

# STATES OF JERSEY

## Corporate Services Scrutiny Panel Quarterly Briefing with the Chief Minister

**WEDNESDAY, 23rd MARCH 2011**

**Panel:**

Senator S.C. Ferguson (Chairman)  
Deputy J.A.N. Le Fondré of St. Lawrence (Member)  
Ms. K. Boydens (Scrutiny Officer)

**Witness:**

Senator T.A. Le Sueur (The Chief Minister)  
Mr. W. Ogleby (Chief Executive)

[09:46]

**Senator S.C. Ferguson (Chairperson):**

Welcome to this quarterly hearing of the Corporate Services Scrutiny Panel, Chief Minister.  
I believe that you may well know off by heart the health warning beside you.

**Senator T.A. Le Sueur (The Chief Minister):**

I would not promise to know it by heart but I have certainly read it before.

**Senator S.C. Ferguson:**

If you could say your name and position for the ladies who do the ...

**The Chief Minister:**

Yes. Senator Terry Le Sueur, Chief Minister.

**The Chief Executive:**

I am Bill Ogleby, Chief Executive.

**Deputy J.A.N. Le Fondré of St. Lawrence:**

John Le Fondré, Deputy of St. Lawrence.

**Senator S.C. Ferguson:**

Sarah Ferguson, Chairman of the Panel.

**Ms. K. Boydens (Scrutiny Officer):**

Kellie Boydens, Scrutiny Officer.

**Senator S.C. Ferguson:**

Right. In your letter telling us about the sad fact that Mr. Ogley was going, you did talk about restructuring of the Chief Minister's Department and possibly ... I do not know how far the restructure goes, whether it is just Chief Ministers or what. Are you able to expand on that?

**The Chief Minister:**

To a certain extent, because it is still relatively early days. I think a restructuring of the Chief Minister's Department might well have been envisaged, whether Mr. Ogley remained in office or went, because there are certain activities which I think, having now been in the post for 2 years, we have not focused enough attention on areas in which maybe the activities of the department could be improved, in any event. The fact that Mr. Ogley is going is simply, maybe, an additional catalyst to spur us in our thinking. On 2 of those areas, firstly is the fact (and we will probably talk about this later on in respect of other questions) is that I do not believe we spend enough resource and time on central policy. We are very good on U.C.I.(?) but less good at the key polices, and which we need to focus on in more detail. The second area, I think, is one which has developed during my tenure of office, and that relates to international affairs, and the need to develop that in 2 directions: firstly, in terms of the wider responsibilities which the Island has now being given and which it has to carry out in a proper organised way, and the other is the international economic activities where, in reality, there has been a certain fragmentation between the Chief Minister's Department, the Minister for Treasury and the Minister for Economic Development, all of whom have responsibilities for different aspects of financial and

economic policy. We have worked out to a point, by a good relationship between the Ministers and between the chief officers of departments, that it is not really joined up with a great deal of gloom and it just works by goodwill rather than by any great plan. I think those are 2 areas in which the Chief Minister's Department could be restructured. How the actual operational part of that could be done, we have not yet finalised but what we are doing at the moment is identifying the difficulties, identifying the problems, and seeing what are the key areas which need restructuring, so it is an ongoing process.

**Senator S.C. Ferguson:**

Yes. When do you expect (roughly, we will not tie you down to the exact day of the week) this to surface publicly?

**The Chief Minister:**

To the extent it needs to surface publicly, I would have thought probably in the next 6 weeks; I say: "To the extent to which it needs to surface publicly" because restructuring goes on in departments the whole time, to a greater or lesser extent, and that is a natural evolution of any department, so you would not necessarily make a song and dance about every small change, but if there were a major change, particularly if it required a change in personnel or a change in job descriptions, then that would be something which I would be happy to share with other Members.

**Senator S.C. Ferguson:**

Yes. Because you mentioned that Ministers get themselves tied up in the minutiae of affairs and I have noticed, on occasion, your Ministers talk about their employees. How do you suggest educating Ministers so that they can see where their proper role is in all of this?

**The Chief Minister:**

I think it is not just Ministers, States Members generally, but perhaps ... I have to accept that Ministerial Government, even though it is in its 6th year, is still in relative infancy and

we have had a few decades of tradition of a different system, which is hard to shake off. Maybe I expected too much to assume that people would change to a new arrangement immediately and I think we do need reminding of what the Ministerial system is supposed to deliver. I think one of the activities, not done by your panel but by the Public Accounts Committee in a recent report on the accounts, suggested (not only suggested but made clear) that the role of the Chief Executive and the Chief Minister was not as originally envisaged by Sir Cecil Clothier's panel. I think that is creating problems which are perhaps only now coming more to the surface as we see how things could perhaps be improved had we stuck to Clothier.

**Senator S.C. Ferguson:**

Yes.

**Deputy J.A.N. Le Fondré:**

Yes. I will dive in. You mentioned perhaps more time spent on social policy. What would you define as the key areas that ... I suppose, in brief, that means expanding on what you define as central policy, or what do you think are the key areas that need attention?

**The Chief Minister:**

This becomes more of a personal observation rather than a Council of Ministers policy statement and so what I say is very much my personal view. I think, probably because of the way that we did not follow Clothier, we still operate as 10 departments linked by a loose thread to a Chief Minister's Department rather than a central Council of Ministers for which individual Ministers and individual departments are responsible for delivering aspects of central policy. I do not know, does that make sense, or do I need to try to repeat that in a different way? But I think, perhaps colloquially, that things are driven bottom-up rather than top-down. But individual departments set their own policies and expect the centre to weld them all together rather than the centre setting policies and expecting individual departments to deliver different aspects of it. That is probably as succinctly as I can put it. I appreciate also this is a public meeting and I do not want the press to get wrong ideas

about what I am saying here so, if it sounds a little guarded or obscure, I am sure you will understand.

