanks for that. Gary.

Mr. G. Drinkwater:

Mike, one of my questions I think you have already answered, so I am going to just ask the high level, for everyone's benefit. Can you explain the mechanism by how the flights are booked, so for everyone's benefit, what happens? Everyone just thinks that you go on the internet and do it, so how does it work, so everyone can get the breadth of how this ...?

Chief Officer, Economic Development, Tourism, Sport and Culture:

The Financial Direction mandates that we use H.R.G. without exception. We do use H.R.G. without exception for all travel. Indeed, the review that has been undertaken both for our specific flights and the Cape Town flights, and indeed the broader review, just substantiates that point. So what happens in practice is that one of the administrative staff in the department contacts H.R.G. and asks for a quote for a flight from A to B and we are presented with a range of quotes. In the case of the recent flights to Cape Town, we were presented with 2 quotes, one for a fully flexible fare, one for a business class fare. The price differential between the 2 was £400. Over the course of the last 3 years, because of the fact we had booked a long time ahead and we had to cancel quite a lot of flights, the fact that we have fully flexible flights meant that we could get a refund of almost £30,000 as a result of cancellations. So we thought it was the prudent thing to do, to take the fully flexible booking at that point. But that is the process. What H.R.G. does not do is it does not offer you the lowest fare by default. In fact, the default on the booking system is direct flights and that is what is played out.

Deputy A.D. Lewis:

We will come on to that in a minute, because we have got some questions about that. But that leads us neatly to the questions that, Robert, you were going to ask about flexible tickets. Mike may have answered there.

Mr. R. Parker:

I think partially. Justin, do you use fully flexible tickets?

Chief Officer, Education:

No, we do not, but then we do not travel long haul very often. It is very unusual for us to travel other than to England and so we just try and get the cheapest flights we can.

Mr. R. Parker:

Mike, you said you used the fully flexible tickets.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes.

Mr. R. Parker:

You say there has been various savings.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes.

Mr. R. Parker:

You just said the differential between the fully flexible tickets out to a particular place was only £400. If you were booking well in advance, why was that only that sort of difference?

Chief Officer, Economic Development, Tourism, Sport and Culture:

That is what the H.R.G. system output was.

Mr. R. Parker:

You did book, you say, a long time in advance.

Chief Officer, Economic Development, Tourism, Sport and Culture:

We booked in September, I think, for travel in February.

Mr. R. Parker:

Okay, because under a previous hearing, we were hearing that a lot of flights were booked a very short time before the departure date.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Absolutely, and for the majority of flights that we undertake - and we do not undertake that many long-haul flights, although sometimes people would have you believe that we do - which are U.K., they are often booked one or 2 days prior to travel. When we are going to the events such as the mining conference, where Jersey has a very significant representation, obviously that conference is scheduled every year and we make initial bookings based on that both for hotels and cars and flights some time in advance. What has happened in the past, and I have got 6 occasions here where that has been taken and then subsequently - not just for me, but for other members of staff and Ministers - we have to cancel the flights. As a result of that, we have managed to recover £29,096 and the only cost of all of that was £500 that was forfeited. If we had not had fully flexible flights, that money would have been lost. Now, all of those instances were for genuine business reasons that those flights could not be taken, apart from one, which was when my father passed away and I could not go on the trip. I suppose I could have missed the funeral, but that probably would not have been much appreciated by the family. But that is why - because things tend to change so significantly and have done in the past, we have got evidence of that - we believe in some cases it is prudent to do that, particularly when you have got what is going to be a high-cost flight anyway.

Mr. R. Parker:

Okay. So in circumstances like that, did you do the comparison of what it would have cost if you had got non-flexible fares and the cheapest possible fares? So you are making a saving. For instance, I know where I travel sometimes, I find that the non-flexible fare, as such, is probably about a third of the cost, so whereas you are talking about a saving on cancellations of £30,000 or whatever it was, the cost probably would have been £10,000. So the thing is, what about the costs of the flights that were not cancelled and how does that relate to those sort of losses?

Chief Officer, Economic Development, Tourism, Sport and Culture:

As I say, we are mandated to use the H.R.G. system. We ask the H.R.G. system: "What is the cost of flying from A to B on a particular date?" and we take what comes out of that, in the main, the lowest fare that is quoted that is consistent with our travel policy, consistent with the scheme of delegation, consistent with the Financial Direction. That is what we do. These are examples where flights down to Cape Town and flights to the Far East in business class, which is consistent with policy in the scheme of delegation, are expensive. If, as a result of what has happened in the past, those were cancelled and they were not fully flexible, all of that money would be lost. Now,

you could say: "Okay, the States has effectively self-insured against that" but the money would still have been lost and would have come off our bottom line and the travel would not have been undertaken.

Mr. R. Parker:

Okay. Does anybody think that if you had got, say, an exhibition or a conference that is going on in a place and you know that that particular destination is going to be obviously very busy, you can go to a destination that is not that far away and then take an internal flight and invariably the costs come down dramatically?

Chief Officer, Economic Development, Tourism, Sport and Culture:

That is certainly true. I think one of the issues that has been highlighted in the overall review and the review of the H.R.G. system, which I am sure we are going to talk about, is that it defaults to direct flights. That is the basis on which it works. Now, one can ask whether that should be questioned and I am sure ...

Deputy A.D. Lewis:

We have, in the sense that it has been in their report on H.R.G. There is a report in here as well from H.R.G. acknowledging that and making steps to fix it. But over a period of 3 years, it would appear that that has been the case, which is also predicated towards British Airways, which of course are the direct flights, but we will come on to that again later on.

Mr. R. Parker:

If I go on to my next question here, Mike, do you have a policy which provides travel insurance related to the department's employees?

Chief Officer, Economic Development, Tourism, Sport and Culture:

Not travel insurance as you or I might know it, I think, from the perspective of personal travel. If one of us were to fall ill, then there is health-related cover, but in terms of insurance that would have the costs of this recovered, I do not believe that we do. That has never been suggested.

Chief Officer, Education:

No, I think the same. I would have to check to be absolutely sure, but to the best of my knowledge we do not have travel insurance in that way. It may be wise to have that.

Mr. R. Parker:

I was just wondering in relation to the situation on the cancellation of flights and so forth.

[13:45]

Chief Officer, Education:

Yes, I do not think that is the case.

Mr. R. Parker:

That is not something that has been looked at? Okay.

Deputy A.D. Lewis:

A lot of business travel insurance will cover that. Usually there are lots of exceptions in there as well, so insurance companies do not cough up too often, but perhaps we can explore that later on. Okay, happy with that one?

