

2017.01.17

14 Deputy S.Y. Mézec of the Chief Minister regarding the provision of information to the States Assembly regarding the Jersey Innovation Fund: [1(14)]

Following the presentation of R.3/2017 by the Comptroller and Auditor General in relation to the Jersey Innovation Fund, will the Chief Minister confirm he accepts the validity of the criticism at paragraphs 3.3 and 3.4 of the report that essential information was not provided to the Assembly to inform its decision making and, if so, will the Chief Minister accept personal responsibility for those shortcomings and, if not, why not?

Senator P.F.C. Ozouf (Assistant Chief Minister - rapporteur):

The original proposition set out under the manpower and resources section of the report said that the J.I.F. (Jersey Innovation Fund) was to run within Executive with the support mechanism to the board. The amended proposition, the P.124, after the Scrutiny Panel had implemented their review, maintained the same level of support, despite the fact that the Scrutiny Panel had raised issues in their report. It is, in hindsight, a matter of regret that the officials did not reconsider and amend what should have been the manpower and resource requirements for the Executive in the light of the Scrutiny Panel recommendations and then reflect this in the amended proposition. The failures of the board and officials to satisfy themselves, that the C. and A.G. speaks about, the oversight was not satisfactory and they did not identify and quantify it at an early stage. That required provision for doubtful debts is, I think, a further example, that the C. and A.G. rightly says and the failures of the Government, which, of course, were issues, as I said earlier, which was not a surprise to me. These were the issues that led to my decisions in the autumn finally of 2016 where, effectively, I had got stronger and stronger in terms of saying, no, I am not satisfied and, ultimately, led me to ask for an accounting officer switch. I do not think that has ever happened before. I also gave advice that I was not satisfied with a recruitment process and that was taken on board, even though much of my other recommendations and suggestions were not.

3.14.1 Deputy S.Y. Mézec:

The findings of the C. and A.G. report make it very clear that the Innovation Fund was deficient right from its very foundations and those foundations, of course, were laid at a time when Senator Ozouf was the Minister for Treasury and Resources. The question is: does he take his share of the responsibility for that or does he have another elaborate excuse to pin it somewhere else?

Senator P.F.C. Ozouf:

I do not think I do have elaborate excuses. I stand before this Assembly and I serve with all Ministers at the pleasure and with the compliments of this Assembly. I put myself before this Assembly at all times, as I have done in 16 years, to be admonished or congratulated or otherwise. There was a difficult situation, which is going to be very clear, I hope, when people understand the reality of what I was faced with and on clarity and I look forward to the reviews. I have attempted to keep, as appropriate, the chairman of the Economic Scrutiny Panel who has taken a very active and welcome role into my areas of responsibility, and it is really going to be for them to comment as to whether or not who did what when from a Scrutiny point of view, which I absolutely respect, and also for the Chief Minister's designated requirement to have an independent review. There are many issues which need to be dealt with but this should not be a personal witch hunt or anything like that. It does feel a bit like that, if I may say.

3.14.2 Deputy J.A.N. Le Fondré:

The C. and A.G. report clearly states: "Information on loan repayments was not provided to the politician responsible for the Jersey Innovation Fund." Given that the terms of P.134/2012 clearly refer to reporting policies, including loan repayments, why did the Assistant Minister not identify those failings at an earlier stage and had he not informed himself by reading the proposition that he originally produced and presented to this Assembly as rapporteur when he was Minister for Treasury and Resources, to identify the information that he was meant to be receiving?

Senator P.F.C. Ozouf:

Deputy Le Fondré used to be an Assistant Minister of mine. I think he knows quite well what I am like. I read things, I ask questions, I am tenacious. I never stop, I never stop asking questions. I have never stopped since I was ... though that behaviour is irritating to some people but I never stop asking questions. But, clearly, as the facts will show, I was not given the information. Despite asking, I was not given the information on which to be able to advise the then Minister for Economic Development and then the Chief Minister who were ... an Assistant Minister acts in the name of a Minister. I know what my job is. I knew what my job as Minister for Treasury and Resources was and that was to take Economic Development's report, get it scrutinised, make all the amendments and make changes. Then with your Minister to check with the Ministerial Decision, whether it complies with the terms of reference and sign it or otherwise. I know exactly what my job is but I can only do my job if I am able to do so and given accurate information. I can say to the Assembly I was not given accurate information or complete information. It was chaos throughout 2015.