**Senator S.C. Ferguson:**

We will catch you in the coffee room.

**Deputy J.A.N. Le Fondré:**

I suppose the only other one which you have touched on (and if you wished we can always cover it under 4) you talk about the international side of things and you touched on finance and, obviously, the overlapping roles of Chief Ministers, Treasury and E.D. (Economic Development) on the whole area. Standing back from it, I would have thought from the outside world's perspective, in theory, more logically, Economic Development would or should take a lead role in the finance industry because obviously it is an industry and that is the role of Economic Development, effectively. But, I suspect that there are other ideas on that; is there anything you wish to expand on on that side of things?

**The Chief Minister:**

I think if there were a simple answer or simple single ministry which you could say: "This is the one" we would have achieved that. The fact is that international relations, per se, is the responsibility of the Chief Minister's Department and that is true of any national government. I am not saying we are a national government but, if you think of us in the terms of a national government, that would be true. You cannot divorce the international dimension there from the Chief Minister's Department. Equally, I agree that some of the commercial activities would definitely be far better in an Economic Development area. Fiscal policy, on the other hand, international fiscal policy and taxation and exchange agreements, or D.T.A.s (Deferred Tax Assets), does tend to be a Treasury tax-driven operation. There are arguments where all 3 can claim to have some level of responsibility and activity; how do you weld that all together and how do you weld it altogether equally at an officer level as well as at a political level, particularly when you have 3 different accounting officers, all of whom, in theory, are each responsible to their own individual

Minister? I am not for a moment indicating that there is any disagreement between those people, it does really depend on personalities.

**Senator S.C. Ferguson:**

I suppose we have not really quite decided whether we are an equivalent to a local government or a central government.

**The Chief Minister:**

I do not think we are equivalent to either; we are a mixture of both.

**Senator S.C. Ferguson:**

No. Right. Sorry. We have subdivided the questions, I am reading the wrong ones. It has also become obvious from our various reviews that the States departments do not really have medium to long-term plans. Currently, many of the actions are only covering short-term situations. What is your opinion and how would you suggest dealing with it?

**The Chief Minister:**

My opinion, firstly, is that that was a very broad statement. I think some States departments do have medium to long-term plans, others have them in the course of development. In preparation for this meeting, I looked down at the different departments: Treasury has been doing fiscal reviews, Health is in the middle of a major review, Education Sport and Culture is about to publish a Green Paper on the future of secondary education. Social Security has got plans now for a long-term care scheme for the elderly, and the funding of that, as well as reviewing income support. Planning and Environment has got the Island Plan and also the Energy Policy, T.T.S. (Transport and Technical Services) has got a solid waste strategy, a liquid waste strategy and a transport policy. Housing has had the restructuring of their organisation for a long-term future. Economic Development is looking to a more commercial approach to aspects of their work. So I think there is quite a lot of medium and long-term planning going on. A lot of it takes longer than I would like to come to fruition and that, to me, is a disappointment. I think if I were to look to blame

anything, it could be the 3-year political cycle, which does not perhaps auger well for these things, because even now I am beginning to think what major policies are going to be delivered in the second half of this year: answer, very few, I would suspect; I do not think there have been any great changes.

[10:00]

Also, we come back to what we were saying earlier about a central policy unit that, in the absence of that sort of policy, if each department looks to develop its own policies, long-term plans, more or less in isolation. But I think, having gone through that list (and that is just a flavour of some of the things that have been going on over the last 3 years) it would indicate that, if you are going to have a more centralised policy unit, it is going to be a rather different-looking Chief Minister's Department than it is now because you could not deliver that sort of central policy with the current resources.

**Senator S.C. Ferguson:**

Yes. Because you have mentioned a number of different plans, which obviously were not apparent when we started doing the various reviews, and there is quite a problem in welding them all together, is there not?

**The Chief Minister:**

Yes.

**Senator S.C. Ferguson:**

Presumably, your concept of a central policy unit is to try and make sense of the various plans that come because some may be totally contradictory.

**The Chief Minister:**

Yes. A central policy unit by itself will not solve everything because what you have got to have, really, is this central Council of Ministers and Chief Executive rule, the top-down

approach. Only then will you really, I think, get a grip on what are the key policy areas to address and which are important but maybe less key. What is vital to one Minister might be just reasonably important to other Ministers, and vice versa, so that you have got this constant tension which, in some ways, is a healthy tension because it gives you discussion between one priority and another, but you are then starting to compare priorities on a competing-department level rather than as delivery of a States strategic plan, which we would be able to create at the start of the operation. So it may be that, in order to achieve the central policy objective, you also need to do other things as well.

**Senator S.C. Ferguson:**

Yes. I suppose there is the drawback, as quoted in the P.A.C. (Public Accounts Committee) Report that Ministers were sometimes too involved with delivery and not enough with policy.

**The Chief Minister:**

That is a generalisation.

**Senator S.C. Ferguson:**

I did not say all Ministers, but there is a tendency, I suppose, to want to get your hands dirty.

**The Chief Minister:**

That has been true of States Members since I have been a States Member.

**Senator S.C. Ferguson:**

Absolutely.

**The Chief Minister:**

While I have a little glass of water, I think the Chief Executive is trying to have a word.

**Senator S.C. Ferguson:**

I am sorry.

**The Chief Executive:**

No. I just wanted to add that, partly, you have got a strategic plan which sets a whole set of policies and objectives that do not align with the departments'; 16 priorities which, by the way, are not departmental. So if you remember, it started this year, we published the report on the progress against the strategic plan that took each of those priority areas and reported how they had been moving forward, and there are medium-term plans underpinning all of those strategic priorities, as I think was evident from that progress report. But we are having to glue the department's work back to those priorities so they will be delivered and, in many ways, you are finding the medium-term planning is underpinning the strategic plan as opposed to the departmental delivery and somehow that needs to be brought much more directly into focus and departments focusing on delivery that will deliver the plan, which is similar to what the Chief Minister said.

