
STATES OF JERSEY



JERSEY BANK DEPOSITORS COMPENSATION BOARD: APPOINTMENT OF INTERIM CHAIR

**Presented to the States on 16th February 2023
by the Minister for External Relations and Financial Services**

STATES GREFFE

REPORT

The Jersey Bank Depositors Compensation Board (the “Board”) was established in 2015 under the Banking Business (Depositors Compensation) (Jersey) Regulations 2009 (the “DCS Regulations”) to administer the Jersey Bank Depositors Compensation Scheme (the “DCS”).

Part 2 of the DCS Regulations provides for the establishment of the Board and appointment of Board Members (“Members”). Regulations 10, 11 and 12 of the DCS Regulations provide as follows –

10 Constitution of the Board

- (1) The Board must have at least 3 members.
- (2) The members of the Board shall be appointed by the Minister after consulting with the Appointments Commission.¹⁸¹
- (2A) Article 2 of the [States of Jersey \(Appointment Procedures\) \(Jersey\) Law 2018](#) shall apply to the appointment of members of the Board.¹⁹¹
- (3) A person shall not be eligible for appointment as a member of the Board if the person is –
 - (a) a member of the States;
 - (b) subject to a disqualification order under Article 78 of the [Companies \(Jersey\) Law 1991](#) or Article 24(7) of the [Bankruptcy \(Désastre\) \(Jersey\) Law 1990](#); or
 - (c) bankrupt.
- (4) The appointment of a person as a member of the Board ceases if the person becomes a person who may not be appointed to be a member of the Board.
- (5) The rights and obligations of the Board, and the performance of its functions, shall not be affected by –
 - (a) any vacancy in its membership; or
 - (b) any defect in the appointment of a member.
- (6) ¹¹⁰¹
- (7) ¹¹¹¹

11 Terms and conditions of appointment of members of the Board

- (1) A person appointed to be a member of the Board –
 - (a) holds the appointment on terms and conditions agreed between the person and the Minister; and
 - (b) may be reappointed.
- (2) The terms and conditions must include terms and conditions in respect of –
 - (a) the term of the appointment of the member, being a term not exceeding 5 years;

- (b) the manner in which the member may resign during that term;
 - (c) the grounds upon which the appointment of the member may be terminated during that term;
 - (d) the remuneration (if any) of the member,
- and may contain such other terms and conditions as the Minister may consider appropriate or necessary.
- (3) The grounds mentioned in paragraph (2)(c) must include –
 - (a) the member being mentally or physically incapable of carrying out his or her functions as a member; and
 - (b) the member being convicted of an offence that carries a penalty of imprisonment for a term of 2 years or longer.

12 Procedures of the Board

- (1) The quorum for a meeting of the Board is half the number of members appointed to be members of the Board at the time of the meeting.
- (2) The Board must keep a record of its decisions.
- (3) The Minister may determine the procedures of the Board.
- (4) The Minister must present to the States a copy of any determination made under paragraph (3).
- (5) Except as otherwise provided by this Regulation or the Minister, the Board may determine its own procedures.
- (6) ¹¹²¹

In accordance with the DCS Regulations, it is intended to appoint Mr Mike Mitchell, the current Chair of the Jersey Resolution Authority (“JRA”) as a member of the Board for a term of up to 2 years, subject to the planned transfer of functions from the DCS to the JRA. It is further planned that Mr Mitchell be appointed by the Minister as the Chairman of the DCS Board in line the Governance Policy and Procedures of the Board adopted 27 July 2015.

Appointment rationale

Mr Paul Leary, the current Chairman of the Board, will be at the end of his term on the 10 March 2023. Mr Leary has now exceeded the maximum term set by the Appointment’s Commission guidelines, as such it is not plausible to extend this further.

Government has considered strategic plans to transfer the functions of the Board and the DCS to the JRA in 2024 and incorporated this into the rationale for the appointment of his successor. It is recognised that there is significant value in the appointment of Mr Mitchell during this transitional period, not only due to Mr Mitchell’s significant relevant experience in the field of banking resolution and more broadly in the banking sector but also to provide a valuable opportunity for the JRA to understand the specific nature of the DCS Board’s functions and ensure a smooth transfer.

In accordance with the Regulation 10(2), the Jersey Appointments Commission has been consulted and have provided their approval of the appointment of Mr Mitchell as an Interim Chairman of the Board subject to the delivery of the transfer of functions in 2024.

It is highlighted that Mr Mitchell was appointed as the Chair of the JRA on 1 August 2021 following an open recruitment process, overseen by the Jersey Appointments Commission. This was reported to the States Assembly per [R.116-2021](#) on the 6 July 2021.

The appointment is proposed to be made for a period up until the dissolution of the Board, with backstop of 31 December 2024.

States of Jersey (Appointment Procedures) (Jersey) Law 2018

In accordance with Article 2 of the States of Jersey (Appointment Procedures) (Jersey) Law 2018, the Minister gives 2 weeks' notice to the States Assembly of his intention to make this appointment.

Biography

Mr Mitchell is an experienced commercial banker who has held senior advisory and leadership positions at the Bank of England. Mr Mitchell is currently the Chair of the Jersey Resolution Authority.

Mr Mitchell spent 25 years working in senior operations roles at Lloyds TSB and Cheltenham and Gloucester banks. Mr Mitchell was then appointed to be the Head of Special Resolution Unit at the Bank of England, leading the implementation of the bank resolution regime established following the 2008 financial crisis. Mr Mitchell subsequently spent 2 years working in a senior advisory position at KPMG UK, before returning to the Bank of England as Director of International Bank Supervision, leading the supervision of over 150 international banks. Mr Mitchell then became a Senior Advisor to the Prudential Regulation Authority, advising on supervision and resolution matters. Mr Mitchell has also acted as a Senior Technical Advisor to an Irish Parliamentary Enquiry on banking.

Other Board Members

The other Members of the Board are –

Ms Amy Taylor
Mr Peter Shirreffs
Mr Tom Fothergill
Mr Ian Henderson

Mr Paul Leary (Chairman) – term will expire 10 March 2023 and will be replaced by Mr Mitchell

The Government of Jersey is represented on the Board by Mr Thomas Wright in a non-voting capacity.

Financial and Resource Implications

The Chairman will be remunerated at £20,000 per annum, raised through DCS levy on Jersey banks. There are no other resource implications.