

2019.11.12

4 Deputy K.F. Morel of St. Lawrence of the Minister for Treasury and Resources regarding the diversity of the board of Andium Homes: (OQ.270/2019)

Given that the 2 independent directors, who recently resigned from the board of Andium Homes were women, will the Minister explain why she has not chosen any women as their replacements, thereby creating an imbalanced board of directors that includes just one woman out of 6 directors

Deputy S.J. Pinel (The Minister for Treasury and Resources):

The Assistant Minister will answer this question.

[10:00]

Deputy L.B.E. Ash of St. Clement (Assistant Minister for Treasury and Resources - rapporteur):

The situation I faced in relation to the Andium Homes board and the recent resignations within was unique and required urgent action to be taken. It was an extremely pressing situation, which required immediate action to ensure that the board of the company comprised the required number of directors to be able to operate in accordance with its memorandum and articles of association. There were specific skill shortages that were identified in a board effectiveness review in 2018 and the candidates chosen to replace the departing directors have the required backgrounds and knowledge to fill that skills gap and, most importantly, were available immediately. I am fully aligned with the Deputy's desire to have a diverse mix of non-executive directors on the boards at States-owned companies, but given the urgency of this particular situation, it was necessary to identify the candidates in a matter of days to fulfil the roles required. I hope the Deputy can be comforted that both appointments were made following consultation and endorsement from the Jersey Appointments Commission, who recognised the need for swift action to be taken.

3.4.1 Deputy K.F. Morel:

I feel somewhat that the Assistant Minister overplays the urgency. But given that the C. and A.G.'s (Comptroller and Auditor General) report on board remuneration is damning of the Treasury's oversight of the boards of States-owned entities and arm's length organisations, with many previous recommendations remaining unimplemented, will the Minister commit to recommendation 8, which states that: "Treasury needs to strengthen arrangements for oversight of the States relationship with companies, statutory bodies and funded bodies including through determining and monitoring compliance with minimum corporate governance standards." So, will the Assistant Minister set a minimum standard, such as Norway's, which demands a minimum of 40 per cent of boards being female?

Deputy L.B.E. Ash:

As far as recommendations of the governance of the boards, we have already put in place a complete review of the M.O.U.s (memorandum of understanding) and those should be coming to a completion soon. As far as quotas are concerned, I do not believe in quotas. I do not think the Chief Minister believes in quotas. I do not think we, as a Government, believe in quotas. We believe in the best person for the job. What I do believe in, is that any interview selection process should have a diverse list of candidates and I do believe in that very strongly.

3.4.2 Senator K.L. Moore:

Given that the previous Chair of Andium had been told some months earlier that his time as Chair was due to come to an end, why did the Treasury consider that this was a matter of urgency and why had a recruitment process not been implemented at a sooner point?

Deputy L.B.E. Ash:

It is a very good question. The board of Andium were told when he was appointed that we expected, or the Government expected, at the time for a replacement to have been put in place by the end of June this year. In fact, a selection process had not even been put in place. We then asked the then Chair if he would stay for another 3 months, to see if we could move in that direction. Unfortunately, due to certain issues over salaries, *et cetera*, it was impossible to move while that board were in place and hence the appointment of someone else to oversee the company now and resolve the issues that are there and tighten up that governance.

3.4.3 Deputy J.H. Perchard of St. Saviour:

Does the Assistant Minister agree that the meritocratic argument is completely bogus, because you cannot possibly get the best person for the job if you are ignoring half of the population? Does he also acknowledge that if you only approach 2 male candidates, you cannot possibly appoint a female candidate? Does he also agree that by not having a diverse board he is placing the board and subsequent organisations at financial risk, as has been proven by many studies?

Deputy L.B.E. Ash:

Some great points made. Some of them I agree with. As I said, this was made very quickly. It has to be said that both these appointments are temporary appointments. They are placed there while we sort this situation out with Andium. Once we have done that, there will be a complete selection process taking place and I would hope that we will get Andium back to being where they were, which was the most diverse board of all the States-owned companies. I sincerely hope we will and, as I said, I will absolutely ensure that the interview process is as diverse as possible.