**Senator S.C. Ferguson:**

Yes. You will have read the Chairmen's Committee comments that perhaps the Strategic Plan ought to be the Council of Ministers' Strategic Plan as opposed to everybody's wish list.

**The Chief Executive:**

Yes.

**Senator S.C. Ferguson:**

Scrutiny panels should perhaps use that and hold the Ministers to account on their strategic plan. Have you had any thoughts about that?

**The Chief Minister:**

Yes. I think, certainly, we should not be afraid of learning from what has not, perhaps, gone

as well as it should have done with the current ministerial arrangements (and, if you like, current Scrutiny arrangements as well, the whole thing) and see how that could be modified in a way which is acceptable to the general States membership. I think ...

**Senator S.C. Ferguson:**

And the public.

**The Chief Minister:**

And the public. But I think it is difficult sometimes when we have a situation where everyone is simply in a critical mood, to say: "Well, let us criticise the system" rather than try to improve it.

**Senator S.C. Ferguson:**

Yes. Because I think it was the Institute of Directors, was it not, where you commented that we have got a culture where nobody wants to make a decision but, also, politicians are too concerned with seeking victims and people are all looking for someone to blame.

**The Chief Minister:**

Yes. That was a comment which I made in passing which seems to have struck a chord with different people and perhaps is indicative of the fact that we ought to have more of a can-do approach. I think we are perhaps wandering away from the question here into how do we reform the current system. I am not one for reforming every 5 minutes just because there is a problem because, one thing that I like to see is a long-term plan as long as there was stability; that is where we came in on the question. But let us try and get it right, if there are little things we can do to improve on what we have got.

**Senator S.C. Ferguson:**

Yes. Because, I think in retrospect, *Imagine Jersey 2035* was a very brave effort to try and get something like the New Zealand approach going but I suppose, really, we have got bogged down in everything else. I do not know whether you have had a chance to look at

the way New Zealand does its long-term planning?

**The Chief Minister:**

I have not specifically looked at its long-term planning. I am aware that there are many areas in which the New Zealand approach would be a very sensible one for the Island to adopt. As I was saying, there are some areas where I have had some involvement, such as Social Security and Treasury matters, where their approach is something which is, again, a combination of an island mentality allied to a national mentality but without some of the bureaucracy and some of the difficulties which maybe a national government sometimes brings in. So yes, I am sure we can learn from them and we can learn from our own mistakes as well.

**Senator S.C. Ferguson:**

Yes. But if somebody else has gone there, it is perhaps not a bad idea to have a look. After all, Article 134(a) has served us very well and that was straight from New Zealand Law.

**The Chief Minister:**

I am not sure if they copied us or we copied them, but we are well-equipped on that.

**Senator S.C. Ferguson:**

A previous Treasurer says it comes from straight from a New Zealand Law, so ...

**The Chief Minister:**

Yes. So we have been listening to them for some time.

**Deputy J.A.N. Le Fondré:**

I will hop on to the next one. For the record, I suppose: given the public is classed on level of salaries and given the example set by the U.K. (United Kingdom) where all civil servants pay is published, is this not a lead we should be following in the interests of transparency?

You have obviously come part of the way there in the past.

**The Chief Minister:**

Yes. I think we have gone a significant level of the way there. In the U.K., although you say all civil servants' pay is published, effectively, it is the pay of senior staff in the civil service; I do not think secretaries and general administrative staff have their salaries published, particularly. On the other hand, they tend to be published by departments so you can look at one book and you can find the salaries within a Health organisation, or in another book you can find those in an Education department, and so we could put those details into each department's business plan. We took a different approach and put them into a central document, well, 2 documents: R.17 and R.120, showing the details of all the senior civil posts and remuneration ... not by remuneration but by grade or by range so, instead of saying: "X is paid £117,320": "X is paid in the range between £115,000 and £120,000." It may be anonymised slightly more because there is a balance to be struck, I think, between the information which the public and States Members have a right to expect about how much people are being paid and the right of that individual to a certain level of privacy in terms of a contractual relationship of how much he or she is earning. I think what we did was to try to strike a fair balance there and I think, particularly, in an Island community. It is one thing to publish the grade of a member of the Health Department in Whitehall, for those documents to be looked at by someone in Bristol or Bradford or Birmingham, who may be hundreds of mile away and does not have a clue who the person is. In Jersey, people know not only the nature of the post but the post-holder themselves, and there you are getting much more into the level of personal privacy. So I think what is appropriate in the UK may not be quite so appropriate in Jersey but, on the other hand, we do appreciate the need for transparency and therefore publish what I think is a reasonable degree of openness. Can that be improved? Possibly it can. We have got discussions also about how jobs of that sort of seniority should be advertised and perhaps considered by the States, which will be debated sooner or later. But I think there is a distinction to be drawn, as I say, between a small community like Jersey and a larger jurisdiction like the U.K. So you say, is this not a lead we should be following? I believe we are following it in

terms of the principle of transparency, but we are following it in a way appropriate to the Island.

**Deputy J.A.N. Le Fondré:**

Is it intended to basically make that as an annual report, effectively?

**The Chief Minister:**

Yes. For the last few years now the States accounts have had that in some level of detail, all we did was to put a slight improvement to that level of detail into R.120, but that can be built into the future States accounts, as far as I am concerned.

**Deputy J.A.N. Le Fondré:**

I think they identified individuals by name this time round, did they not, in the bandings, whereas previously it did not ...

