



Annual Report for 2005

CHAIRMAN'S FOREWORD

The Appointments Commission's third full year, 2005, was its busiest so far. We were actively engaged in leading or directly scrutinising 15 appointments at Chief Officer and other senior public sector grades. In addition, we were directly involved in executive and non-executive appointments for 12 autonomous and quasi-autonomous, that is non-governmental organisations, (or Quangos).

Again this year, the Commission's greatest challenge was adapting to the new environment in which senior appointments were being made. The substantial restructuring of the public service being driven by the need for efficiency improvements and the requirement to integrate with the new machinery of government, has called for considerable flexibility by the Commission in the application of its Recruitment Codes of Practice. These Codes of Practice normally require that senior public appointments are subject to wide competition as a principal means of demonstrating equal opportunity, transparency and appointments based on merit. But open competition when applied without exception is potentially incompatible with the States' objectives, if it frustrates the ability to assign or redeploy senior people during organisational down-sizing and reorganisation of the magnitude now underway in Jersey. It could also undermine the aim to harness local talent through structured professional development and succession planning.

The Appointments Commission has remained sympathetic to the strategic aim to balance the advantages of wide competition for senior appointments, with the benefits of cost efficiency and organisational stability provided by the retention of established personnel, through a period of significant change. We share the vision of a public service which is refreshed at senior levels by the introduction of new talent, whilst being stabilised by locally experienced professionals able to create, or adapt from the wider world, the practices best suited to the Jersey context. Accordingly, we have agreed in a small number of cases to limit competition for Chief Officer appointments. Without exception the recruitment process has in all other respects been subject to the normal rigours necessary to establish whether

the capabilities, experience and qualities demanded by senior roles will be satisfactorily met by the appointees. The Appointments Commission normally leads the evaluation process, which includes formal interview, supported when necessary by independent, specialist assessors. It is a fundamental condition of the Commission's willingness to allow the restriction of competition, that the restriction is lifted if a satisfactory appointment cannot be made. During the year two appointments at senior levels were made under conditions of limited competition and in no case was it necessary to default to a second recruitment process.

In our Annual Report last year we described how we had agreed in principle to some "slotting" into Chief Officer and other senior posts from within the Civil Service in those few cases where an individual is proposed for transfer to a vacant or new senior post. Normally a staffing proposal arises for reasons of career development, redeployment need arising from redundancy, or specific suitability for a new or modified role arising as a consequence of restructuring. The procedures which we developed last year to accommodate slotting have worked well and this year three senior appointments were made under this mechanism. The Commission usually requires such appointments to be reviewed within two years.

We welcome the aim of the Public Service's Corporate Management Board to develop a robust performance appraisal and professional development programme, which will better inform decisions on the merit of individual slotting proposals. We applaud too the intention to develop a succession and career management programme, which could reduce the importance of external competition in securing good talent for senior roles in the future. This initiative will also assist in managing the implications arising from the recent introduction of employment legislation, which effectively prohibits temporary appointments being used for permanent roles. This practice has been used traditionally for flexibility in manpower planning, as well as a means of developing local talent using time-limited contract staff, often from overseas.

AUTONOMOUS & QUASI-AUTONOMOUS BODIES

We were substantially involved again this year in senior appointments to Autonomous and Quasi-Autonomous non-governmental bodies (Quangos). There are approximately 50 Quangos in Jersey and the extent to which the Commission requires to be directly involved in recruitment to them depends on criteria prescribed in the Codes of Practice which we have developed in consultation with the sector. These include the level of States funding allocated to the individual organisation and the extent if any, of its statutory powers. We remain reassured by the continuing trend for Quangos to invite, rather than resist, the Commission's direct involvement in recruitment and our remit remains justified by society's high expectations of impartiality in the conduct of these public bodies. Although we are conscious of the resource this absorbs, we recognise that this sector generally has little access to other sources of knowledge and expertise in its endeavour to comply with sound practice in recruitment. Even where recruitment expertise does exist, for example within the Jersey Financial Services Commission, inviting the Appointments Commission's direct involvement and obtaining its endorsement has reinforced its good reputation for probity and supported the process through which the States of Jersey gives its consent to certain appointments.