Mr. R. Parker:

Yes.

Deputy A.D. Lewis:

Okay, Gary.

Mr. G. Drinkwater:

Yes, the Financial Directions have this code of conduct, which is also a very grey area in which to look at, and I sense that the public have seen the conduct code and questioned it very much. What evidence do we have to say there has been exceptions or what evidence could we look at where the code of conduct has really been thought about and used so the public can see a code of conduct has been applied in a meaningful way? Because that feels from some of the outward publicity that the code of conduct was not followed. But I have heard from you, Mike, in your view it has not been adopted in certain areas; that may be changed. But are there examples where staff have said: "Look, I really do not think I should be flying on this, because either it is too expensive or I can go by Interjet for £50"? Is that something that the public would be able to see or would there be evidence of it?

Chief Officer, Education:

There are one or 2 examples in my department, so our flights tend to be back and forward to London or to other cities in England. We were talking about breaches in practice and in the last year, we have 2 breaches that we have reported on. On both occasions, it was because members of staff had said: "We can go an awful lot cheaper" and so we have kind of broken the rules and saved a few hundred pounds by saying: "I can take a later flight and go by EasyJet" so we have been in trouble for doing that. I suspect the point of not doing that is that because of booking

through H.R.G. overall there may be some larger savings for the States, so on the ground for an individual member of staff, they can sometimes think they are doing the right thing by saying: "I am not going to stick to the rules rigidly, because I think I can save this money." It is partly my fault, because I have this saying, if you talk to people in my department, they get fed up with me quoting the little old lady test, and I have a picture of a little old lady in an armchair and I put it up now and again when I am giving talks to my staff. The thing is if you are doing something ... the little old lady test, there is a little old lady struggling to pay her taxes. Would she be happy with the way you are spending this money? If the answer to that is no, then stop questioning it. You might still need to spend it, but at least pause and think. I have had that quoted back to me, to say: "I have broken the rules here, because the little old lady would rather I fly for £50 than £180" so I cannot tell them off too much and we have had to fill in the breach forms. I suspect what we are doing is undermining, if we are not careful, a policy which gives cheaper flights overall. I do not know; I am not that tied in.

Mr. G. Drinkwater:

I suppose ultimately what we were hoping, that the staff, as you describe, are thinking that way and if they are in doubt, then they would refer it to their senior member of staff.

Chief Officer, Education:

That is what they should do, yes.

Mr. G. Drinkwater:

If the senior member of staff gets enough of that on a regular basis, then policy might change.

Chief Officer, Education:

Absolutely.

Mr. G. Drinkwater:

That is what we were hoping for, in the sense that all these, with large organisations, are very difficult, hotels being one of them and that if someone is questioning it and this code of conduct has been applied in the format you are doing, then people's belief in that is being questioned. At the moment, they could not see it because it is all dumbed down and there just seems to be like a vase over everything that they are looking at.

Deputy A.D. Lewis:

Who do you refer your exceptions to? Is it to Internal Audit or to procurement?

Chief Officer, Education:

Procurement.

Chief Officer, Economic Development, Tourism, Sport and Culture:

I think it is fair to say - and we as a department have put this in writing - I think it was last time the contract was looked at being renewed, I lost count of how many times that people in the department have come in said: "This is what has been quoted from the system. We can get it for less than that." Then there is this tension between your role as accounting officer, having to spend the least amount of money to achieve an outcome, and a Financial Direction which mandates you to use other things. Now, there have been examples and one of them was quoted, I think, in the Chief Internal Auditor's review on travel, where ...

Deputy A.D. Lewis:

It was in the H.R.G. report.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes, where there was a flight to the U.S. (United States) that was booked. Subsequently the cost was looked at for a different purpose maybe 2 or 3 weeks later and I think the price differential between the 2 was about £1,500, then going back to H.R.G. and they said: "Oh, yes. Okay, we will look." I think there are improvements that need to be made to the system and I have had long discussions with the Chief Internal Auditor about this. In fact, in the company she came from, when, for instance, people took up flexible bookings, the system that they had reminded people closer to the time of travel that they could lock into a lower price and gave them the option of so doing. That is an option that we do not have. But in terms of code of conduct, we are not, in the department, wedded to flying British Airways to London, EasyJet. I put out an instruction 2 years ago now that unless there is a very good reason, certainly in the U.K., we should use Premier Inn, and that applies to Ministers as well. I am sure Senator Maclean will tell you about an experience we had at the Premier Inn in Victoria where we checked in there and it is perfectly happy, perfectly reasonable. It is the lowest-cost option that we could have. So we do look long and hard. As I said, staff come to me and say: "I can get this cheaper" but to do so, you have to declare a breach and you have to be in contravention with the Financial Direction.

Chief Officer, Education:

I will give you a personal example; it is a bit anecdotal. I was a few days in Newcastle negotiating on some maths teachers that we were short of - successfully, as it turns out - and I need a car. If you go through H.R.G., it is going to cost £300 or something. My son runs a car hire company, so for £12 I can get a car, so I did that, but I cannot claim that back on expenses, because in doing so, I would have to declare a breach. So there is just little niggling things like that where it could

be cheaper. Instinct tells me, commonsense says that it ought to be cheaper overall if we are having lots of travel to have an organisation to do it for us, we ought to be able to procure things cheaper, but sometimes it does not feel like it when you are on the ground.

Deputy A.D. Lewis:

We are quite sceptical about that ourselves and we will come on to questions related to H.R.G. in a minute, because we have not had sight of the contract, so we are not quite sure whether it really is better value for money, but what I will say is that Internal Audit have done a review of this as well and even they are saying that there is a lack of clarity on who should be ensuring H.R.G. provide the cheapest option in accordance with the terms and conditions of the contract. So that is Internal Audit. So there are some issues.

Mr. R. Parker:

Andrew, I think the issue could be there, but it depends on what is in the detail, but you have an organisation that is earning money based on commissions. The question is what is in their particular interest and that must be a question.

Deputy A.D. Lewis:

Again, we will come on to that in a minute, because we have some concerns there which you might be able to answer some questions on. Judy.

Deputy J.A. Martin:

I think you partly answered, but I will ask the question because then you can expand on it. It is, do you feel that the Financial Directions relating to travel and expenses are fit for purpose? I think you have both mentioned that they could improve. That is then the supplementary: what recommendations would you make to the Treasurer or Internal Audit to update and improve them?

