

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2022- 2025 (P.90/2021): FOURTEENTH AMENDMENT

ESTABLISHMENT OF MINISTRY OF EXTERNAL RELATIONS

Lodged au Greffe on 30th November 2021
by the Minister for External Relations and Financial Services

STATES GREFFE

PROPOSED GOVERNMENT PLAN 2022-2025 (P.90/2021): FOURTEENTH
AMENDMENT

1 PAGE 2, PARAGRAPH (e) –

After the words “Appendix 2 Summary Table 6” insert the words –

“, with amendments made as appropriate to reflect the establishment of the Ministry of External Relations as provided for in (f),”

2 PAGE 2, PARAGRAPH (f) –

After the words “Appendix 2 – Summary Tables 5(i) and (ii) of the Report” insert the words –

“, except that in summary table 5(i), an additional row should be inserted under ‘Departments’, with the name ‘Ministry of External Relations’, and with ‘145’ inserted under the column for ‘Income’, ‘2,918’ inserted under the column for ‘Expenditure Allocation’ and ‘2,918’ inserted in the column for ‘Head of Expenditure’, with the figures for the Office of the Chief Executive, within which External Relations is currently based, being adjusted down accordingly so that the formal establishment of the Ministry of External Relations in this Government Plan is cost neutral”

3 PAGE 3, PARAGRAPH (I) –

After the words “Appendix 3 to the Report” insert the words –

“, with amendments made as appropriate, including in R.150/2021, to reflect the establishment of the Ministry of External Relations as provided for in (f)”

MINISTER FOR EXTERNAL RELATIONS AND FINANCIAL SERVICES

Note: After this amendment, the proposition would read as follows –

THE STATES are asked to decide whether they are of opinion –

to receive the Government Plan 2022 – 2025 specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2022 as set out in Appendix 2 – Summary Table 1 to the Report, which

is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law;

- b) to approve the Changes to Approval for financing/borrowing for 2022, as shown in Appendix 2 – Summary Table 3 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approvals;
- c) to approve the transfers from one States fund to another for 2022 of up to and including the amounts set in Appendix 2 – Summary table 2 to the Report, noting that the transfer from the Consolidated Fund to the Technology Fund is subject to the Assembly’s approval of a proposition to create such a Fund in 2022, in line with Article 9(2)(b) of the Law;
- d) to approve each major project that is to be started or continued in 2022 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 - Summary Table 4 to the Report;
- e) to endorse the efficiencies and other re-balancing measures for 2022 contained in the Government Plan as set out in Appendix 2 Summary Table 6, with amendments made as appropriate to reflect the establishment of the Ministry of External Relations as provided for in (f), and reflected within each gross head of expenditure in Appendix 2 – Summary Table 5(i);
- f) to approve the proposed amount to be appropriated from the Consolidated Fund for 2022, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report, except that in summary table 5(i), an additional row should be inserted under ‘Departments’ with the name ‘Ministry of External Relations’, and with ‘145’ inserted under the column for ‘Income’, ‘2,918’ inserted under the column for ‘Expenditure Allocation’ and ‘2,918’ inserted in the column for ‘Head of Expenditure’, with the figures for the Office of the Chief Executive, within which External Relations is currently based, being adjusted down accordingly so that the formal establishment of the Ministry of External Relations in this Government Plan is cost neutral;
- g) to approve up to £480 million to be appropriated from the Consolidated Fund for the Past Service Pension Liabilities Refinancing head of expenditure, subject to the availability of funding, which may include, in full or in part, use of the borrowing/financing referred in paragraph (b);
- h) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2022 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 7 to the Report;
- i) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2022 for each head of expenditure in line with

Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 8 to the Report;

- j) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2022 as set out in Appendix 2 – Summary Table 9 to the Report;
- k) to approve an amendment to the policy of the Strategic Reserve Fund to enable that Fund to be used as a holding Fund for any or all monies related to the repayment of debt raised through external financing, with the monies used to offset the repayment of debt, as and when required; and
- l) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2022-2025, as set out at Appendix 3 to the Report, with amendments made as appropriate, including in R.150/2021, to reflect the establishment of the Ministry of External Relations as provided for in (f).

REPORT

Introduction

The purpose of this amendment is to meet a recommendation of the Island Identity Policy Development Board to “re-establish External Relations as a separate department within the Government of Jersey.” This accords with my own view, which I expressed at a quarterly public hearing of the Economic and International Affairs Scrutiny Panel on 10th September 2021, that the Ministry of External Relations should be listed as its own Department.

Constitutional context

Jersey is a small Island nation, with a distinct identity and its own international personality, which continues to grow and develop. We engage directly of our own accord with numerous countries and international organisations on a range of issues which are key to our Island’s economic, reputational and cultural interests and success. Where our engagement is facilitated through the UK, for example by means of an Entrustment or in international fora where membership is only available to sovereign States, Jersey retains autonomy in its decision making and will represent itself (including sometimes as part of the UK delegation) in discussions and negotiations that are relevant to the Island’s interests. I therefore agree with the Policy Development Board that a visible Ministry of External Relations would better reflect our constitutional status.

Those who pay particular attention to the work of External Relations will note that the formal establishment of the Ministry of External Relations would ensure that the Government Plan reflects operational reality. My officials and I have for many years, in practice, (including under my predecessor) referred both publicly and privately to the Ministry of External Relations when we are engaging with international partners. This language reflects international norms and ensures there can be no confusion as to the constitutional status of the Island or our role in implementing the Government’s External Relations Common Policy.

