



Corporate Services Scrutiny Panel

Quarterly Hearing

Witness: The Chief Minister

Tuesday, 25th June 2019

Panel:

Senator K.L. Moore (Chairman)
Deputy S.M. Ahier of St. Helier (Vice-Chairman)
Connétable R. Vibert of St. Peter
Deputy J.H. Perchard of St. Saviour
Connétable K. Shenton-Stone of St. Martin

Witnesses:

Senator J.A.N. Le Fondré, The Chief Minister
Deputy S.M. Wickenden, Assistant Chief Minister
Ms. C. Madden, Chief of Staff
Mr. C. Parker, Chief Executive
Mr. C. Stephenson, Director, Employment Relations and Organisation Design

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[15:01]

Senator K.L. Moore (Chairman):

You are familiar, I think, with the process and so we will get on with our introductions. I am Senator Kristina Moore, I am the Chairman of the panel.

Connétable K. Shenton-Stone of St. Martin:

I am Constable Karen Shenton-Stone, member of the Corporate Services Scrutiny Panel.

Deputy J.H. Perchard of St. Saviour:

I am Deputy Jessica Perchard, member of the Corporate Services Scrutiny Panel.

Deputy S.M. Ahier of St. Helier:

Deputy Steve Ahier.

Connétable R. Vibert of St. Peter:

Constable Richard Vibert.

Director, Employment Relations and Organisation Design:

Chris Stephenson, Director of E.R. (Employment Relations).

The Chief Minister:

Senator John Le Fondré, Chief Minister.

Assistant Chief Minister:

Deputy Scott Wickenden, Assistant Chief Minister.

Chief of Staff:

Catherine Madden, Chief of Staff.

Chief Executive:

Charlie Parker, Chief Executive.

Senator K.L. Moore:

Thank you. Chief Minister, you recently published your report on your first year in office; you state in the introduction that you are quietly confident about the future and I would like you to elaborate on that really, in light of quite considerable disquiet, I think, from the public about your performance in your first year.

The Chief Minister:

Where is the evidence of that, by the way?

Senator K.L. Moore:

Constant discussion, social media coverage and coverage in the media, the discussions on King Street is widely discussed.

The Chief Minister:

That is interesting; you see I disagree with that. I know there will always be some people who are unhappy, Senator, but, essentially, the comments I get from people when I bump into them is keep going. It very much depends; that is why I ask what the evidence is. Because, as we all know, we should not base scrutiny on anecdote and conversations in the High Street.

Senator K.L. Moore:

That we do not.

The Chief Minister:

Good, I am glad to hear it. Overall, I am very pleased with where we are at the moment. The point I make in my report, which I think it is worth reminding people, is that when we started we did not know we had a £30 million deficit, which we are, I think, very, very close to addressing. We did not know, and I have said this enough times already, that I think, Charlie, on day one, near enough, if not hour one of my time said: "We have got a £260 million lawsuit coming down the line, we might have others but the others can be mitigated from the point of view of a law change." It should have been done some time ago, it has not been and, funny enough, that was the first decision we made within about 10 seconds, so the Damages Law is now in place. If you then consider the positioning for Brexit, things like the economic substance, things like the beneficial ownership side of stuff and those type of areas, I think, overall, we have addressed quite a number of areas where we started off from a place that we were not expecting to start. If you then look at the overall organisational change, which, speaking personally, is something I have been crying out for a very long time, I am pleased and obviously this is internal at the moment; we will obviously see some stuff coming through on the Government Plan, that I think we are seeing what I will call genuine efficiencies and that is very much ... sometimes it is quite boring but it is really diving down into structure and process and seeing where you can trim it down, versus, for the sake of argument, and it happened, the first time round I think it was 2005/2006 when I started, which was when cutting the maintenance budget was deemed a saving. If you look at that from a change, I think we are seeing quite a lot of change and I think, overall, it is for the good. It is unsettling, there is no question but overall I think for Brexit we are about as well placed as we can be and that remains the biggest external threat that we have

got. For the organisational change we are obviously getting close coming out of that first phase; we are not quite out of it yet.

Senator K.L. Moore:

Your report also mentions that you are: "Providing political direction and leadership to the work of the public services." We also note that the Jersey Care Inquiry commented that: "The States lacks a get-it-sorted mentality." Do you believe that those 2 claims are compatible?

The Chief Minister:

Sorry, the Jersey Inquiry and compare the Jersey Care Inquiry.

Senator K.L. Moore:

You claim in your report that you are: "Providing political direction and leadership to the work of the public services." The Care Inquiry commented in their report that: "The States lacks a get-it-sorted mentality."

The Chief Minister:

I did not pick up that comment from their report, I must admit.

Senator K.L. Moore:

I think the media did; it was widely covered. At the time I am sure you were questioned about it because they refer to the number of boards and the continual discussion without actioning.

The Chief Minister:

There were some observations around the structures and the boards that were in place to deal with the issues arising out of the Care Inquiry. I will hand over to Charlie on that because that was the detail side. But also when it was explained to them that some of those are, when I say transitional, they have to deal with very specific areas. I think it is the end of this year at least one of them goes, if I remember correctly. They seem to be at least a lot more understanding on that perspective. I also felt, certainly the feedback I had at a personal level with the members of the board at the end of our hearing, which was at the very end of that particular week, I would have said it was very positive on that.