Chief Officer, Economic Development, Tourism, Sport and Culture:

I think one of the issues here is that the Financial Direction allows departments to interpret it in different ways and I think one of the things that would be a big improvement would be that if there was consistency in terms of policy right across the organisation. At the moment, as I think you have heard, and we have had this discussion in other forums as well, there is an ability for things to be, over time, interpreted in a different way and that leads to some of the ambiguity that exists, particularly when it is presented to the public. I think a Financial Direction which is applied consistently and is more principles-based than it is necessarily being overly totally prescriptive would be much more effective. But it is ...

Deputy A.D. Lewis:

As you know, these are going towards a principles-based system now whereby you can then adopt your principles, which are in the code of conduct.

Chief Officer, Economic Development, Tourism, Sport and Culture:

For instance, the travel policy - and it is very easy to say this in hindsight - should be consistent, probably an H.R. (human resources) policy that flows from Financial Directions, not something that is open to interpretation necessarily by different departments in different ways.

Deputy A.D. Lewis:

It is interesting, Internal Audit are saying there are instances where both the accounting officers, i.e. you guys, and procurement, who you then report exceptions to, are unable to jointly demonstrate the achievement of value for money. I think you just answered that. It is difficult.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes.

Chief Officer, Education:

It is all a little mysterious to try to tie down. Yes, I agree.

Deputy J.A. Martin:

So you are saying basically that this, the review of travel recommendations for improvement does not do what you would like it to do.

Chief Officer, Economic Development, Tourism, Sport and Culture:

I think it does, providing that then there is no ... that what comes out of that is a genuine corporate policy which everybody adopts and there is no ambiguity in the adoption. In some ways, because Financial Direction 5.7 references schemes of delegation and the ability for departments to have their own policy considerations, it does allow for there being a differential, which I think is unhelpful. If there was a consistent policy which was an H.R. policy backed by a Financial Direction for the States of Jersey, then there would be no ambiguity.

Deputy J.A. Martin:

So there is still a bit more work to be done?

Chief Officer, Economic Development, Tourism, Sport and Culture:

I think the work that has been done at the moment is about how do we now take that and implement that into that policy. I think everybody would welcome that, because I think it would be a lot clearer.

Deputy A.D. Lewis:

So do you feel a victim of the policy?

Chief Officer, Economic Development, Tourism, Sport and Culture:

No, I am not a victim of the policy. I think that the more we can move to a culture where there is consistent application and consistent operation right across this organisation, we will move away from what is often referred to as a fairly silo way of working. No, I would not say I am a victim of the policy.

Deputy A.D. Lewis:

So would you accept there is still a silo mentality among the corporate entity, which is the Corporate Management Board?

Chief Officer, Economic Development, Tourism, Sport and Culture:

I think that we operate ... and the law defines the way this organisation operates. It operates as a series of corporations and the default position is to do that. People like Justin and I and people on the Corporate Management Board, we get on very well and we co-operate and we work with each other very closely. We have been working very closely over the course of the last 12 months on the transfer of skills from E.D.D. But the default position could be you do not have to do that. I think sometimes there is a feeling from outside the organisation that it is a single entity and in law it is not constructed as a single entity, truth be told.

Deputy A.D. Lewis:

So to take on Judy's point then, is there is a lot more work to do which goes way beyond this?

Chief Officer, Economic Development, Tourism, Sport and Culture:

I think that is very true.

Deputy A.D. Lewis:

The internal review identified some flight reservations that were not made sufficiently in advance to take advantage of the more competitive fares - we discussed this earlier on - which were in contravention of the current policy. When monitoring is undertaken to ensure compliance with policies, what monitoring goes on to ensure that you are complying with those directives in terms

of, for example, the member of staff making sure they have booked things in advance? Also, if they do not do that, they are not getting best value as a result of not following the policy. Do you impose any sanctions on them for not keeping to the rules?

Chief Officer, Economic Development, Tourism, Sport and Culture:

We have an approval process and it is the case that almost all, if not all, long-haul travel is done and is booked well in advance, pretty much as soon as it is reasonable so to do. As far as short-haul travel is concerned, again we go through the same authorisation process. Sometimes it is necessary to book it a couple of days beforehand because meetings come up, but wherever it is possible. If there ever is an example of where it is very close to the departure - and I would be very happy to provide you with all the documents for every flight that we have going back for ... I do not know - whenever it is close, it is circled, a big exclamation mark put on it and it is referred back to the traveller. So the sanctions, do we go down the disciplinary route for that? No, but is the traveller made aware that the fact that they have not done something or they have done something late in the piece or they have sought authorisation late in the piece? Not acceptable, it is made very clear to them. Then yes, it is wrong, certainly from my perspective.

Deputy A.D. Lewis:

So it becomes self-improving, you would hope?

Chief Officer, Economic Development, Tourism, Sport and Culture:

The whole process of having the authorisation system set up as it is is that so people realise that they have to get approval for and warrant that they are not in contravention of the Financial Directions, that they have the budget to cover it, there is the plan there and they sign on that basis and we authorise on that basis.

Deputy A.D. Lewis:

We are going to come to some more questions about value for money. Judy, do you want to ...?

Deputy J.A. Martin:

The internal review carried out identified specific risks that officers could select flights to earn personal points. Have you seen any evidence of this, and if so, how is that risk minimised or mitigated?

Chief Officer, Economic Development, Tourism, Sport and Culture:

None whatsoever, none whatsoever. I think it is not the case, certainly not in Economic Development, and I am sure it is not the case across the organisation, where people book flights

on particular airlines for personal advantage. I just think that does not happen. I would be very, very disappointed if that did happen.

Deputy A.D. Lewis:

A lot of governments around the world do not allow this, to avoid accusation.

[14:00]

I believe that is now something that is changing. Within the report we have, that is likely to change for that reason. But of course there always is that risk and if an auditor looked at it, they would identify with that risk because of the current system.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes, absolutely.

Deputy A.D. Lewis:

We are not saying here that you have done that, but the risk is there. When we start looking at the evidence, which is the spreadsheet here, it does point hugely in favour of British Airways, of which the points loyalty scheme is very successful.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Absolutely, and interestingly, obviously the organisation collects the business points, which are the genuine corporate points, which are used primarily I think for ministerial travel, to offset the cost of ministerial travel.

Deputy A.D. Lewis:

They are used, but they have not been redeemed since July last year, so if anybody in departments want to redeem these things, there is 1.5 million of them sitting in there.

Chief Officer, Education:

We have managed to use them for these flights in October, yes.

Chief Officer, Economic Development, Tourism, Sport and Culture:

But I think for some time the message coming out from procurement was that those points were to be used primarily for ministerial travel, not departmental travel.

