

STATEMENT ON A MATTER OF OFFICIAL RESPONSIBILITY

The Bailiff:

The Chief Minister has requested to make a statement, I have given leave to him to make the statement. I think it is about to be handed out by the ushers but do Members agree that this would be a convenient moment for the Chief Minister to make a statement? Very well, then I invite the Chief Minister to make the statement.

6. Statement by the Chief Minister re structural deficiency and a more rigorous code of conduct for Ministers

6.1 Senator I.J. Gorst (The Chief Minister):

When I started as Chief Minister I was aware of the major concerns being faced by our community and of some of the difficulties the organisation was tackling. But I was not aware of the depth of the issues which needed to be addressed by the corporate functions of Human Resources, Information Services, and Property Holdings. The departments manage their individual work streams efficiently but when one of the central departments tries to make corporate decisions they are held back by the very structure of the organisation that set them up. When we moved to ministerial government we set up a devolved structure with each Minister operating individually and each Chief Officer answerable to the Minister. At the very same time we are trying to operate as one organisation which needs a corporate structure to work. It is this structural deficiency that the Comptroller and Auditor General has clearly highlighted in his report on the proposed acquisition of Lime Grove House. He pointed out that Human Resources was not adequately funded, Property Holdings was not meeting its objectives and there was a failure in communication between the various parts of the organisation that were involved in the negotiations. The report also highlights the lack of modern and effective H.R. systems and processes. This meant that procedures used in the disciplinary case did not provide the necessary balanced perspective. For these ambiguities I would like to apologise today. A central part of the States Strategic Plan is the reform of the public sector and the development of a flexible organisation that serves Jersey effectively and efficiently. Service redesign is a major aspect of this reform programme and it will mean a change in our culture, values, and behaviour. I am working with the Acting Chief Executive of the States on transforming the public sector to achieve this. In March I agreed with the Comptroller and Auditor General's assertion in his previous report that to build a self-confident, highly performing organisation requires the development of a culture based on mutual respect and shared values. Ministers must be seen to be part of that culture. I still agree with that assertion and work has begun to ensure the organisation moves in that direction. Part of that work is to address the potential for the development of problematic relationships between Ministers and Chief Officers. It is a relationship that will always involve a certain amount of tension and while that tension remains creative it can provide positive challenge during policy development. There must, though, be a mechanism for senior managers and Ministers to use when they see that the relationship is developing in ways that do not support the healthy functioning of the organisation. I support a more rigorous code of conduct for Ministers which establishes proper procedures for conflict resolution and which clarifies the sanctions for both Ministers and Chief Officers if they do not comply with it. This code is currently in the process of being amended and a revised version will be presented to States Members for consultation. I am convinced that embedding a culture based on mutual respect is the best way for our organisation to function effectively. Senator Ozouf was re-elected to his ministerial position in November. He is a strong and effective Minister for Treasury. His record speaks for itself. He has tackled a looming deficit, led a Fiscal Strategy Review and Comprehensive Spending Review, which together will balance the books leaving us with no debt and a balance sheet other jurisdictions could only wish for. He has developed a new financial system, the medium-term financial plan, which will see departments planning their spending over a longer period allowing senior managers flexibility and ending the spend it or