**The Chief Minister:**

We did not identify by names but by specific post, so you had the Chief Executive of the Health Department, or the Chief Immigration Officer or so on, so it was pretty clear.

**The Chief Executive:**

Sorry, could I just say, we did follow the U.K. lead in publishing over £100,000 in the band, so that is a straight follow of the U.K. position, and then the above £70,000; listing jobs and grades, took it on further, and the U.K. had not done that at that point. So by continuing with that process (and I think there is going to be some more disclosure in the accounts, including pension arrangements) we are virtually mirroring the U.K., we are getting very close indeed.

**Deputy J.A.N. Le Fondré:**

That does lead to one of the questions I was thinking about asking was (and this is off the top of my head because it is a memory, you see, and you may well correct me) I seem to

recall that on one of the areas disclosed it was, effectively, salary, of course, that had been disclosed. But I do not think it necessarily included either pensions or perhaps other disbursements, so that there is travel and accommodation costs in there or something, or thereabouts ...

**The Chief Minister:**

There is certainly a distinction to be drawn between a salary band and total remuneration because total remuneration, obviously, includes the pension costs and social security costs.

**Deputy J.A.N. Le Fondré:**

I think sometimes, I suspect, from a public perspective, they are more interested in the total outgoing, as it were, rather than necessarily the salary band.

[10:15]

**The Chief Executive:**

We published in the accounts the total remuneration by band and then we published the supplementary information which showed the salary of the individuals within that band, so you could identify all of those individuals. With following the new accounting standard picked up in the States accounts this year, that will, certainly for senior folk, include the size of the pension block that has been created, which is directly analogous to the U.K. position.

**Deputy J.A.N. Le Fondré:**

I am not going to express this very well, but the essentials are: going back to my comments of people perhaps being concerned more with the total cost rather than the salary, necessarily, just taking that a slight step further (and there are potentially a lot of other questions I think you have been quizzed on some time in the last month) do you think we could also, or are we going to be expanding that to include, for example, contracts of service? In other words, where we are receiving the services of individuals perhaps under

a contract arrangement rather than a salary arrangement?

**The Chief Minister:**

I see no reason why you should not do that sort of thing in terms of things in terms of transparency. I hesitate slightly, only because there could be cases, depending on how the contract was drawn up, of a breach of contract in terms of confidentiality. What I do not want is a law suit because we have published something which was contrary to the contract. In the normal course of events, we would expect, I think, any contract would say that: "The cost of this may be disclosed publicly." But in the absence of that, if there were a clause specifically prohibiting that, I would not, as I say, want to create a difficulty(?). If we work on the basis of the objective is transparency and that we will try to have policies which ensure that transparency is available.

**Deputy J.A.N. Le Fondré:**

I think that is the point coming from that. I suspect in the old accountancy audit jargon, the expectancy gap, as it were, or what the public expect from us, they are not going to be too worried about whether it is an apple or a pear; they want to know how much fruit we are dealing with, effectively.

**The Chief Minister:**

Yes.

**The Chief Executive:**

But the Chief Minister has identified a significant caveat because the standard form for a contract of service is exactly a contract and the terms are usually: "Commercial, in confidence" because these are contracts which people move from organisation to organisation and they are not fixed rates, they are based on the ...

**Deputy J.A.N. Le Fondré:**

Whatever communication is at the time.

**The Chief Executive:**

... so while we might wish to have a certain approach, there is an industry standard that, if we are to attract those services, we are going to have to respect. I think that does need some careful thought and we still have not got to the bottom of it yet.

**Deputy J.A.N. Le Fondré:**

No. That is understood.

**Senator S.C. Ferguson:**

Yes. Because loosely tied to this they have also been publishing all the expenditures of the various departments. I do not know whether you have looked at any of the spreadsheets?

**The Chief Minister:**

I cannot say I have and ...

**Senator S.C. Ferguson:**

But the departments and also, obviously, the councils as well.

**The Chief Minister:**

We should not underestimate the fact that we spend a lot of time over at government publishing information in various different ways. It may be in a different form to the U.K. but, in the annual financial statements, analysed expenditure of each department under a number of subheadings, Ministers' expenses are published on an annual basis. You could probably drill down to greater and greater levels of detail but, of course, that requires more and more staff. Realistically, do we want to employ more and more staff producing financial statements which are a thousand pages long rather than a hundred pages long, when some people have enough difficulty reading a hundred-page document?

**Senator S.C. Ferguson:**

Yes. These are just published on the websites.

**The Chief Minister:**

It does not matter where they are published, the fact is that someone has got to produce it in the first place and that takes manpower. If you could press a button and have all these things fall out, rather like pennies out of a fruit machine, that would be easy.

**Senator S.C. Ferguson:**

An ideal accounting system would do that, would it not?

**The Chief Minister:**

Now we are going to get into all sorts of difficulties.

**Senator S.C. Ferguson:**

Exciting avenues, yes.

**The Chief Minister:**

And trespass into the Minister for Treasury's purview. But a perfect accounting system is one of those things which we aspire to when we are young and then we realise that producing one of those things solves one problem and creates 2 more so, by the time you are finished, you have got a machine which is a monster. If I were to be slightly tongue-in-cheek here, we produced, or tried to produce, various manpower computer systems over the last 20 years in the States, ever since I have been a Member, all of which show all the manpower information in a perfect way and which generates every bit of information one is ever likely to need. We have had about 4 of those and none of them has worked.

**Senator S.C. Ferguson:**

I have a very simple system at home which is widely available on a commercial basis and I press a button and I have got a spreadsheet. No problem.

**The Chief Minister:**

Yes. So have we but as soon as you get someone saying: “And could we modify this spreadsheet to also include this that and the other and have a little refinement here and a little refinement there?” what is simple and works becomes something which is complicated and, sadly, does not work properly. So my suggestion is that we do as you do, Chairman, and keep it simple.