Deputy A.D. Lewis:

Okay. We were not aware of that.

Chief Officer, Education:

There is a slight difficulty in that you have people who travel a lot with personal arrangements and at British Airways they gain a card, they get bronze, silver or gold through numbers and sometimes with H.R.G. they make that connection. So you will have a flight booked for business to Gatwick and back and it will come up on their phone and it is almost impossible to say: "What do I do with Avios points?" So what people do is they just leave them, they are not quite sure how they get them off their accounts on to the States account. I think that needs to be looked at, either that or we stop using personal phones to upload our tickets on to, because what people are doing is just leaving them in their accounts so that if they ever called in, they can say: "Well, there they are. We do not know what to do with them" and I suspect around the organisation there would be quite a lot of officers with Avios points which they know are not really theirs and they are not quite sure what to do with them.

Deputy J.A. Martin:

Yes, part of that is the next question, but the Treasurer says in this report that: "All points obtained on personal B.A. (British Airways) cards for States business should be returned to the States for use on other flights." The question is how will your department enforce this or where will this come from?

Chief Officer, Economic Development, Tourism, Sport and Culture:

The problem is I am not sure that the British Airways Avios system allows you to do that.

Chief Officer, Education:

No, that is the problem.

Chief Officer, Economic Development, Tourism, Sport and Culture:

So we cannot go to H.R.G. and say: "Here are all of my Avios points that I have collected on my trips to London" or whatever: "use those" because they accrue to you personally.

Chief Officer, Education:

Yes, but the centre get them as well, because it is double accrual, is it not?

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes, you tend to get them through the on-business points as well.

Chief Officer, Education:

It makes officers vulnerable ...

Chief Officer, Economic Development, Tourism, Sport and Culture:

It does.

Chief Officer, Education:

... because they know they are not their points and they know they cannot use them, but they are not quite sure how they get them off their accounts. Sometimes it is difficult to work out how many, they get blurred, so a lot of times people leave thousands of points they do not touch because they do not quite know what to do with them. Going back, I was approached by 2 officers who were flying quite recently and they said: "Look, we have got these points. We know they are not ours. What we could do is rather than book through H.R.G., why do we not book personally? We will use all these points to get us there and back, we will pay the difference and claim it back on our expenses." I said: "You cannot do that. You are in breach again." So I think there is a technical issue and I think a lot of officers would breathe a sigh of relief if they could find a way of getting these or stopping the H.R.G. system linking to personal systems.

Chief Officer, Economic Development, Tourism, Sport and Culture:

I would be very happy to use ... because I discriminate within my Avios account between my household, because all the family members are on it, and the ones that come which are my personal ones. I would be very happy to use those, but when you book it, you would be booking outside the H.R.G. system. You still have to pay the tax, obviously, for any flight and you cannot claim the tax back. You cannot claim it back as a ...

Deputy A.D. Lewis:

If it was presenting good value for money for the public purse, then you can write an exception.

Chief Officer, Education:

There ought to be a way around it.

Deputy A.D. Lewis:

It would probably send Internal Audit into a spin, but you could do it.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes, but there should be a way around it or we just should not have Avios points on business travel.

Chief Officer, Education:

Yes, or not make the link to people's cards. I am not sure how H.R.G. can do that.

Chief Officer, Economic Development, Tourism, Sport and Culture:

But one of the only ways I think you could do that was to take off your British Airways Executive Club card number from the H.R.G. system and then no points would accrue, but then no on-business points would accrue either, probably. There is always that risk.

Deputy J.A. Martin:

So the recommendation here under the loyalty points, it says: "In future, where this occurs, then we will be expected to make these points available for business use." What you are saying is there is not a good mechanism to do it.

Chief Officer, Education:

There must be a way of doing it.

Deputy J.A. Martin:

So it is a recommendation that you are going to find hard to carry on.

Chief Officer, Education:

Somebody clever, an I.T. (information technology) specialist - a child probably - could figure it out in the end, but in terms of I.T. ...

Deputy J.A. Martin:

No, I fully understand your explanation, but it is a recommendation here that 2 officers are saying it is not possible.

Chief Officer, Education:

It does leave people vulnerable.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes.

Deputy A.D. Lewis:

So at the moment you are saying then that Avios points does not predicate you to a particular airline personally, so there may be some other reasons we can explore later on as to why we have got all these British Airways bookings, but we will come to that.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes. When we make a booking, we say we would like to go from A to B on a particular date. We do not specify the airline, we do not specify the ... we might specify the time, but that is it. The

system comes back with ... I think the default is B.A. and that is primarily because there is a volume discount in it.

Deputy A.D. Lewis:

The accounting officer then has to approve that, so when it comes back, the quote, if it is for long-distance travel, because it is a quote and you do not just book it on the system, would you not then question that? So if suddenly you get a bill for ...

Chief Officer, Education:

Yes, we do all the time.

Deputy A.D. Lewis:

... £6,500 for a particular destination, would you not look at that and think: "Oh, I am sure there is a cheaper way of doing this" and chuck it back at H.R.G.? Does that system there allow you to do that?

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes, and there are instances when we have done that. There are many instances when we have done.

Deputy A.D. Lewis:

Because I can find quite a few here which if it had been my money I would have thrown back. Perhaps we will come on to it later when we get on to the system, but as far as you are concerned then, removing the connection for personal points, if that happened completely, do you not accept that would dispel the perception that more expensive flights than necessary are sometimes being booked?

Chief Officer, Economic Development, Tourism, Sport and Culture:

I am sure it would dispel the perception and I would be perfectly happy with that. I am sure that everybody else would as well, because this ambiguity ...

Deputy A.D. Lewis:

But technically it cannot be done?

Chief Officer, Education:

We have not been able to find a way of doing it, which I think is a problem. I think the easiest way is just to take people's personal numbers off H.R.G.'s system.

Deputy A.D. Lewis:

It might have been covered already, Robert. Anyone from that? We have covered that.

Mr. R. Parker:

But there is probably another thing on that, which is we were talking about transparency and you are talking about there is this issue between one system and obviously other expenses, so they are going through 2 accounting systems, as such. One is going through H.R.G. and then you have got the other accounting system, which is your internal accounting system. So if you had an issue related to ... like talking about Avios points plus transparency, how do you do that within the types of systems that are there at the moment? Because if you are trying to create something which is an even playing field for everybody, the ways it is being done - I think Andrew has mentioned that - is regarding this whole concept of transparency which then meets the granny test or whatever. So if you have got that and it is out in the open and you have got an explanation, everybody knows what things are for and everybody, whenever they do anything based on the principle base, will be having to achieve that granny test.