Deputy J.H. Perchard:

None of my questions are answered. I would please urge the Assistant Minister to at least attempt to answer one of the 3 questions I posed.

Deputy L.B.E. Ash:

Would you like to repeat them and I will endeavour to do so?

Deputy J.H. Perchard:

Does he not agree that the meritocratic argument is completely bogus, given the fact that you cannot get the best person for the job if you ignore 50 per cent of the population?

Deputy L.B.E. Ash:

I did answer that. As I said, at the time, we had to move very quickly and the best 2 people that were available - and that we knew were available to fill these roles - happened to be men. Had it been a woman, we would have used a woman straightaway at the time, but they were not. The best 2 people available, within a very limited timescale, happened to be men. It is an irrelevance to suggest otherwise.

The Deputy Greffier of the States (in the Chair):

I am going to allow you one further supplementary, Deputy, because your question was not answered in the first instance.

3.4.4 Deputy J.H. Perchard:

Could he clarify, the best 2 people out of what pool? Are we talking the best 2 people out of 2 people, or the best 2 people in the world?

Deputy L.B.E. Ash:

As good as Sir Mark is, I do not think he would put himself up as one of the best 2 people in the world. They were the people who came to our notice very early on and were perfectly qualified. One is a top person, who has helped out Jersey companies before, so we knew his skillset; and the other guy was one of the top accountants on the Island. Obviously, we had lost the finance director, who it is interesting to say and this may please the Deputy, it may not, but the acting finance director is a woman, called Lindsay, but still a woman.

3.4.5 Deputy K.G. Pamplin:

Does the Assistant Minister ... in every opportunity, as my late grandmother used to say, there is an opportunity learned. In the world of business, panels, chairs, committees can suddenly change. It happens a lot in the world of business so, therefore, is there much to learn from the scenario that just taking a bit of time to get the right people could avoid questions like receiving today?

Deputy L.B.E. Ash:

I think it is a great point that the Deputy makes. This is exactly what we have done. We have made these appointments to buy ourselves the time to make the correct decision as far as diversity is concerned and to get the correct people in on a long-term basis. I must stress, this is an interim appointment while we sort this problem out.

3.4.6 Deputy R.J. Ward:

Does he not understand that in order to increase diversity, to address the inequality that we have had for so long, you have to go and look a little bit harder and you have to go and look a little bit further for the right type of candidate in order to address inequalities that have been pointed out in so many different reports?

Deputy L.B.E. Ash:

As I have said and I will reiterate, we will be looking as hard as possible to get the most diverse people that we can for this board. For this particular moment, we needed to buy ourselves some time, which we did with the appointments we made. That does not mean we will not be trying to be as diverse as possible when we have made permanent appointments to that board. When you look at quotas and I take on board the point that you have to make things available and I think when we saw the South African rugby team where they did not have quotas, but they have made those opportunities available to people throughout, which is what we have to do with women and you could see the results when sadly they won the World Cup.

3.4.7 Deputy R.J. Ward:

Would the Assistant Minister, therefore, consider that perhaps you should, when you do look to fill this permanent post, have quotas in order to directly address imbalance for once on this Island?

Deputy L.B.E. Ash:

I have said we will get as diverse a group of people together for the interview process as we possibly can. I cannot say it any more plainly than that. What I will say is that we will not have a quota of successful candidates. We will select the best person for the job from those people. But we will have a diverse as we possibly can group of people that will be interviewed for these roles.

3.4.8 Connétable M.K. Jackson of St. Brelade:

Given the innuendo from some Members questioning on this matter, it seems to me that aspersions are being cast to the temporary Chairman appointment. Would the Assistant Minister agree that the appointed person, a Jerseyman, extremely well qualified, has been of great benefit to the Island and that having this temporary appointment and getting over this hurdle until the next stage, that we are very lucky and would he confirm that, because I feel quite annoyed about the questioning line that has been taken?