**Senator S.C. Ferguson:**

I must email you some of the lists that they have produced in the U.K., they do make quite interesting reading.

**The Chief Minister:**

They may have more staff to spare than we have.

**Senator S.C. Ferguson:**

Yes. I do not know what systems they are using. Obviously, as electronic systems get better, then it should be possible to do this fairly simply because there is a lot of work in America, too, producing the same figures. This one, I think, may run and run.

**Deputy J.A.N. Le Fondré:**

I will do a very throw-away remark, which is meant to be a nice, easy one and there is probably very little to it (and then I will come to 4) which is: given that we are following the theme of transparency there ... only because, obviously, it started off when you were originally in Treasury, do you think the application introduction, because this year should be the full year for G.A.A.P. (Generally Accepted Accounting Principles) accounts now, will assist the overall perception of transparency on States operations?

**The Chief Minister:**

I am not sure how much it will assist. It is probably unofficial in that it says: “Accounting

standard which people recognise” you can say you are producing accounts to a certain level of comparability; whether it makes them more transparent remains to be seen. I think it can act with transparency in some ways but it can cause confusion in other ways as well, so I would say hold your breath on that one.

**Deputy J.A.N. Le Fondré:**

Wait and see. Okay.

**The Chief Minister:**

Particularly as also accounting standards seem to change more frequently now than they used to when I was in practice.

**Deputy J.A.N. Le Fondré:**

Yes. No comment. Okay. Let us move on to 4, shall we? International relations. We were debating whether we should have Senator Cohen in as well; is he back now, by the way?

**The Chief Minister:**

Yes, he is.

**Deputy J.A.N. Le Fondré:**

Right. International relations, when the question was drafted, seemed to be more focused on the U.K.; obviously, Freddie has been off to wider parts of the world since then. Could you update us as to what has been developed in other countries, whether it is our close neighbours or whether it is ones further afield?

**The Chief Minister:**

I certainly would not say that our focus has been entirely on the U.K.; I think our focus, certainly in the last 18 months, has been pretty broad. What we need to do and how the question was started, is we need to improve the depth of our understanding and

engagement with the U.K. because that is our primary link. But in terms of international matters, again, from the point of view of lists, I have got a list of some of the things that have happened over the last 12 months and I know personally I have been to 2 or 3 places, and others have come here, and Senator Ozouf also. But we have had the Russian Ambassador visit, we have had the Tour de Britain, which was a very positive involvement with the French last year, the Swiss Ambassador, a delegation from China, the Dutch Ambassador, the Lord Mayor of London, the London High Commissioner. Not all these people make the headlines: the Maltese High Commissioner, discussions with different French regions, the Icelandic Ambassador, the Chinese Tax Administrator, the Polish Ambassador and the German Ambassador looked in on an official visit. Senator Ozouf has been out to the U.S. (United States) Embassy, I went to Gibraltar, Senator Ozouf went to Shanghai. There are all sorts of activities going on. So to say that we are focused purely on the U.K. dismisses a tremendous amount of activity that goes on within, at the moment, a relatively small group of people. You speak about Senator Ozouf; in fact Senator Ozouf is Assistant Minister but I also go along to various activities, as does Senator Ozouf, as Deputy Chief Minister, and we do spread that load. But, from an officer point of view, all these things take quite a bit of planning. Going back to the regional question, if we are going to develop much more of an international personality in our own right, rather than this be a matter for the U.K., we are going to have to develop the skills, resource and support mechanisms in order to do that. But I see no let-up in the current year in visits, both to and from countries virtually throughout the world.

**The Chief Executive:**

It is fair as well to remember that we are just, with Guernsey (joint initiative), opening an office in Brussels to focus specifically on those European agenda items that are very important to us, with the official opening of that, I believe, in June.

**The Chief Minister:**

In June.

**The Chief Executive:**

That is a very significant step in terms of external international presence.

**Senator S.C. Ferguson:**

Yes. Are we doing much more on the international scene with Guernsey, as opposed to doing it on our own?

**The Chief Minister:**

Not at this stage; partly, I think, because of logistical reasons. It was quite hard to find a time when both Lyndon Trott and I are free at the same time to do anything and if we are both free at the same time, the Chancellor of the other country concerned is not. So, from a practical point of view, it is bad enough trying to get 2 people to agree; it is even worse trying to get 3 to agree. I think the point that the Chief Executive was making is that a Brussels office which is permanently manned 365 days of the year with officers on the ground creating contacts, building up networks and so on, then facilitates people, whether it is Jersey or Guernsey or both, to engage with people from other countries around Europe. So in that respect it is a step change. It is a different sort of activity from either going to China for a week or a Chinese delegation coming to Jersey for a week.

**Senator S.C. Ferguson:**

Yes. I mean, there is obviously a lot going on in the international scene which does not get reported in the press, whether it is the Chief Minister meeting with somebody or the Bailiff hosting a dinner or something like that. Do you think we ought to have a sort of court page in the *Evening Post* so people can see how much we are doing? You know, the Court column in the *Times* sort of says: "The Ambassador of so-and-so presented his credentials at the Court of St. James," and so on. I am not saying that we are quite as ... I do not know the Court of Cyril Le Marquand but perhaps we ought to publicise it more.

[10:30]

**The Chief Minister:**

I do not think that is the main objective. My objective would be to build up relationships externally, not to demonstrate to the local public what we are doing or how much we are spending. If it is in terms of information, in the *Chief Minister's Newsletter* I generally, in the diary, indicate where I am meeting Ambassadors or Ambassadors coming to Jersey and so on. So the information is published to States Members and if the media want to pick up on that they could do, I am sure, but it may not be of immediate interest. There are some cases when it will be and they do get reported. I recall when the Chinese Ambassador came over a couple of years ago, having a photograph with a cow. So different people will have a slight interest; in other cases the Ambassadors themselves may want to keep a low profile and we respect that.