Chief Officer, Economic Development, Tourism, Sport and Culture:

We have been saying as a department - and I know others have been saying it - that transparency, I would be perfectly happy for all travel, entertainment expenses to be published on a monthly basis for chief officers. Where I came from prior to coming here, in Wales, all senior public officials, I think it is on a monthly basis, if not on a quarterly basis, have everything published, all of the gifts and hospitality, the whole thing. It does drive good behaviour, but it removes any issue of there being a lack of transparency and it is exactly, I think, what should happen. I think that is one of the recommendations. I will give you an example: even on additional hospitality, which is not directly relevant, but not only do they publish the things that people attend, but they publish the things that they have been invited to and have declined. So it is total transparency and there is no reason why that is not the case. I would certainly be personally perfectly happy if all of my purchase card and travel and everything was published, and if it was necessary to justify then on a case by case, very happy so to do.

Chief Officer, Education:

Your point is an important one though in the sense of in order to achieve that, which I think would be very healthy and sensible in public service as almost a minimum requirement, the systems make it difficult, we would be publishing complex, difficult ... for us to monitor this, you are quite right, you are putting different systems together and comparing spreadsheets and lining them up, so we would need to sort that so that it could be made available in a simple form.

Chief Officer, Economic Development, Tourism, Sport and Culture:

At the moment, interestingly, the approval of purchase card transactions, which cover off elements of travel and expenses, are approved on paper and online, but they have to both be done. There is no single approval system.

Mr. R. Parker:

So there are a lot of benefits that could be achieved?

Chief Officer, Education:

Yes. We could save ourselves some administrative costs if we could simplify the system.

Deputy A.D. Lewis:

We are going to come on to H.R.G. now, because we are skirting around the edges of it all the time and I think here is your opportunity to have your say on H.R.G. Not wishing to rubbish their names and I am sure they are very good at what they do, but it might just not be working quite as well as we would like it to for us as a Government. In terms of the booking system, do you use the centralised booking system personally, and if not, who in your department does?

Chief Officer, Education:

I do not use it personally, I would not know how to start, so it is my P.A. (personal assistant) who will do it.

Deputy A.D. Lewis:

So you have never used it?

Chief Officer, Education:

No. I have seen it being used, but I have never used it.

Deputy A.D. Lewis:

Judging by your feeling about the system - and I have had this from pretty much every accounting officer I have spoken to - do you not think it would be a good idea for you to become a user and just test it for half an hour and see what you really think and find out how to use it? Would you not be curious to find out why your staff complain about it?

Chief Officer, Education:

Very few of my staff use it either. There are 4 or 5 members of administrative staff that do all the bookings and the idea of that is, frankly, so that we can monitor it and try to develop a relationship with people at the other end at H.R.G.. So we do go back to them and say: "Look, you have given

us these flights. We have been online; we have seen EasyJet is slightly cheaper. Can you switch it?" and sometimes they do; to be fair, sometimes they do respond. Other times they say: "There are some hidden costs" and the rest of it. So not that many people physically use it, but I would be quite happy to sit down and see it. I know when they are on it, because they are huffing and puffing and sighing.

Deputy A.D. Lewis:

So did I when I used it, because I was very curious, so I did and I was not overly impressed. Mike, have you had a dabble?

Chief Officer, Economic Development, Tourism, Sport and Culture:

Not personally. I have done the same thing as Justin. I go on to Emirates or B.A. or EasyJet or whatever and look at what you can get it for and if it looks like there is a differential, then we would challenge it. But I have not used it, because we are the same, we have a couple of people who undertake bookings across the whole of E.D.D. and they are proficient users of it and that is the way it is undertaken.

Deputy A.D. Lewis:

So you have not used it yourself personally?

Chief Officer, Economic Development, Tourism, Sport and Culture:

No.

Deputy A.D. Lewis:

Okay, because in the procurement exercise, it was supposed to, for example, make sure that all airline fares were visible on one screen so you could compare and contrast, it would have the ability to reduce administration time, but what you are saying to me is that you go on all the other websites first to see ... not in every instance, but if you are concerned about the flight costs, you will do that, it is a natural reaction to do, so that is doubling up on administration time. Then you have to go back to H.R.G. and say: "I have found this will take me direct at half the price. Go away and think about it." That is their charter, they have to do that. So is it really saving administrative time for your department?

Chief Officer, Economic Development, Tourism, Sport and Culture:

Probably not, no. I think that ...

Deputy A.D. Lewis:

Would you agree with this: at the moment they are claiming that out of 188 flights booked only 4 more expensive, totalling £15.40, 74 were cheaper, totalling £4,500, and 110 were equal value. Would you think that that was a fair dip sample of what has really happened with this system?

Chief Officer, Economic Development, Tourism, Sport and Culture:

I think if I asked the people who make the bookings for us, they would not recognise that.

Chief Officer, Education:

I am surprised at those figures.

Deputy A.D. Lewis:

Thank you for that, because that is what I hear from everybody that uses the system, yet the centre have held up a report to us that says basically, bar a few tweaks to it - and there is a performance improvement plan in place for H.R.G. - there is really not a major problem. Because I was going to ask about Education in particular have used flights like Bristol and I am seeing fares here for Bristol of nearly £600.

Chief Officer, Economic Development, Tourism, Sport and Culture:

They are.

Deputy A.D. Lewis:

Now, it says here that there is an issue with the Blue Islands visibility on the H.R.G. site, so you cannot see that good fare, but if you go on to Blue Islands directly you can get the same fare, £160. Yet on this spreadsheet here, in your department fares have been booked and paid for, nearly £600 to Bristol. Who was challenging it?

Chief Officer, Education:

We challenged that, but to be fair, I would have to go back and look at the dates and times to be fair to H.R.G. and the department. There are some flights that ...

Deputy A.D. Lewis:

Because they have to come back and look at the deal.

Chief Officer, Education:

Yes. But there were some flights which could have been cheaper.

[14:15]

But where they are for schools, we would have to take teachers out of the school for the day and not only would that disrupt the children's education, we would have to pay for supply costs. So if there some costs, because I have gone through the list, I would have to check to see exactly what, but there are some examples where they are more expensive, but we did not want to disrupt the children and pay for the supply costs. In the end, it worked out about the same.

Deputy A.D. Lewis:

I understand that, but it just seems to me I think you would struggle with Blue Islands' system to find a fare for £600. You would have to work quite hard to pay that for a trip to Bristol. I looked for myself, even at short notice, and I could not get anywhere close to that.