Deputy L.B.E. Ash:

I thank the Connétable for that question. It is 100 per cent right. We are so lucky to have Sir Mark available. We are lucky that he has agreed to help us out here and we must take full advantage of the year when we have him to make full use of his experience and knowledge in moving the company forward.

Deputy J.H. Perchard:

Point of order? I do slightly resent that the insinuation that the line of questioning about diversity somehow is a commentary on the individual in the role. I think that is an irrational leap. I do not think that is a logical jump and I wonder if the Constable might withdraw it.

The Deputy Greffier of the States (in the Chair):

Connétable, I certainly did not take it that anyone here was necessarily being derogatory about the people who had secured the positions, just really the appointment process and the lack of diversity.

The Connétable of St. Brelade:

No, ma'am, I feel I also ought to bat for the other side.

3.4.9 Deputy C.S. Alves of St. Helier:

Will the Assistant Minister advise what role, if any, has the Minister for Children and Housing had, or will have, in the new board members being appointed?

Deputy L.B.E. Ash:

Obviously, when we come to do this and we get the criteria, I hope to have quite a full role in it. Thus far, Sir Mark has only just put his feet under the table. He is still trying to establish exactly what we need going forward, both for employee side of things and for the board because, obviously, people need to replace. What I will say about Andium is that - and I hope it continues - they have got tenant representatives, one of whom is female and I hope that continues, because I think it provides a very strong focus for that board.

Deputy J.H. Perchard:

Point of order? Sorry, I really am apologetic about labouring the point, but I do feel that the term 'bat for the other side' is not only unparliamentary, but again enforces the idea that there are 2 sides here, which is illogical. The fact that Members are questioning the diversity of a board does not, at all, comment on the quality of the candidate that has been chosen.

The Bailiff:

I accept the point that it may not be a comment, or should not be a comment, on the quality of the candidate, but I do not think the expression 'bat for the other side' used in this context is an unparliamentary expression. It is open to people to obviously answer the question in the way that they think is right, provided they stay within the boundaries of parliamentary language.

3.4.10 Deputy M.R. Le Hegarat of St. Helier:

In light of the way that this question has gone, this is a question that I shall now ask, which I was going to ask of the Minister, not the Assistant Minister. Can the Minister, or Assistant Minister, confirm that the new Chair of Andium is a cousin of the Minister's husband? If this is the case, is this appropriate and what was the selection process that was followed?

Deputy L.B.E. Ash:

I can confirm that the new Chairman, Sir Mark, is a cousin of the Minister for Treasury and Resources's husband. She had no part in the selection process, because it comes through myself who has complete delegated responsibility. It was basically with the Chief Minister and the Chief Executive that this appointment was made. We live in a very small Island and I can look round here and say of all the people I know, I have been on 2 golfing holidays with the Constable of Trinity and that is before I ever came into this Chamber. It would be very strange to say that many people here do not know different people who might, or might not, be appointed to roles. Some people might even have people who work as consultants, or something, that are used by the States on projects and things. It would be a very strange world in Jersey if we stopped someone working, just because they were distantly related to somebody, or other.

3.4.11 Deputy K.F. Morel:

Given that the States Assembly is being asked to reappoint another 2 men to a board today - in this case the Jersey Development Company, leaving that board with a level of just 30 per cent of members being female - will the Assistant Minister commit to seeking another appointee to the States of Jersey Development Company, who is female, in order to create a better gender balance on that board?

Deputy L.B.E. Ash:

I find myself repeating myself. We will appoint the best people for the role. I would hope again that we will have a very diverse process in doing that. As far as the reappointment, which we will come to later as you say, we are reappointing 2 men. It is quite a normal process to reappoint board members until they reach their 9-year term, unless there is a pressing need to remove them.

[10:15]

I am sure no one would say we should remove these 2 people, so we can appoint 2 women. It would be completely the wrong thing to do.