**The Chief Executive:**

We are publishing the *International Newsletter* as well on a quarterly basis, very much, certainly outside of the Island, to keep our profile high; but there is a lot of activity reported in that.

**Senator S.C. Ferguson:**

Where does that get reported locally?

**The Chief Executive:**

We do circulate it. I will check that for you and I will get back to you.

**Senator S.C. Ferguson:**

I think I have had one.

**The Chief Executive:**

Okay. I will check. It is a very new initiative, so we have only just started it.

**The Chief Minister:**

There have been 2 issues so far.

**The Chief Executive:**

2. I will check that for you.

**Senator S.C. Ferguson:**

Yes, because it is something ... I know you do not want people to think that Ministers are just going off on jollies all over the place, but I think enough people realise that foreign trips are very hard work.

**The Chief Executive:**

They all are.

**Senator S.C. Ferguson:**

Going to exhibitions are equally hard. But it is just that people know that we are not just sitting focusing on just the U.K. or just the E.U. (European Union) or something like that.

**The Chief Minister:**

Yes. Well, if there is a perception that we are simply dealing with the U.K. and nowhere else, that is something which maybe I need to try to address.

**Senator S.C. Ferguson:**

Yes. As I say, if you have got the newsletters then these are something that the press could have.

**The Chief Minister:**

I accept that when I appointed Senator Cohen as Assistant Minister I pointed out that he had good links with the U.K., but that was not meant to signify that his activities would only be with the U.K. He has just come back from a week in India.

**Senator S.C. Ferguson:**

Yes. The other thing was, as far as our U.K. agreement goes, when Senator Walker met with Lord Falconer; was that a formal meeting or was it informal?

**The Chief Minister:**

I was not at the meeting, so I cannot tell you.

**Senator S.C. Ferguson:**

No.

**The Chief Minister:**

What we got out of Lord Falconer certainly was a letter, a commitment. But I will let the Chief Executive, who probably was not around at the time, answer.

**Senator S.C. Ferguson:**

He does not look that much older than you.

**The Chief Minister:**

Let us make sure we get the correct facts because it is important to get the wording of this correct.

**Senator S.C. Ferguson:**

Yes. I wonder if it would be possible to have a copy of the letter.

**The Chief Executive:**

This is the agreement between the U.K. and ourselves in terms of the nature and status of our international personality and ...

**Senator S.C. Ferguson:**

Yes.

**The Chief Executive:**

Yes. That was a formal meeting and it was a formal document signed by Lord Falconer as Chancellor and Senator Walker as Chief Minister and I believe it is a publicly available document. We have certainly ...

**The Chief Minister:**

I am sure it is available.

**The Chief Executive:**

We have published it and we have made it available in many different settings.

**Senator S.C. Ferguson:**

If we have difficulty finding it ...

**The Chief Executive:**

I will get you a copy.

**Senator S.C. Ferguson:**

Thank you.

**The Chief Executive:**

We refer to it quite regularly, because it gives a commitment where our interests in the U.K. differ and we will be given the opportunity to represent our interests and we find that that is an important agreement. So I will get a copy to you.

**The Chief Minister:**

Certainly when Lord McNally came to the Island last December we referred to it again then.

**The Chief Executive:**

Yes, and in our submission to the Select Committee who went up and reported. It was a significant step forward. I will get you a copy.

**Senator S.C. Ferguson:**

Sorry, yes. It is sort of lost in the mists of time and the several pounds of paperwork that one gets a week.

**The Chief Minister:**

It was a few years ago now.

**Deputy J.A.N. Le Fondré:**

Sorry, I was not aware of the extent of a lot of the trips that are happening. I suspect it should be significantly involving Economic Development, but is there a process that after the initial ... “hype” is the wrong word, buzz, perhaps, of a visit and having either yourself or whichever Minister it is down making contacts or using perhaps, for example, the Tour de Britain, as an example, where we have a lot of contacts come over from France? There seem to be opportunities there for improving particularly commercial relationships.

**The Chief Minister:**

Yes.

**Deputy J.A.N. Le Fondré:**

Is there a process, or has that still got to be more fine-tuned, to sort of follow up on those contacts; to continue that relationship, as it were?

**The Chief Minister:**

Right.

**Deputy J.A.N. Le Fondré:**

How does that operate?

**The Chief Minister:**

There are visits to and from the Island for different reasons. Some are visits for economic and commercial purposes and others are there for diplomatic purposes; so if, for example, the Polish Ambassador comes to the Island that is primarily a political one. I would not expect us to be developing strong commercial links with Poland, although it is good to have a name and a contact in different departments to be able to contact them if we need to. There are other areas, such as India and China or, closer to home, with Brittany and Normandy, where there are ongoing relationships. The Tour de Britain is an example where, yes, there have been links and the Economic Development Department issue, every month, an update of where we are in discussions both at commercial level and educational level and so on. As it happens, I am off next week to Normandy to see the President and the Conseil Général de la Manche with a view possibly to extending air links with Deauville, and the following week to see the Vice President of Brittany, following up on the Tour de Britain. The yacht race last year was started in Jersey, the Tour des Ports de la Manche, will be coming back to the Island again this year; not starting from here this time but calling in here as one of those ports. Again, that gives us a charge to develop our links in the commercial maritime industry. So, yes, there is a lot going on but very often without publicising it. We take it now almost as a matter of course.

**Deputy J.A.N. Le Fondré:**

I think there are 2 aspects to that: one is touching on what Sarah was saying about public perceptions, but then obviously making sure that there are presumably the follow-ups at the officer level or whatever it is to keep ...