Chief Officer, Economic Development, Tourism, Sport and Culture:

I use the Blue Islands Jersey to Bristol because one of the kids is over there and I think it is routinely around about £288 return. That is the max and it can be cheaper than that.

Deputy A.D. Lewis:

Yes, my son uses it as well because he is in Dartmouth and he is paying £160 and £190.

Chief Officer, Economic Development, Tourism, Sport and Culture:

I think in terms of the system - and I am sure we will be asked to comment on this as part of the implementation review - but if you go on to Expedia or one of the booking systems, you have the options to book class, direct, indirect and it comes up and it lists lowest price first. I think if it did that, and then again across the States we were acting as an intelligent client, that would be a better outcome, I would suggest, than where we are at the moment.

Deputy A.D. Lewis:

Okay, so you regularly challenge what they come up with, do you?

Chief Officer, Economic Development, Tourism, Sport and Culture:

I think you have to, because there is sort of an issue that perhaps it is possible to get it lower elsewhere.

Deputy A.D. Lewis:

So in the case of some of your long haul - I accept there is not huge amounts of it, but when they are, the trip is in there for a good reason - but H.R.G. do not appear, from the figures we have got here, to have come back to you with the most competitive fare. They have simply taken what you asked for at face value and said: "I want to go to wherever ..."

Chief Officer, Economic Development, Tourism, Sport and Culture:

From A to B, yes.

Deputy A.D. Lewis:

“... from A to B on these dates.” Do they not come back to you and say: “Well, if you go the day before or you go via Dubai, the fare will be this, so that is your choice, or if you go direct with British Airways, even though you go via Heathrow, it will be this”? Do they not give you a choice?

Chief Officer, Education:

No.

Chief Officer, Economic Development, Tourism, Sport and Culture:

No, not in way that you have outlined.

Deputy A.D. Lewis:

Do you think they should?

Chief Officer, Economic Development, Tourism, Sport and Culture:

Absolutely, because I think that if that ...

Deputy A.D. Lewis:

You do not think it is your job to come up with ...?

Chief Officer, Economic Development, Tourism, Sport and Culture:

I think it is a combination of both, do not get me wrong. It is a combination of both. We should always act as intelligent clients of these things, which is why I talked earlier, we did look at the difference between fully flexible and non, so we have tested that. But the system I think should present those making the booking with what is the lowest cost first. You can sort these things, but the default ...

Deputy A.D. Lewis:

So you can have a choice then.

Chief Officer, Economic Development, Tourism, Sport and Culture:

... should be lowest cost first and that will almost invariably be a non-direct route.

Deputy J.A. Martin:

Yes, but when we had the Chief Executive Officer in and talking from A to B, it would seem what you are saying, it is about training who is using the system, because he was saying if you put A in, A being Jersey, and you want to go to the other side of the world, it normally always defaults to B.A. because ...

Chief Officer, Economic Development, Tourism, Sport and Culture:

The leg is free. Not free, but ...

Deputy J.A. Martin:

Yes, and EasyJet and Blue Islands, they can get you to the U.K., but they cannot get you normally any further. So are you confident that your staff ... you are not using the system, you are testing the system. If I were booking, I would never put in ... you go on Expedia or Flight Supermarket. You do not put Jersey to wherever you want to go, you put London or Manchester, where we know we can get to. I worry about the staff who are maybe not using it often enough or are not trained at getting the deals, that it always will default back to B.A.

Deputy A.D. Lewis:

That is what appears to be happening.

Deputy J.A. Martin:

Yes, it does appear to be happening. John Richards has said to that us and it is on the transcript.

Deputy A.D. Lewis:

B.A. are a good carrier, and I am certainly not knocking B.A. here.

Chief Officer, Economic Development, Tourism, Sport and Culture:

No, no, no.

Deputy A.D. Lewis:

But it comes at a price and the system appears to predicate towards B.A., because if you put ... let us take the example, the controversial case of the Cape Town trip. If you want to go to Cape Town and you say: "Jersey/Cape Town" it is going to be British Airways all the way, because that is what the system will throw up, because that is the only way you can do it. British Airways have the only direct flight, I think, to Cape Town. South African Airways might do, but B.A. definitely does. So straight away it is throwing up an expensive fare, whereas if one went via Dubai or even via Johannesburg, then the fare would be lower. So why did you, as a department, not challenge that type of instance, and similarly with trips to Beijing, and seeing quite how it would compare with

Emirates if you again have a waypoint like Dubai? Do you not feel it is the accounting officer's job to challenge that or are you relying on the system to best inform you and do the work for you so that you are not wasting Ministers' time? Because it does say here this is designed to stop you having to spend hours on administration.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes, and I guess the answer is the latter. Given recent events, I think there will be a far higher level of challenge going forward and hopefully the system will be part of that.

Deputy A.D. Lewis:

But as an experienced traveller yourself, would you not have got that cost and thought: "Oh, hang on a minute. Which is that? Can you come back to me with some other options and then I can decide whether: 'No, that day is too important for me to overnight stop in Dubai'" let us say?

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes, it is a valid point.

Deputy A.D. Lewis:

Yes, but you did not challenge that?

Chief Officer, Economic Development, Tourism, Sport and Culture:

There are certain instances, and I think one was picked up in the previous audit of travel that was done, where I did - we did, I did - and as a result, in some of these instances here, that could have happened and probably did not.

Chief Officer, Education:

I think that is probably true across all departments. Certainly in Education, I think we do rely on the system perhaps too much, and as you say, the system is supposed to be there to stop us doing all the searching, so that probably does need looking at. We do go back and challenge, but probably not often enough.

Mr. R. Parker:

On H.R.G., you have this ability to phone someone up. Is that service available 24/7 or is it only available during office hours?

Chief Officer, Education:

I do not know.

Chief Officer, Economic Development, Tourism, Sport and Culture:

That is a very good question and I do not know.

Mr. R. Parker:

The reason I ask that is that if you booked through a travel agent or someone and they are the booking party to a ticket, particularly if it is on a cheap price and not flexible, if you want to change that, and has happened to me on a weekend, that there was an error on the ticket, I could not deal with that with the particular airline, because the contracted party happened to be the agent and the agent was not available until Monday morning.

Chief Officer, Economic Development, Tourism, Sport and Culture:

Yes, that is a good point.

Mr. R. Parker:

So it was a problem related to the contractual relationships in relation to the structure.

Chief Officer, Economic Development, Tourism, Sport and Culture:

I do not know, and I certainly personally have not had an incidence where I have needed to do that, to test whether it is open 24/7.