lose it mentality that used to be so prevalent. Being Minister for Treasury is a tough job. Treasury policy may not have been popular with everyone but the Minister did not make those decisions in isolation, he made them with the support of the Council of Ministers and this Assembly and he has carried them through with drive, determination and commitment. It is that determination and commitment that may sometimes lead to the Senator's forthright approach tipping over into a manner that could be interpreted as bullying. Senator Ozouf has said both today and in his ministerial election speech that he needed to change and that he had not always got everything right. He has apologised for the way he has managed certain relationships and meetings. Both the Council of Ministers and I believe that the Senator has recognised the need to act in a consensual manner. This latest report from the Comptroller and Auditor General looks at the actions of the past, before Senator Ozouf's appointment in November of last year. It examines a period during 2010 when the Senator was dealing with an enormous pressure of work, Zero/Ten, balancing the books, restructuring the Treasury. Coping with pressure is part of a Minister's role but I do not believe Ministers have been properly equipped through appropriate training and development to prevent that pressure from affecting their behaviour. Under my leadership I do not want to see bullying. There is no place for it, either here in this Assembly or in the way that politicians relate to officers. It is not necessary and it is not the best way to meet the very important objectives we have agreed in our Strategic Plan. I am putting in place measures to ensure it does not happen in future. We can all learn to operate more effectively at work. Good communication and changed management skills will be essential as we approach the root and branch reform that is needed to transform our public sector into a modern, efficient service for the Island. I am determined that as ministerial government matures Ministers must have access to appropriate training, as States Members do. This will help us manage our work and relationships and prevent what can be a very stressful job from affecting the way we deal with colleagues. I am setting up a programme of one to one meetings with Ministers to regularly review their work load and to discuss their progress in delivering their objectives. This will also give me a chance to check for signs of stress. I hope Members will agree with me that everyone makes mistakes. One of the changes I want to effect as part of the reform programme is to end the blame culture that currently exists. That does not mean people should not be accountable for their actions but accountability and blame are not the same thing. To be accountable means to be responsible for and answerable for an activity. Understanding how a failure has happened helps us to prevent similar failures. Blame is another thing entirely. Once we have found the culprit and allocated the blame that is where any analysis usually stops before there has been any real organisational learning. That is not the kind of organisation I want to lead. I want to see brave decisions being carried forward by people who know their jobs and believe in serving the public. We have a responsibility to our hardworking and dedicated staff to create an environment in which they can effectively and efficiently deliver their services to the people of Jersey. It is my role as Chief Minister to lead that initiative with the support of Ministers. As Ministers we need to provide challenge, however, I do not condone bullying or intimidating behaviour and we are putting in place the policies and procedures for Ministers to be clear about how to fulfil their role without putting staff under duress. People have asked me to show strong leadership. Some have meant by this that I should remove the Minister for Treasury, others have meant I should support him. When we get things wrong the strong and often most difficult response is to apologise, learn from our mistakes and use what we have learned to do a better job in the future. That is what I believe is the best thing to do. We have a strong Council of Ministers with each member of the team contributing their own expertise to the mix. We need to learn from our mistakes and make the public sector into the kind of organisation that provides excellent services efficiently, both now and in the future. I hope that we can all work together to get there. **[Approbation]**

The Bailiff:

Very well, now Members have 10 minutes for questions. Deputy Southern?

6.1.1 Deputy G.P. Southern:

Can I just draw the attention of Members to 2 statements here, to be accountable means to be responsible for and answerable for an activity. The Chief Minister has also said the Senator was dealing with an enormous pressure of work but says coping with pressure is part of the Minister's role. Does the Chief Minister believe that pressure will be somehow less as we go forward from here and will the Minister relieve that stress on the Minister for Treasury and Resources by removing him from the post?

Senator I.J. Gorst:

Perhaps I can take the last question first. No, the Minister for Treasury and Resources - as he said when he stood for the office back in November - recognised he needed to change. He recognised that he needed to divest himself of some of the responsibilities that he had been asked to perform in the previous 3 years and he has indeed done that.

Deputy G.P. Southern:

But does the Chief Minister believe that the stress will now be relieved?

Senator I.J. Gorst:

I believe that the Minister for Treasury and Resources is performing a different function from that which he was called upon to perform in the previous 3 years. It is a Treasury and Resources function. In the past he also was the Deputy Chief Minister and - it does not need me to remind Members - there were a number of stresses that the Island was facing that he was also called on to deal with.

6.1.2 Senator S.C. Ferguson:

Does this mean that the Chief Minister and the Council of Ministers condone the pattern of behaviour that is shown in the report? Is the Chief Minister aware that Chief Officers do not use letters of direction, which is the normal method of a Chief Officer who does not agree with his Minister - Chief Officers do not use letters of direction because of a climate of fear? I believe the comment is that they are not very career enhancing.

[14:30]

Senator I.J. Gorst:

I can well believe from what I have seen in my short period that some people feel that there has been a climate of fear in the public sector. However, already - even within this short period of time - I am receiving messages and comments from people working within the public sector who believe that they are starting to see the light of change. They believe that they are able to come forward with new ideas and developments that will make the organisation exactly the type of place that we wish to see delivered. With regard to the Minister for Treasury and Resources, as I have said, the Minister for Treasury and Resources at the start of this term of office recognised his need to change. This Assembly voted for him to be the Minister for Treasury and Resources. I work with every Minister that is in post and that is right and proper.

6.1.3 Deputy J.A.N. Le Fondré:

Does the Chief Minister consider the behaviour of the Minister for Treasury and Resources, as identified in the C.A.G. report and also in the letter of 18th May 2012 to be acceptable or unacceptable? A very clear question.

Senator I.J. Gorst:

The Minister for Treasury and Resources has answered that question rightly this morning and so I believe that he gave a fair answer. I suspect that some of the questions that the Deputy is alluding are ones where if we take the bullying and harassment accusation that was made. From

my reading of the report the Comptroller and Auditor General was not able to conclude on that matter and he says so in his report. I do not believe, however, that it would be right for me to comment, particularly with regard to the letter which was sent to P.A.C. on 18th May because there is no full transcript of that meeting on which I could adjudicate.