The culture of inviting competition and testing applicants' capabilities has been generally weak among some Quangos, which typically rely on volunteer effort among their trustees and governing bodies. The culture of honorary service which prevails among those organisations has in many cases resulted in an apparent reluctance to confront succession as a governance issue, with the result that individual trustees, non-executive directors or governors remain in position well beyond the generally accepted maximum term of 10 years prescribed by the Commission in its Codes of Practice. In some circumstances we have recognised the inevitability of long tenures and have insisted on periodic training, stakeholder consultation or self-evaluation of performance by some bodies, as a substitute for the influence of new recruits.

We have become aware on a small number of occasions and intervened, when it

appeared that there was a possibility that a politician's support for an individual candidate had the potential to influence the recruitment process. However, in these and all other instances we have been entirely satisfied that motives have been honourable and reassured by the ready acceptance of the need for rigour and impartiality in the recruitment process.

The dwindling number of high quality individuals able and willing to serve government and society in a voluntary capacity, is a trend which Jersey shares with many other jurisdictions and we support the emerging practice that Quangos remunerate people in key, non-executive governance roles. Even if token, such remuneration should enable Quangos to feel less constrained in adopting a more rigorous approach to recruitment, performance and succession.

Unsurprisingly, in a relatively small pool such as Jersey's, from which to recruit to challenging and often high-profile non-executive roles in Quangos, the potential for conflict of interest is often an issue. Fundamental to the Appointments Commission's Recruitment Code for Quangos are standards reflecting the "Nolan" principles for the conduct of public service. Our Commissioners are aware of the controversy which occasionally arises in other, much bigger jurisdictions and recognise the responsibility the Commission carries when making judgements in these matters.

COMPLIANCE

The Appointments Commission participates directly in all senior appointments to the public service, but at all other grades relies on compliance with its published Recruitment Codes, to ensure that appointments are made properly on merit. We are grateful for the services provided by the States Internal Audit Division and especially the Chief Internal Auditor. This, the second of a rolling three year Audit Programme, reported considerably better results than the first, which had identified weaknesses mainly concerning the formal recording of selection procedures. It confirmed widespread awareness of the Appointments Commission's requirements for recruitment and the level of compliance was improved, with encouraging

excellence observed in some areas. All departments of the States will have had their recruitment procedures audited by the end of 2007. We will then review opportunities to reduce the audit effort required, considering the consistency of compliance and anticipating the better management of procedures already evident as a benefit of the centralisation of the Human Resources and other professional services functions of the States.

The Appointments Commission's Codes of Recruitment Practice for Quangos use such criteria as the level of States funding and presence of statutory authority to determine the degree of involvement required by the Commission in their recruitment activities. The independence of the incorporated and other utility companies in which the States has a majority shareholding is such that they are quite properly deemed to be outside the Appointments Commission's remit. However, the situation is less clear in cases where corporate entities have been established by the States with legal structures and funding arrangements designed to demonstrate a degree of independence from government (for example, the Jersey Competition Regulatory Authority; Waterfront Enterprise Board; Jersey Finance Ltd. and the Financial Services Commission). Although the Regulatory Authorities have wholeheartedly engaged the Appointments Commission in its recruitment activities, others have resisted its involvement. If government intends to make increasing use of special purpose entities in the future, some definition of their status within or out-with the States governance systems will be required, particularly in respect of recruitment practices.

During 2005, the Appointments Commission was established in legislation (through the Employment of States of Jersey Employees Law), having previously existed under an Act of the States. As a result, Commissioners were formally re-appointed to the "new" body, during which process the Council of Ministers declared their intention to review the future eligibility criteria for Commissioners, in particular, when considering for service on the Commission, former senior States employees. At the point of writing this report this matter has not been concluded. The Commission would not wish to be denied the knowledge and expertise which such people can bring to its work and welcomes the invitation by the Council of Ministers

to contribute to the review.

