

2016.02.02

**5.12 Senator Z.A. Cameron of the Minister for Treasury and Resources regarding the capacity of the proposed chairman of the States of Jersey Development Company to properly oversee the activities of the company:**

What assessment has been made of whether the proposed chairman of the States of Jersey Development Company has enough capacity to properly oversee the activities of the company sufficient to justify a salary of £40,000 for 24 days, the equivalent of £420,000 per annum?

**Senator A.J.H. Maclean (The Minister for Treasury and Resources):**

If I may, I will ask my Assistant Minister the Constable of St. Peter who has responsibility for this area to answer.

**Connétable J.M. Refault of St. Peter (Assistant Minister for Treasury and Resources - rapporteur):**

I am pleased to inform Senator Cameron that the appointments process for this post was a robust and independent one overseen by the Jersey Appointments Commission, a member of whom was also part of the interview board. All candidates interviewed for the role were of an extremely high calibre, each with a very strong set of skills, expertise and experience. In the case of the candidate that I will be recommending in P.1/2016 later in this session, she has been a non-executive director of the company since June 2011 and has clearly demonstrated her capacity to participate in the activities of the company during that time and the potential to ably fulfil the role of chairman. Turning to the matter of the remuneration: there has never been a more important time in the history of S.o.J.D.C. (States of Jersey Development Company) to have the services of a top flight chairman, given the aggressive commercial world that we are in and delivering the very projects agreed in the States of Jersey Strategic Plan agreed by this Assembly in 2015. Such a person will command a salary of the level specified, which is in line with that of chairmen of other States-owned companies. Thank you.

**5.12.1 Senator Z.A. Cameron:**

While it might indeed be conceivable that this individual's value is worth that of 10 elected States Members, which is the level of the remuneration that has been set, how can the Jersey taxpayer be satisfied that it is their interests that will be at the heart of the decision-making process rather than that of the interests of the *[Name omitted from the transcript in accordance with Standing Order 109(7)]*, for example?

**The Deputy Bailiff:**

Was it entirely necessary to mention the name to the outside of the States Assembly, Senator?

**Senator Z.A. Cameron:**

Apologies.

**The Deputy Bailiff:**

Could I ask you to withdraw that then?

**Senator Z.A. Cameron:**

Okay, I withdraw that, Sir. Just with the interests of a trust company, for instance.

**The Deputy Bailiff:**

We will take that from the record as well please, Greffier.

**The Connétable of St. Peter:**

It is rather a long question, that one. What is S.o.J.D.C. set up to do? What are we expecting the chairman to do in that particular role? I come back to the Strategic Plan and I can quote from it but I will not waste Members' time at the moment. I think we also, when looking at what is the benefit to the people of Jersey, need to look at what finance does for the people of Jersey and the role which S.o.J.D.C. is playing with it providing the infrastructure required. When I am looking at the Jersey Finance Annual Report published only a week ago, the gross added value by industry, finance offers 44.1 per cent to Jersey's value and that is the role that we need to be doing to ensure the people of Jersey have the necessary taxation coming in to enable us to think about building new hospitals and providing all the necessary infrastructure and support for all the people of Jersey. In looking at the salary in itself of the chairman, those are 24 days working in the office here in Jersey. The chairman will be working far more than that, as most States Members do. Many people think we get paid to be in this Chamber. We do but most of us spend 5 days or 7 days a week working on States business. This is what we expect from our chairman, to be fully engaged with the interests of our States of Jersey Development Company. Thank you.

**5.12.2 Deputy J.M. Maçon:**

Can the Assistant Minister confirm that all the non-executive directors, including the proposed chairman, pay full social security and Jersey tax from their salaries?

**The Connétable of St. Peter:**

I am afraid I have to say: "No, I cannot", unfortunately. I can find out and report back to the Assembly at a future time.

**5.12.3 Deputy J.A. Martin:**

Can the Constable please explain the difference in the proposition that says that there is no financial implications to the States because the States of Jersey Development Company are paying the £40,000 for 24 days, which I thought was a wholly-owned States company and therefore owned by the public of Jersey? Could he also expand on the £40,000 for 24 days? Does this include travel, accommodation and expenses or will they be on top?

**The Connétable of St. Peter:**

Coming to the last piece first: this is for working in the office in Jersey. That is the pay they get for that particular role and with regard to there are no expenses, this is not a new post. This post has been in place since 2011 when S.o.J.D.C. was set up by this Assembly and the rate of pay for that position of chairman has not changed since 2011. There have been no increments or annual increases at all so there was no new money attracted to this post. Thank you.

**5.12.4 Deputy J.A. Martin:**

The question was: can the Constable differentiate between this wholly-owned States development company and no financial implications? Not new. No financial implications for the States of Jersey arising from this proposition. The money is all in one, is it not?

**The Connétable of St. Peter:**

I am not entirely sure what the Deputy is trying to get from me. I think from my point of view, the States of Jersey Development Company is owned by the people of Jersey, yes, and there is no new

costs accruing to the States of Jersey Development Company because of this position. I do not know if I can be any clearer than that.

[11:15]

**5.12.5 Senator Z.A. Cameron:**

Given the level of concern expressed by the Jersey public regarding this speculative development, which even in less austere times was regarded as high risk use of taxpayers' money, is the Minister satisfied that this individual has enough time available and knowledge of property development in particular, given her lack of past experience in this field and that her time will be devoted sufficiently to Jersey, given her 5 or 6 other business interests?

**The Connétable of St. Peter:**

First of all, I feel I have to correct Senator Cameron. This is not a speculative development. All the development has been carried out with the required pre-lets in place to cover the cost of the development and there is no public money gone into this. There is no taxpayers' money going into this development of the Jersey International Finance Centre at all. This is a myth which has been carried on for some time now. With regard to the proposed chairman, she has extensive knowledge of the Jersey environment, she has extensive knowledge in transformation of businesses, she has extensive legal experience in her role as well of being an Advocate of the Royal Court and entirely the appropriate person to undertake this role. The direction and control of the company, the experience on developing goes down to the officers. They are the experienced people: the engineering staff, architects. That is down to the officers. What the board does is give direction to the company, looks at what the requirement is for the economy of Jersey and makes sure the board delivers those requirements for the economy of Jersey. Thank you.