3.14.3 Deputy A.D. Lewis:

There was identified in the C. and A.G.'s report a 6-month period whereby there were 3 minuted examples whereby non-compliance and concerns were expressed by the board. During that 6-month period, did the Assistant Minister not severely question the board and find out exactly what was going on? Was he seeing copies of the minutes and, if he was, why was he not asking if he was not seeing them? He is saying he was not, he is nodding his head, then why was he not asking for those minutes to see exactly what was going on?

Senator P.F.C. Ozouf:

Apparently I have a reputation of speaking too much and asking too many questions. I do not think I am any different in relation to the Innovation Fund. But if you ask and do not get but when there comes a time that there is a breaking point, you break. I would ask the Deputy to recall the difficult situation when this Assembly had not even decided on the movement of ... I was supposed to be appointed for a month, I think, as an Assistant Minister for Economic Development. I did not have the chief officer under my own control. It was not concomitant, in other words, the Minister and the chief officer were not together. I was an Assistant Minister in the department that there was not any assistance and a chief officer that was not mine. How can you do your job in those circumstances? Some Members of this Assembly need to ask themselves exactly what position Ministers put that in. I am not blaming anybody but just the reality of it and maybe there are some lessons learnt but it would be in hindsight. You have to be able to do the job. I was not able to do the job but I still stand ...

Deputy A.D. Lewis:

Sorry, Sir, he has not answered the question.

3.14.4 Deputy R. Labey:

I would say that what is not in doubt is that the Assistant Chief Minister is scrupulously honest and extremely hard working on behalf of this Island. **[Approbation]** We just drill down into the Logfiller

case that sparked this all off. Did he sign off on the Logfiller loan or if he did not, who did? At that time, who was officially politically responsible for the fund?

Senator P.F.C. Ozouf:

I apologise to Deputy Lewis. I did not have the minutes. I did not have the minutes but I asked for them lots of times, that is the problem or I was given partial information. It has been a nightmare but that will come out. To Deputy Labey, thank you. I appreciate the Deputy's questions. I am afraid I cannot even remember exactly what it is. Could you just repeat it? I am sorry.

The Bailiff:

The question was whether you signed off the Logfiller loan. If you did not, who did?

Senator P.F.C. Ozouf:

Yes, I am sorry, Sir. This is one of the nightmares that we have had and I have gone back. The Minister for Economic Development signed the Logfiller loan and he did so after consulting me, but I did not have the legal power to do it. I thought I did and I kept on asking questions. Was I given this? Have I not been given this? Because Standing Orders, all this is in the public domain, the actual delegation of functions give me Innovation. It was only when the Chief Minister signed his delegation ...

Deputy M. Tadier:

Sir, point of order, surely that is a satisfactory answer, Sir.

Senator P.F.C. Ozouf:

I was not delegated responsibility to sign loans; that was one of the problems. There are many issues here and that is why the Chief Minister is right to have a proper political inquiry.

3.14.5 Deputy S.Y. Mézec:

I know I am risking opening a can of worms by asking what I hope is a simple question but could the Assistant Chief Minister just clarify in very clear terms what it is that he believes he has done wrong?

Senator P.F.C. Ozouf:

I want somebody else to judge that. I want somebody else to judge that because I do not want to be ... I faced numerous political controversies. It is tough taking on tough things and I know that the Innovation Fund was tough. I am not going to answer the question because it is ...

The Bailiff:

If you are not going to answer it, then sit down.

Senator P.F.C. Ozouf:

It is right and proper and I will stand accountable for whatever a proper person says but not a witch hunt, please. Let us have a proper investigation by proper people.

The Bailiff:

We come to question 15. Can I just say to Members that question time is supposed to end at 12.49 p.m., which is 5 minutes time? What I would propose, if Members agree, is that we continue to finish questions with notice, then take the Assistant Chief Minister's statement and then break for lunch.