Indeed, the Policy Development Board noted that having an External Relations function which is part of an Office of the Chief Executive (as is the case at present) “would tend to show that we think of ourselves as a form of local authority”. I do not disagree with that conclusion, and I believe it is appropriate that the Government Plan aligns with the practice which I have outlined above. I am not aware of any other jurisdiction, sovereign or non-sovereign, where the external relations or foreign ministry sits within a department named after the chief civil servant.

External Relations Directorates

I believe, and I hope Members will agree, that the Ministry of External Relations (or the Government’s External Relations function as it is officially at present) has an excellent record of service to the Island. It will not have gone unnoticed that, in recognition of this ongoing good work (and always with the approval of this Assembly) the External Relations team has grown (both in numbers and in structure) since the role of Minister for External Relations was established in 2013. This has been in recognition of the vital work that the Ministry undertakes in promoting Jersey around the world, representing

and defending our Island's reputation and core interests, and facilitating economic and cultural links.

The Ministerial team and Group Director now oversee an International Trade Unit (continuing the work of the former Brexit Unit), a European Relations Directorate, a Global Affairs Directorate, the International Compliance team and offices in London, Caen and Brussels (the latter two shared with the Bailiwick of Guernsey). The current organisation structure is appended. In addition, whilst the officers who lead the work on Jersey's engagement with the various global tax initiatives sit within the Treasury and Exchequer Department, they report for the purpose of that work to the Minister for External Relations and work in unison with External Relations officials.

As I hope is clear, Jersey is engaged across the globe with more countries and international organisations than ever before in our Island's history. Crucially, these links ensure we can deliver prosperity at home – through attracting and maintaining business, creating jobs, delivering shared growth with our partners, and generating people-to-people links. The work of the Ministry to continually improve understanding of the positive role Jersey plays in the international order as a small autonomous Island democracy is ongoing and, in my view, will only increase in the years to come. This view is shared, and was echoed, by the Island Identity Policy Development Board.

A separate Ministry?

So it is, for the reasons outlined, that this amendment seeks to formally establish a Ministry of External Relations as its own Department in the Government Plan.

An additional and related point worth noting, which I highlighted to the Scrutiny Panel at the public hearing on 10th September, is that given the scope and extent of the work now undertaken by External Relations and given the equally challenging remit of the Chief Executive Officer, it is simply not realistic (even with the best of will) to expect the Government CEO to be properly and regularly involved in the work of External Relations. That, in my view, further strengthens the case for a separate and distinct Ministry.

Despite my lodging of this amendment, I do not wish to give the impression that this is a major issue of State which needs urgent resolution. It is comparably minor compared to the other matters being considered in this Government Plan. I nevertheless feel it is a matter which should be addressed, with the proper structure put in place, and that this can be achieved in the 2022-25 Government Plan with relative simplicity.

Accountability

Whilst I believe the benefits of a separate Ministry will be felt by all with an interest and concern in the well-being of Jersey, a specific further benefit will be that Scrutiny, States Members, and the public will be better able to hold the Ministry of External Relations to account were it to become a separate Department. In addition to all the means of doing so that exist at present, there would also under the arrangements proposed by this Amendment be a separate Operational Business Plan for External Relations, spending would be set out separately in future Government Plan's and, similarly, separate provision would be made in the annual report and accounts. This is appropriate given the nature and seriousness of the work that External Relations undertakes on behalf of Islanders.

A cost-neutral proposal

The Policy Development Board advised in their report that the Ministry of External Relations could be established as its own Department at no additional cost, and indeed this position is achieved through this amendment which will be cost neutral. The amendment ensures that the existing income (which is from the aerodrome licence fee which funds the Office of the Director of Civil Aviation) and funding allocated to the External Relations function within the Office of the Chief Executive is simply transferred across to a separate Ministry, with no increase or reduction in budget for this Government Plan in 2022. It also ensures that the appropriate changes, to reflect this cost-neutral arrangement, are made throughout the Government Plan and in the annex presented in R.150/2021.

I should be clear, as I have been in correspondence with the Economic and International Affairs Panel, that whilst no additional funding for external relations is sought through or required by this amendment (or by any other means in this Government Plan), this of course does not mean that additional resource might not be needed in future Government Plans.

Supporting Jersey's representation and engagement in the world and promoting and protecting our interests is ongoing work. It will always be possible to adapt, develop and do more. Indeed, I was grateful that the Policy Development Board was again supportive in this respect.

How this might be achieved will need to be considered as part of future Government Plans, and any proposals will rightly require the approval of the Assembly. The resource allocated to the Ministry of External Relations is, in my view, not linked to our status within the structure of the public service, which is demonstrated by the fact that this amendment can be delivered with no resource implications of itself.

Conclusion

I hope Members will agree that this is a straightforward, logical change that will deliver clarity and greater accountability for this Assembly and the public we serve. In addition, it will ensure a greater awareness among our global partners as to the constitutional autonomy we enjoy.

I am grateful to the Island Identity Policy Development Board, whose recommendation has been the catalyst for this proposal. It is a relatively small proposal for further enhancing our distinct international personality, but an important one nonetheless, and a change that I hope the Assembly will support.

Financial and manpower implications

There will be no additional resource implications as a consequence of this amendment.

Appendix – Ministry of External Relations organisation chart