**The Chief Minister:**

Absolutely, and there is a lot more of that that goes on behind the scenes than there is politically.

**The Chief Executive:**

Yes, and the answer to that is we are much more organised in terms of our actual organisation for visits or external visits. We have always had a debrief afterwards, picking up salient points, and we always have an official, who is the lead official, and then the follow up. We do have a simple spreadsheet that tracks all of this and we do use it. It is early days and much more to be done, which I think is why the Chief Minister alluded earlier to the need to focus more on international co-ordination and co-operation, particularly as we are now getting much more responsibility placed on us. This is not about the U.K. relationship but the U.K. placed the responsibility on us to become much more self-sufficient, which is why we are just becoming much more organised and planned. Some visits will be arranged by other departments but the Chief Minister's Department and the international team are now always engaged in them and always keep the spreadsheet and the follow-up running.

**Deputy J.A.N. Le Fondré:**

I suppose it is all a matter of timing at this stage but obviously we are going to have lots of political changes in October potentially and, for whatever reasons, we are always going to have this 3 or 4-year cycle and there are potentially going to be changes going through. I just want to deal, looking forward, with making sure we have got, if you like, a depth to any relationships we are developing. Using Senator Cohen as an example, he develops a very good relationship with whomever and then, of course, in 6 months' time, potentially, there might be a different person in the House. Is there or will there be any attempt to spread it a bit so that there is always an experience in there or experience being learnt of dealing on the international side, not only at a political level but also at the office level, so you are not just dependent on any one person in those agencies?

**The Chief Minister:**

I am sure over time there will be. I accept that I have only done 3 years, if you like, to a large extent of that; although as Deputy Chief Minister I did get involved in some other activities when Senator Walker was not available, in the same way as Senator Ozouf does to a fair degree at the current time. So over time different people will get a level of

expertise. But a good Minister ought to be able to move from one brief to another and have a general understanding of all that is going on, supported by a good department who can give that Minister all the additional information which they might require. In the U.K. (although we do not see it so often now) you might get cabinet reshuffles on a far more regular basis and the person might be a Foreign Minister only for a matter of months before they move to some other post. You are expected to have a general level of commonsense and background, and here I could go off on another hobby horse about changing ministerial posts around, but I do not see the difficulty. I think, over time, as we develop our international personality we also develop the abilities to see a variety of people doing that job perfectly well.

**The Chief Executive:**

I think it is important to remember the different levels. I mean, other countries are very used to the fact that politicians and Ministers do change roles quite regularly and it is not so much a personal relationship between the 2 Ministers, although that chemistry always helps and makes the bond stronger. But if you think about it, there are the home country departments and officials where that relationship is always held and we need to mirror that. Ambassadors are officials, they are serving civil servants of the home country with wide experience, and we need to keep that relationship running at that level. Then we have Minister to Minister where, as I say, that turnover is usual and people are quite adept and understanding of that. I think what we do not have or we have not had (and we are building up) is the depth beneath the Minister.

**Deputy J.A.N. Le Fondré:**

Yes.

**The Chief Executive:**

We have brought in a Director of International Affairs. We would not have had people to keep a track of all the relationships before. That can be done by a junior well-versed well-trained individual. So we are putting that depth in place and I think it is perhaps at that very

top level where you might talk about ambassadorial or permanent secretary, senior civil servant relationships in home country, that we do need to probably strengthen because that will keep the relationship over time. Minister is extremely important to make the decisions, but the relationship needs to be carefully managed and husbanded at the right level and that is where we need to give it more attention, to be quite honest. We tend always at the official level to have dealt with the issue and moved on to the next one or the next country, rather than keeping the relationship sound and standing. That will be the trick to the Island's future and its success on the international stage.

**Senator S.C. Ferguson:**

Do you think you are going to have a pension reform before you step down in October/November?

[10:45]

**The Chief Minister:**

I think you are talking about the Public Employees' Pension Scheme or the Social Security Pension Scheme?

**Senator S.C. Ferguson:**

Yes. No, I do not think the Social Security scheme needs reforming at the moment.

**The Chief Minister:**

Right.

**Senator S.C. Ferguson:**

Well, I do not know. If you look at the age ... well, shall we talk about the private one first?

**The Chief Minister:**

Right. I mean, I say that because the Minister for Social Security has already indicated a

review of the Social Security Scheme and the possible changes to contributions or pension age in order to meet future funding difficulties; an example, again, of medium-term planning which is being done. But as far as the Public Employees' Scheme is concerned; yes, we have got an actuary looking at the scheme from our point of view at the current time and is due to report to the States Employment Board, I think, within the next few months. The outcome of that, particularly in the light of the U.K. Housing Review, may well be a change in pension policy. I would hate a message to go out at this stage to say it is all changed on the pensions front when, at the moment, there is no clear indication of what direction the change might take. So I do not want to go out spreading rumours or scare stories, but I think it is inevitable that there will be changes which, no doubt, will reflect to some extent what happens in the U.K., and that is still very much a fluid situation.

**Senator S.C. Ferguson:**

Yes. I mean, I hate to go back to New Zealand again but, quite interestingly, their 40-year review, I think, said that the effects of the ageing population were not as draconian as they were expecting at this point in time, which I thought was quite an interesting point of view. But who can tell?

**The Chief Minister:**

You can interpret that in all sorts of different ways and I ...

**Senator S.C. Ferguson:**

I think it meant money.