During the year John Boothman stood down upon the expiry of his term of office as a Commissioner. He had made a great contribution to the Commission's work since its establishment in 2002. The resulting vacancy was filled by a competition overseen by the new States Employment Board and Brian Curtis has taken up his role quickly and effectively following formal training as a recruitment practitioner, which all Commissioners have undertaken.

The Commissioners join me in thanking Paul Nicole, who as the States of Jersey's Corporate H.R. Director, has brought expert knowledge to the Appointments Commission in the role of Secretary, since its early days. His impartiality and objectivity have been faultless and we wish him well in his retirement.

MIKE LISTON

CHAIRMAN

MARCH, 2006

ACTIVITIES DURING 2005

THE COMMISSION

The Jersey Appointments Commission was established by an Act of the States in 2002 "to ensure that Senior Appointments to the Public Service and to Autonomous & Quasi-Autonomous Public Bodies are properly made and to keep the appointments process as a whole, under review". The Commission comprises five individual members, one of whom is Chairman and one Deputy, all appointed by the States of Jersey. During 2005 one commissioner retired and was replaced through open competition. The Appointments Commission was re-established in 2005 under new legislation governing the employment of States of Jersey employees and Commissioners were re-appointed on terms ranging from one to four years. The Commission met formally on six occasions during 2005 and in addition, individual Commissioners were engaged in recruitment assignments for a total of 50 man-days. Total expenditure by the Commission was £17,000, which was again this year, well within budget.

STANDARDS IN RECRUITMENT

The Commission has published comprehensive Guidance and Codes of Practice to ensure that the recruitment of persons as States' employees or members of Quangos, is conducted fairly, transparently and efficiently, with selection made on merit and normally, in fully open competition. Compliance with these Codes is overseen by well established mechanisms:-

- Direct supervision of individual recruitments by Commissioners is used in the case of all senior posts in the Public Service and in those Quangos which meet certain criteria related to the degree of public interest in appointments.

- In all other cases, the responsibility for demonstrating compliance is delegated to the employer, which duty is assured in the States of Jersey by the Human Resources function of the Chief Minister's Department and in the case of

Quangos, by the governing body or the sponsoring Ministry of the States.

- A rolling programme of formal audits conducted for the Commission by the States' Internal Audit Division commits approximately 20 man-days per annum to the review of compliance in recruitment, designed to cover all departments of the States during any three year period.

When appointments meet the criteria for the Commission's direct involvement, its activities include:-

- Approval of the Job & Person Specifications, to ensure they reflect accurately the nature of the role and the qualities and competencies sought from candidates, expressed in non-discriminatory terms that are fully inclusive.
- Determination of the extent to which the vacancy will be advertised. For example, internationally, locally, or in exceptional circumstances, limited to the Jersey Public Service.
- Approval of the advertisement and supporting material and, where proposed by the employer, the selection of search/recruitment consultants.
- Determining the evaluation and selection processes to be used in addition to interviews. For example, Assessment Centre, Psychometric Profiling tests, etc.
- Determining the composition of the Selection Panels. For example at the most senior levels in States appointments, the inclusion or not of a politician.
- Chairing or acting as a member of the Short-Listing and Final Selection Panels.
- Notifying the employer of the Commission's approval of the appointment.

FLEXIBILITY AND SUPPORT

During the past year, the Commission was directly involved in 15 senior appointments to the Public Service and 12 to Quangos. A schedule of recruitment activities is given at Appendix 1. Of the Senior Public Service appointments, five were opened fully to international competition and the successful candidates were all from off the Island. Three posts were subject to competition limited to Jersey and a further five posts were filled by the "slotting" of individuals assessed as having satisfactory competencies, most usually as a result of proven, relevant performance in the Jersey Public Service. One recruitment process remained on-going.