Chief Officer, Education:

I do not know the answer to that. I suspect not. I suspect it is office hours only, but I do not know, but it would be easy to check.

Deputy J.A. Martin:

So it could be, as we have explored, that some of the staff using the system do not have sufficient training or some are not using it enough to know when to challenge. So do you believe that the system is fit for purpose? Does it do what it was designed to do?

Chief Officer, Education:

The feedback I get constantly ... to be fair, to be blunt, if I am travelling, I ask my P.A. to get me from there to there and the ticket arrives. So I do not really get too much involved and I know ...

Deputy A.D. Lewis:

When you get your ticket though, do you look at the price and think: "Oh, I would never pay that"?

Chief Officer, Education:

I think since I have been here, I have only ever flown to Gatwick. I have never done a long haul. I am going to China, the first time it is a long haul, and it is £300 return, so that is fine. But I have heard my P.A. on the phone challenging back to say: "Why is it British Airways? I have been on the EasyJet app and it is a third of the price" and then I discover I have got an EasyJet ticket, so I know there is some challenge and feedback going on. To be fair, when the H.R.G. system was introduced, there was a lot of training, it was put in place, and my P.A., being a new P.A. coming in, I have seen the induction programme includes H.R.G. training. But I would accept, I think, because we are terribly busy, always shooting from here to there, always on the run, if you have got a system that is going to book you a ticket, you kind of tend to perhaps over-rely on the system doing it well without giving it enough challenge. The only time I, frankly, got personally involved with the price of tickets is when we were going to China and then I took a personal interest and intervened at some length. But other than that, I tend to not to get involved. The heat of battle takes over every now and again.

Deputy A.D. Lewis:

Were you aware then that special deals have been negotiated with Flybe, Blue Islands, certain hotel groups and so on? Were you aware of this?

Chief Officer, Education:

No.

Deputy A.D. Lewis:

So if you suddenly ...

Chief Officer, Education:

I mean, aware of it in the sense I knew it was going on, but not involved, not in the detail.

Deputy A.D. Lewis:

They are claiming vast discounts on a particular hire care company as well, which clearly you did not find that day you were stuck in Newcastle.

Chief Officer, Education:

No. That is probably a bad example, because I can hire cars for an admin cost of £12, so that is unfair. But the point is I can do that, but I cannot claim that back on expenses, but the principle is such that the system ... I would have to fill in a breach form to say ...

Deputy A.D. Lewis:

Just by way of an example though of the H.R.G. system, not your department, so you can both relax, but somebody booked 2 seats to Liverpool with EasyJet, bearing in mind you can get those seats for as little as £25, on occasion. They paid £1,200 to go to Liverpool, for 2 of them, return, with EasyJet, through H.R.G. So, nobody's questioned ... it is a different department and so I will not question you on it specifically today, but that really throws up to me that H.R.G. is not doing its job properly, and also the person ... the so-called "intelligent user" is not then challenging H.R.G.. There is a failing here ...

Chief Officer, Education:

I did not think you could buy them ...

Deputy A.D. Lewis:

... on 2 fronts.

Chief Officer, Education:

I did not think you could buy an EasyJet ticket for £600. I think it would be a world record.

Deputy A.D. Lewis:

I do not know how they did it. I think they must have crashed the system trying to do it. But I have the evidence here; it is very clear, and that is, I think, a shining example. We are talking short-haul flights here, that we seem to be paying 4 times as much for, and perhaps they are not being discovered because the total number is much smaller, like your £500 or £600 to Bristol. That is a concern. A lot of those have slipped off our forms here because this is all stuff over £500. There could be dozens of others that are £495 or something, that we do not know about.

Mr. R. Parker:

Sorry, another question is, where a system is saving a lot of money and has really good rates, shall we say for accommodation and other things, do members of your staff look at H.R.G. relating to try and get the best rates when they are considering their personal travel? Because if you could see really good low rates going through something that was saving, you would expect staff to say this was an opportunity to be able to lower the cost of their own personal travel.

Chief Officer, Education:

I do not know of anybody who has used H.R.G. for personal travel.

Mr. R. Parker:

No, it is just that ...

Chief Officer, Economic Development, Tourism, Sport & Culture:

I do not think we are really allowed to use it for personal travel.

Mr. R. Parker:

No, but you would look up to see what sort of rates were available.

Chief Officer, Education:

I see what you mean, yes.

Mr. R. Parker:

But I would not have thought ...

Chief Officer, Economic Development, Tourism, Sport & Culture:

But the default position for personal travel ... certainly not for all but for me, is to go to the price comparison websites and that is what they use. You know yourself, there are a number of travel enquires that originated at a price comparison website. I think if the H.R.G. system, as it evolves, and as is developed as a consequence of this, can evolve into something which is closer to the way that the Expedias of this world present things, and the default is the lowest cost first, regardless of what the class is, that is going to be a big improvement.

Deputy A.D. Lewis:

Will both of you be going back to the Corporate Management Board the next time you meet and will you be saying: "This system does not work for us?" Are you likely to say that?

Chief Officer, Education:

We have been saying that for some time.

Chief Officer, Economic Development, Tourism, Sport & Culture:

We have been saying that for some time, yes.

Deputy A.D. Lewis:

You have been saying that for some time, yet the Chief Executive of the States of Jersey sat here with us and said there is a tiny percentage of complaints that he gets, and most of them can be explained and they are not a problem. He has done a survey, and over 90 per cent of staff are satisfied with the system. Where does he get those figures from?

Chief Officer, Education:

I do not know.

Deputy A.D. Lewis:

That is what he said.

Chief Officer, Education:

I do not know.

Deputy A.D. Lewis:

You are going to continue to challenge him on the system?

Chief Officer, Education:

To be honest, I have got ... "bored" is the wrong word, but slightly fed up with constant complaints from our staff.

Deputy A.D. Lewis:

Which again takes up administrative time.

Chief Officer, Education:

Yes, and I just push back and say: "That is the system" because very often people might be complaining whereas, unbeknownst to individuals, the system as a whole is saving the States of Jersey some money. It seems to me, in procurement terms, there is a logic to having a central system which can strike deals, economies of scale.

Deputy A.D. Lewis:

That was explained very clearly, in terms of the report.

Chief Officer, Education:

I have always worked on the assumption that it may not feel that way on anecdotal evidence of individuals, but overall, the States are gaining. Most of my staff are not fans of the system.

Deputy A.D. Lewis:

Have you seen that report from H.R.G.?

Chief Officer, Education:

No, I have not.

Chief Officer, Economic Development, Tourism, Sport & Culture:

No.