**The Chief Minister:**

Yes, but I would like to know the context in which that was being said. It might be saying: "Yes, the problem is not as bad today as we thought it was. It is likely to be worse in 10 years' time instead," which is cold comfort. The simple answer is, yes, it is almost inevitable that, with changes in longevity and investment activities and the economic teams, pension schemes are going to change in some form or other here and elsewhere, but what

form those changes will take at this stage are not clear. What we also have to appreciate is that any changes to a system tend to be quite slow and to have an impact. You can change contribution rates fairly easily but benefits and pensions and payments is a much slower vehicle to turn around.

**Senator S.C. Ferguson:**

Yes, you cannot sort of drop it on everybody from a dizzy height.

**Deputy J.A.N. Le Fondré:**

I do have 2 queries. I do not want to be accused of trying to set hares running in any shape or form, but I think it will be an obvious question which is (hopefully all around the table and hopefully I have got the right end of the stick as well) the P.E.C.R.S. (Public Employees Contributory Retirement Scheme) is or could be argued to be better from the taxpayer's perspective than some of the U.K. schemes because the default position is the risk is not borne by the taxpayer.

**The Chief Minister:**

Yes.

**Deputy J.A.N. Le Fondré:**

But, equally, there is still a perception out there that it is still a generous scheme in terms of probably contribution rates and things like that. The review that you have touched on; presumably it will be looking at comparable contribution rates in the private sector, both locally and in the U.K. I suppose that is question one. But also obviously the caveat on that has got to be that it has got to be worthwhile having a pension scheme and you cannot have a contribution of one per cent because that is pointless from the point of view of a long-term retirement scheme.

**The Chief Minister:**

Yes.

**Deputy J.A.N. Le Fondré:**

Is that a fair comment; effectively the review that you are doing is going to be looking at most aspects of a modern pension scheme?

**The Chief Minister:**

Yes. What one should not do is look at any pension scheme in isolation. Certainly the States' Public Employees Scheme, and even more so the U.K. Employees Scheme, is probably superior now to any private sector scheme (it is a generalisation, but I think I am on fairly safe ground there) and businesses often recognise that by changing not only their pension arrangements but also their salary arrangements. So what you gain on the one hand by having a less onerous pension scheme may well be off-set to at least the same extent by a different salary structure. So in terms of short-term costs there is not necessarily a great difference. There may well be longer term benefits, which is why it is important. Pensions, above all, are a long-term saving quintessentially but one cannot simply look at pensions in isolation from the overall remuneration package.

**The Chief Executive:**

I think it is also fair to say, is it not, that one must not look at the contribution levels in isolation? Because we, unusually for pension employers, aggregate all the contributions and quote an average rate, forgetting the fact that there are menial workers who are civil servants and there are uniform staff that retire at a relatively early age. When you disaggregate those contribution rates and then make comparisons, which will be part of the review, you get some quite significantly different pictures about the comparability of the scheme structure, particularly reflecting that risk profile that you have talked about. So it is important and it will be important when we come to look at it to recognise that. You see in the U.K. some of the significant changes are being made around those early retiring groups. We would need to think similarly.

**Deputy J.A.N. Le Fondré:**

A wider question, I suppose, I do not know if we are going back to central policy or if we are just veering into ... it is more than just Treasury, I think; so it is a Chief Minister's question. Personal opinion, perhaps. Do you think we do enough to encourage a savings culture; to take on pensions and long-term retirement planning, if you like?

**The Chief Minister:**

Basically, no. It is quite difficult to encourage savings in a jurisdiction where costs are high, particularly costs of housing, and where interest rates or investment yields even are currently at quite a low rate compared with what they have been in the past. So there is a disincentive to save, coupled with a culture of encouraging people to spend generated by businesses that are desperate to survive at almost any price. So you get huge marketing pressure against which Government has very little in the way of adequate tools to encourage savings.

**Deputy J.A.N. Le Fondré:**

It was not meant to be a catch question.

**The Chief Minister:**

No. Even if you were being cynical and suggest that bad old days of inflation at 10 per cent a year gave high interest rates, it also meant that your savings were less and less as time went on. So that did not work either and it is really a matter of culture and social responsibility. If one really wanted to get political one could speculate as to whether improved benefit support created a disincentive to save because, if you know that there is no other mechanism to fall back on, you may feel more inclined to save to provide your own safety net.

**Deputy J.A.N. Le Fondré:**

I do not have anything else.

**Senator S.C. Ferguson:**

I do not have anything else either. Was there anything you would like to ask us or anything further?

**The Chief Minister:**

I do not really think so although it might be interesting, from my point of view, to get your panel's views as to whether you see a restructure in the Chief Minister's Department as improving the machinery of Government.

**Senator S.C. Ferguson:**

I think, as the P.A.C. said, Ministers seem to get themselves in a muddle between policy and delivery, which limits the Chief ... I was going to say: "limits the Chief Minister's ability to coral them at all," but also the corporation sell has been somewhat of a bugbear, has it not, because ... I am going off on the wrong direction here. It is one of the problems we have got to deal with, but I suppose it is a question of whether you think that restructuring the Chief Minister's Department is going to help cope with those problems.

**The Chief Minister:**

It will be one tool. It will not be enough by itself, in my view.

**Senator S.C. Ferguson:**

I suppose it is all mixed up together, really.

**The Chief Minister:**

Yes. One of the things which I know is ongoing is a review of the arrangements for the Public Finances Law and perhaps the States of Jersey Law as well. Unless those reforms are followed through then you are not going to be able to achieve the objectives anyway. Do you have any comment?

**Deputy J.A.N. Le Fondré:**

Nothing to add at this stage, I am afraid.

**Senator S.C. Ferguson:**

I regret we are going to let you escape early, Sir.

**The Chief Minister:**

I am sure I can find something to do.

**Deputy J.A.N. Le Fondré:**

You had a very easy ride this morning.

**Senator S.C. Ferguson:**

Thank you very much indeed for your time, Chief Minister and Mr. Ogley; much appreciated.

[10:58]