

2024.06.25

3.9 Deputy H.M. Miles of the Chief Minister regarding the contract of the Government Chief Executive (OQ.125/2024)

Will the Chief Minister explain why he has accepted a 6-month review of the contract of the Government chief executive, when he has publicly stated that he would like to see Dr. McLaughlin stay at least until the end of the current Government?

Deputy L.J. Farnham (The Chief Minister):

I fully expect the chief executive to remain in post until after the next election. The 6-month review period that has been included by mutual agreement is to provide flexibility and an opportunity to ensure the arrangements continue to be right for the Government and the public sector and, of course, Dr. McLaughlin. It is a rolling contract and the hope and expectation of both parties is that Dr. McLaughlin will remain in post until at least the next election and beyond.

3.9.1 Deputy H.M. Miles:

I thank the Chief Minister for that answer. If the current incumbent for whatever reason, rolling contract or otherwise, did not wish to commit permanently, why did the Chief Minister not instruct his officials to restart a recruitment process for a permanent head of the public service that would not be on a rolling contract?

Deputy L.J. Farnham:

I think the Island, the public sector and the civil service need some stability right now. Dr. McLaughlin had made a very good start in his role as interim chief executive officer and it quickly became apparent when the new Government took office that we could all work very well together. Dr. McLaughlin was also open and upfront on the fact that he had a previous commitment that he felt he had in relation to a non-executive position, so we went through that process. The reason why essentially we did not go back and start an open process again was to maintain that stability. He was doing a very good job and we hope he will stay with us for as long as possible to continue doing that.

3.9.2 Deputy I. Gardiner:

Would the Chief Minister clarify if the contract is a fixed-term contract for 2 years or is this contract for 6 months with an option to extend further? What type of contract currently does the Chief Executive have in place?

Deputy L.J. Farnham:

It is a contract for 6 months with an option to extend for a further 2 years should both parties agree. We felt that was sensible at this stage rather than into a permanent contract. Members will know that when permanent contracts are entered to senior staff on high salaries they are very expensive to get out of. I would like to see, and I believe the opinions of at least the majority of States Employment Board members agree, that at that level we should perhaps look to more fixed-term contracts than permanent contracts, and that is a discussion we will have in due course. In this instance, I think the arrangements are a very good fit for the circumstances and both Dr. McLaughlin, myself, the States Employment Board, and I believe the Government, hope he stays until at least the next election and beyond.

[10:45]

3.9.3 Deputy I. Gardiner:

When the options for the chief executive to continue his contract were raised, the reason for this was stability, we need to have stability in the public service. Would a 6-month contract provide this stability and what concerns, if any, does the Chief Minister have about stability and long-term vision for the 6-month contract for the chief executive?

Deputy L.J. Farnham:

I am just trying to remember, we have had 4 or 5 chief executive officers in as many years. The public sector do need some stability, some continuity, some stable leadership and, as I have just explained in the initial answer, it was deemed sensible to have a 6-month review period by mutual agreement to ensure that the arrangement continues to be right for Government and the public sector and all parties moving forward. I stick to that answer, that is why we have done it, and both Dr. McLaughlin and myself have full confidence that that 6-month period will prove successful and will continue at least until the next Government and beyond.

3.9.4 Deputy L.K.F. Stephenson:

Does the C.E.O.'s (chief executive officer) new contract include any increase in salary or wider benefits package when compared to his previous interim contract with the Government of Jersey and, if so, what has changed?

Deputy L.J. Farnham:

No, it is the same terms and conditions.

3.9.5 Deputy L.K.F. Stephenson:

Will there be a salary review after the 6 months?

Deputy L.J. Farnham:

I would expect that would be reasonable. I understand the chief executive's salary has been fixed at £250,000 per annum for a number of years, and I think it is due for review. As I understand it, there are no plans to do that but I think in the interests of fairness it would not be unwise to look at that at the appropriate time.

3.9.6 Deputy H.L. Jeune:

Could the Chief Minister confirm if the chief executive has delivered on his key objectives under his first contract and, if not, why not?

Deputy L.J. Farnham:

I believe he has. He has also presented his key objectives as proposed during the remainder of an interim period and when he returns we will agree his next set of key objectives.

3.9.7 Deputy H.L. Jeune:

Just to confirm, when he returns then that will only be the time that the Chief Minister will go through any key performance indicators with the chief executive or has that already been agreed in advance of signing the contract? Could the Chief Minister explain what is the performance management process and appraisal process that will be put in place for the chief executive?

Deputy L.J. Farnham:

The chief executive, before his interim contract expired and prior to his new contract starting on 1st July, did provide me with key objectives. We ran through them and I will pick that up

again with him upon his return and make sure we put in place the appropriate procedures to monitor how those are achieved. We have not agreed that as yet but it is high on our list of things to do when he returns.

3.9.8 Deputy J. Renouf:

I am finding there is a bit of a contradiction here in the Chief Minister's answers. He talks a lot about wanting stability which would imply a longer contract but he is also arguing that a 6-month review is important in order for there to be a chance for everybody to review. What will happen if the chief executive decides to leave in 6 months?

Deputy L.J. Farnham:

We will start a process for a new chief executive.

3.9.9 Deputy J. Renouf:

This highlights indeed this point about contradiction. That would surely be a highly unstable situation; we would have a situation where there would be a 6-month recruitment process. Which is the Chief Minister's priority here? Was his priority to gain stability and have a long-term contract with the chief executive, which the chief executive declined, or was his priority to have a 6-month review?

Deputy L.J. Farnham:

The priority of this Government remains to reintroduce some stability to the way the Island is managed and not least through the public sector. If the Deputy was listening, he would have heard me say earlier that this contract was agreed mutually, so that means Dr. McLaughlin was content with the 6-month review period and so was the Government because we think it is sensible to ensure that the arrangement continues to work. I went on to say it is a hope and expectation of both parties - and for the avoidance of doubt that is the Government and Dr. McLaughlin - that he will remain in post until the next election and beyond. I am not sure that by bringing up the issues about Dr. McLaughlin's employment or any public employee's employment in this Assembly, in this public forum, is the right way to go about it. I would ask Members who have questions about the employment or the details of employment of senior members in the first instance, come and talk to myself or the States Employment Board and we will gladly share all of the details and the rationale. I think it is a deterrent for senior employees to come and work for the States if they are going to be put on the spot in public forums time after time. I think we have a very good arrangement, I think we have a first-class candidate, and I look forward to working with him for the benefit of the Island in the years ahead.

3.9.10 Connétable D. Johnson of St. Mary:

The Chief Minister has referred to the chief executive having a non-executive appointment to which he was committed. Just for clarification, is the Chief Minister aware as to whether that commitment to such a position will still be in play at the time of the review?

Deputy L.J. Farnham:

I believe it will but there is no time commitment to that commitment to a non-executive role and it will continue as long as it works for Dr. McLaughlin and the other party involved.

3.9.11 Deputy H.M. Miles:

In the interests of transparency, will the Chief Minister agree to publish the 6-month fixed-term contract?

Deputy L.J. Farnham:

I will discuss that with the States Employment Board.