Deputy J.A.N. Le Fondré:

I did ask a very clear question. In respect of the other issues, for example the end of the report including the conspiracy to damage the reputation of a civil servant.

Senator I.J. Gorst:

As I said, I do not condone bullying and that is exactly as Members would expect me to say. With regard to the removal of the director of Jersey Property Holdings, again, the Minister for Treasury and Resources has spoken this morning about his concerns around performance and again if we look in the report, if we read the extract from a comment by the interim finance director, it was the interim finance director that raised concerns about the performance of Property Holdings. It was ultimately the Chief Minister. I cannot say now whether S.E.B. was consulted or not in that instance which dealt with the ultimate removal of the director.

6.1.4 The Connétable of St. John:

Given the Minister's statement does the Chief Minister consider that his statement will do more damage to the system of Scrutiny and his statement means that Scrutiny is now on the decline?

Senator I.J. Gorst:

Not at all, I could not disagree more. I have stood up here this afternoon and I have concurred with the findings of the state of the organisation which this Assembly has asked me to lead with the state that the Comptroller and Auditor General has said it is in. I do not think, therefore, it is a bad day for Scrutiny, I think that Scrutiny now can move forward and can help in the reform that is needed, that the Comptroller and Auditor General says is needed. They have a very valuable contribution to make.

6.1.5 Deputy T.A. Vallois of St. Saviour:

This statement comes as a result of recent C. and A.G. reports, could the Chief Minister advise the Assembly whether the independence of the C. and A.G. has been called into question by the Council of Ministers and if so what were the results of those discussions?

Senator I.J. Gorst:

I was not at the Council of Ministers last week but as far as I am aware the independence of the Comptroller and Auditor General has not been called into question by the Council of Ministers.

6.1.6 Deputy R.G. Le Hérissier:

Would the Chief Minister concede that had the matter been allowed to proceed to a vote of no confidence both parties, so to speak, could have put their cases and there would have been an airing of what appears to be ambiguous and at times contradictory evidence?

Senator I.J. Gorst:

I am one Member of what I believe is now 51 Members. I am alive to the possibility of another Member disagreeing with my opinion. That is political debate and another Member might bring a vote of no confidence. I hope that I have set out what I believe is the right, yes difficult, but right thing for us to do. We have 7 or 8 months of working together in what I believe is a very positive fashion. This Assembly has approved the Strategic Plan, yesterday we made giant steps forward with the delivery of health care. I believe that we can continue to work together to deliver on behalf of our community and that is what we should be doing.

6.1.7 The Connétable of St. Lawrence:

I understand that there was what was termed an emergency meeting held yesterday with the Council of Ministers to discuss this issue. Will the Chief Minister advise the Assembly how many of the Council of Ministers yesterday supported the Minister for Treasury's retention?

Senator I.J. Gorst:

I would not use the word "emergency" for a start. Unfortunately it was the only day that I could be available, having been out of the Island on business and then for a family occasion, so therefore, it was programmed in so that we could consider this report prior to the Assembly sitting today. Nine Members of the Council of Ministers were present and the Council of Ministers were of the opinion that this report was not sufficient in order for the Council of Ministers to lodge a removal proposition to the Assembly in effect to bring, themselves, a vote of no confidence.

The Connétable of St. Lawrence:

Was it a unanimous decision then?

Senator I.J. Gorst:

It was either unanimous or there was one counter argument.

6.1.8 Deputy E.J. Noel:

Does the Chief Minister believe that the Minister for Treasury bullied either former chief executive officers of the States or indeed the former head of Property Holdings?

Senator I.J. Gorst:

Two very different issues, in my opinion. I understand that the P.A.C. are yet to lodge a report with regard to the former chief executive. From a personal point of view, and I have read the Comptroller and Auditor General's report into that, his findings were based on a desk based or paper based approach. I understand that he did not speak to other concerned parties in regard to that. From a personal point of view I find it very difficult to believe that a Minister could have bullied the former chief executive. As I say, that is a personal opinion. [**Approbation**] I hear that some others share that opinion. With regards to the former director of Jersey Property Holdings, the Comptroller and Auditor General indeed does consider that in his report and he says that he is not able to corroborate and, therefore, we have I think 2 or 3 recollections who recall it in one light, we have heard the Minister this morning recall it in a different light, but I do not believe that in the body of the main report the Comptroller and Auditor General was able to satisfy himself in that regard.