Among the appointments to Quangos in which the Commission was involved, two were executive positions. The remainder concerned non-executive appointments to Boards of Trustees, Commissions, Tribunals or Authorities.

The Commission's work involving Quangos is often more demanding than that for the States, which benefits from specialist, in-house, Human Resources skills and procedures. More than half of Commissioners' time and effort was expended in this sector, but there is strong evidence that the Commission's work is valued and is helping to satisfy a wish by Quangos to develop for themselves, skills in competency evaluation and professional development.

The Commission places great importance on the quality of Job Descriptions and Person Specifications which it requires to be submitted for its approval, before recruitment processes begin for senior appointments. The final decision on a job offer is typically being made between just two candidates whose high calibre distinguishes them from others in the competitive process. In such circumstances, the Job Description and Person Specification become key elements in matching candidates' competencies and knowledge to the requirements of the role. The Commission is encouraged by the continuing improvement in the quality of submissions from the Public Service and aims to continue its assistance to those of the Quangos which need it.

COMPLIANCE AND AUDIT

Formal audit is an important tool in achieving and demonstrating compliance with the Appointments Commission's Guidance and Codes of Practice on Recruitment. Because the Commission becomes directly involved in recruitment only at Senior levels of the Public Service, it relies on the diligence of the States Human Resources Department to ensure compliance and uses sample-based audit as a tool for identifying improvement needs. The Commission welcomes the increased centralisation and co-ordination of the Human Resource function of the States and the continuous improvements emerging from an already capable service.

During the year, the States Chief Internal Auditor reviewed on the Commission's behalf, compliance with prescribed recruitment standards in five States departments. This was the second in a three-year rolling programme which will embrace the whole of the Public Service. There was a significant improvement in compliance compared with the previous year's audit, which had identified weaknesses in procedures and inadequate documentation of decisions made at the interview stage of recruitment processes. The Commission's Guidance and Codes of Practice include pro-forma checklists and interview decision recording templates and the audit findings were most satisfactory in departments where these tools were routinely used. In no cases was there evidence of any deliberate effort to pervert the principles of proper recruitment, but some of the identified weaknesses will necessitate further audit scrutiny in future.

COMPLAINTS

The Commission received three complaints during the year. One was from a local candidate who had failed to be short-listed for the Comptroller and Auditor General position, which complaint was subsequently withdrawn without reservation. One complaint was from the Jersey Civil Service Joint Council (Staff Side) in connection with the "slotting" after independent appraisal, of a senior civil servant, when the post became permanently established. This complaint was not upheld by the Commission. The third complaint was received anonymously, concerning an

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appointment to the Police Complaints Authority and was dismissed by the Commission and subsequently the Solicitor General.

MARCH, 2006

APPENDIX 1 APPOINTMENTS COMMISSION ACTIVITIES – 2005

PUBLIC SECTOR APPOINTMENTS

Deputy Chief Executive, Policy & Resources
Airport Director
Chief Officer, Jersey Harbours
Comptroller & Auditor General
Medical Officer of Health
Chief Officer, Economic Development
Director of Human Resources
Head of Jersey Property Holdings
Income Tax Adviser/Strategist
Chief Officer, Environment & Planning (ongoing)
Chief Officer, Social Security
Head of Customs & Immigration
Manager of Clinical Activity, Health & Social Services
Director of Environment
Chief Officer, Housing Department

AUTONOMOUS/QUASI-AUTONOMOUS PUBLIC BODIES

Chief Executive, Childcare Trust
Executive Director, Jersey Employment Trust
Employment Tribunal, Chair and Members
Members of the Rent Control Tribunal
Member of the Jersey Financial Services Commission
Member of the Police Complaints Authority
Non-Executive Director of the Jersey Competition Regulatory Authority
Trustees of the Jersey Heritage Trust
Chairman of the Jersey Employment Trust
Non-States Members of the Overseas Aid Commission
Chair of the Statistics User Group (ongoing)
Member of the Jersey Appointments Commission