Deputy A.D. Lewis:

It is perhaps worth your while having a look at it. This is their justification for all of the things that you have spoken about today; issues you have with the system are all explained in there as to why it is not the system's fault, it is the user's fault. You might want to have a look at it.

Mr. R. Parker:

There was one thing in the ...

Chief Officer, Education:

It might be both, of course. It might be 50/50.

Mr. R. Parker:

There was one thing that came out in the report related to the savings on local hotels, which was saying, I forget the figure, I think it was up to 24 or 25 per cent, taking into account the commission charge and so forth would have meant that most of those hotels were providing net rates before, so the actual discount would be up to nearly 40 per cent which, to be perfectly honest, I have no confidence in whatsoever.

[14:30]

Deputy A.D. Lewis:

We will start to wrap up because you guys are very busy today, particularly with the altering of the M.T.F.P., (Medium Term Financial Plan) so thank you very much for your time today. Just one final question, and you have answered it a little bit already, but what lessons have been learned from the recent adverse publicity about the public sector's procurement of travel and related activities, and what changes have you made in your department as a result of this?

Chief Officer, Economic Development, Tourism, Sport & Culture:

The lesson learned is ... one of the things that we have ... I think we have never had a forum to explain this, really ...

Deputy A.D. Lewis:

Now is your chance.

Chief Officer, Economic Development, Tourism, Sport & Culture:

... that is the extent to which we look at travel as a means to an end, and the end is about, from our perspective, generating more income. That is how we see value for money and return on investment. I know that I said this to the T.V. (television) outside. I know that whereas the cost of

the inputs in this instance, E.D.D. and Locate Jersey are measured in thousands, and people have issues with the individual cost of travel, but the outputs we generate in terms of direct additional tax income are measured in millions, millions. The recent travel down to Indaba, we met with Sentrosiv(?) who has then met with a company that has now relocated to Jersey. As a result of that, I can assure you, the taxable income that they will pay, the tax that they will pay, will far outweigh the costs of that trip, in one year. We do not spend time away from the Island, away from our families, away from work, because we like travelling and because we want to incur cost. Our view is, we took a prudent approach, based on the fact that, in the past we have saved money or not expended money because we had to reclaim cancelled flights. What will this do, going forward? It will cause everybody to question whether or not they will go on a trip, not because it is the wrong thing to do, but because of the adverse publicity that it probably generates. In terms of the process itself, will we question things much more closely, as a consequence? Do I personally hope that we get towards a consistent corporate travel policy and we work with H.R.G. to improve and ourselves act as a more intelligent client right across the organisation, then that is exactly right. For the avoidance of any doubt, E.D.D., and I am sure the same is true with Justin and I know it is true of the other departments, we have complied with 5.7. We have a travel policy signed off by a minister. We have a schema delegation. We have an authorisation process. All of this stuff is done within budget. If you look at the E.D.D. total travel budget, and I can quote you just a couple of figures for the record over the last 3 years; over the last 3 years, our total travel budget, this is travel, accommodation and expenses, the total travel element of that has gone down from £136,000 in 2013 to £74,000 in 2015. As a department we have always made, met or exceeded the budget reductions that we have been asked to make, and we have continued to deliver at a very significant level. The incremental tax yield from Locate Jersey's activity over the last 2 years is certainly in the order of about £7 million recurring, and £9 million in terms of one-off receipts. That is direct tax income, guaranteed to the taxpayer, and that is a pretty good return on investment.

Deputy A.D. Lewis:

You do not produce an annual report any more, do you, in the way that you used to?

Chief Officer, Economic Development, Tourism, Sport & Culture:

Locate Jersey do.

Deputy A.D. Lewis:

You need to get this out into today's forum, to do that. It is clear, and with financial direction as an example, I will say it again and I said it my opening words, does the action feel right, and could it be justified to those outside the States? You have just justified your total budget expenditure, but the public drill down to individual instances and that is what the press do. Are you still confident

that you can justify your actions entirely, having not challenged particular expenditure or a particular trip in the instances being widely reported, in the spirit of the direction that I just read?

Chief Officer, Economic Development, Tourism, Sport & Culture:

I know that the outputs that we generate will have exceeded the cost of that trip. In future, will we question to a much greater extent the cost of travel to anywhere, and whether or not we should travel? Yes, we will.

Deputy A.D. Lewis:

But I would also hope that it does not stifle entrepreneurship, which is, unfortunately, a double-edged sword here.

Chief Officer, Economic Development, Tourism, Sport & Culture:

Yes, it is. I would hope that is the case as well.

Deputy J.A. Martin:

On the last recommendation, what you are saying, that you welcome everything to be published above £500, but everything should be published and open and transparent.

Chief Officer, Economic Development, Tourism, Sport & Culture:

I see absolutely no reason whatsoever. We fill in, and it has approved electronically ...

Deputy J.A. Martin:

The information is there; that is what you are saying, and it is just moving it from in ...

Chief Officer, Economic Development, Tourism, Sport & Culture:

Yes, electronically and on paper, and if it needs to be scanned and published on a monthly basis or published from the system on a monthly basis, whether it is £5 for a couple of cups of coffee or £5,000 for something else, I see absolutely no reason why that should not be published in its entirety on a regular basis. That is what transparency is about.

Deputy A.D. Lewis:

We just need a good States-wide I.D. (identification) system to make it easier for everyone. We understand the consequence here is a huge amount of administration.

Chief Officer, Economic Development, Tourism, Sport & Culture:

No, but that is what transparency is about, and if other jurisdictions ...

Deputy J.A. Martin:

Local authorities have been doing it for years, yes.

Chief Officer, Economic Development, Tourism, Sport & Culture:

I left Wales 12 years ago, and it was being done then, and I do not think any of us would object to that in any way, shape or form.

Deputy J.A. Martin:

Thank you.

Deputy A.D. Lewis:

Thank you, gentlemen. Is there anything else you want to add, Justin?

Chief Officer, Education:

No, I think Mike has covered it.

Deputy A.D. Lewis:

Thank you very much for your time today, and if we require any further information we will come back to you, but thank you for providing us with so much already. We will be able to compile a report in some detail, which will challenge some of the things that have been said in the Chief Minister's report, and I hope that will be a healthy challenge.

Chief Officer, Economic Development, Tourism, Sport & Culture:

If there is any specific information that you think that, certainly I have referred to, and I am sure Justin has referred you to today, that is not captured in what you have, I would be very, very happy to make it available.

Deputy A.D. Lewis:

Thank you for your time.

Deputy J.A. Martin:

Thank you, thank you.

[14:37]