Chief Executive:

Just on the board's issue, which I think got raised in a previous conversation, there was some confusion about the various arrangements that had been put in place, one of which was about, how do you respond to the Care Inquiry recommendations, which is a time-limited board function that will, as the Chief Minister said, come to a conclusion at the end of the year? Secondly, was the

improvement plan, which was more about practice and the way in which we then deliver sustainable improvements following the Ofsted review and the Care Commission's comments on that. Thirdly, was the Children's Plan and the implementation of the Children's Plan and behind that was the legislative plan. Once we had taken them through the various components of that and identified that the initial phase would come to an end this year and then 2 of the boards would come together. But, ultimately, we would do that, rather than immediately because the level of improvement we had to produce was so significant we did not want to be able to completely submerge the Children's Plan work. They accepted that and acknowledged that and we were then comfortable with that.

The Chief Minister:

I think I should add, obviously one of the reasons that Charlie was recruited at the time was because, and I will use the word "exemplary" and I am not just being flattering, of his work in Children's Services on to previous councils. One was Oldham, which I think was brought up to, was it good, in the top 6 or something in the U.K. (United Kingdom) and Westminster was outstanding?

Senator K.L. Moore:

Yes, but we are here to scrutinise your performance, Chief Minister, thank you.

The Chief Minister:

No, that is fine but I am just pointing out, so the ...

Senator K.L. Moore:

Could we move on to the next question, please?

The Chief Minister:

I want to nail it down.

Senator K.L. Moore:

Because we do have really a lot to get through in an hour and a half.

The Chief Minister:

I want to make the point, so on Children's Services there is no lack of will to sort things out. I have had that discussion ...

Senator K.L. Moore:

Yes, and that was started by the last Government, so can we move on, please?

The Chief Minister:

Absolutely but you make the suggestion ...

Senator K.L. Moore:

Your Government has issued 134 reports, how many of these have translated into concrete policy, given that only 11 major new pieces of the legislation have been delivered and approved, and some of those were created by the previous Government?

The Chief Minister:

I have not sat down and looked at 134 reports, I am afraid, so I cannot answer the question.

Senator K.L. Moore:

It would be an issue for yourself, so I would hope that you would have ...

The Chief Minister:

No, they are probably minuted by Ministers as a whole.

Senator K.L. Moore:

But you will understand the point that 11 major new pieces of legislation only have come to the Assembly in a year.

The Chief Minister:

I hate to say this but I think there are also quite a lot of other pieces of legislation that have come through as well. The general role, I have not compared it with each time a new Council of Ministers has come through, in terms of what happens and where that goes. But usually the pace for legislation comes through and it picks up during the lifetime of the Council of Ministers. I think it is a case of judge it towards the end of the political term, not right at the beginning.

Senator K.L. Moore:

Thank you. Your report notes that you are overseeing the efficiencies programme and you mentioned that you feel that real efficiencies are being driven to reduce costs. What consultation have you had or do you plan to have with stakeholders regarding how those efficiencies are found?

The Chief Minister:

Would you like to define stakeholders?

Senator K.L. Moore:

Relevant members of the public or members of the public sector who are delivering the work, such as perhaps clinicians if it is a particular medical line.

The Chief Minister:

Okay, we will go down to the detail and how the mechanics work in a sec. If we are looking, for example, at Health, so I think Charlie can deal with that on the operational level but there is certainly a lot of engagement in making sure that efficiencies will work. If you are looking at external challenge, we have obviously got the Political Insight Group in place. We have one member of the public on there and, hopefully, shortly to recruit a second to give that external challenge as well. Charlie, do you want to go into the detail?

Chief Executive:

I think we have it clear that the efficiencies programme will be highlighted in the Government Plan. There will be a programme that will run over a number of years, not just one year. As part of that initial phase of work there is a lot of what I would call back-office improvements that we can make, which probably does not require external consultation, it is more consultation with staff and Ministers around how we might operate. But on health in particular, we have started a process of completely revamping our governance arrangements and within that to discuss the new model of healthcare, which will involve quite significant consultation with key stakeholders. As part of that we are currently discussing with clinicians, with the third sector and with partners, such as G.P.s (general practitioners), about that model of healthcare and the efficiencies that that will drive through service improvements. I think it is horses for courses where we need to make the changes, which involve external stakeholders we will consult, that is good practice; you would do that and you would help shape then the final outcome. Where it is internal, I think it is more ministerial but obviously the Chief Minister made a previous commitment that we will be bringing back the efficiencies programme for further discussion with States Assembly Members as well. I think it is ongoing.

Senator K.L. Moore:

Thank you.

Assistant Chief Minister:

Could I add in, please, Senator? This really falls into the modernisation and digital side of what we are trying to do to upgrade our core services, our foundation programmes like N.E.S.I. (Net-Centric Enterprise Solution for Interoperability), our H.R. (Human Resources) systems, tax, our C.R.M. (Customer Relationship Management) tools, so we have got a better overall picture of what our customers need and how to make them more efficient. There is an awful lot of efficiencies that will come out at the back of the modernisation programme and that is what I have been working on.

Senator K.L. Moore:

Thank you. Chief Minister, can you reassure the public that when the Government Plan is published they will see that efficiencies are being made without harming public services?

The Chief Minister:

Yes. The objective on all these, and I will use Health as an example, we are being very, very clear that it has got to either maintain or preferably improve patient systems and experiences and it cannot just be a sort of slash and cut process.

Senator K.L. Moore:

Thank you. By the end of your term of office you said judge you at the end of your term; what do you envisage as having been the policy achievements that you will have made by the time you reach your end of your term?

The Chief Minister:

My expectation is that we will have maintained, if not improved, people's standard of living and that Jersey remains a good and safe place to live and work. Bluntly, it is about leaving a good legacy for our children/grandchildren to grow up in and then develop in. If you go down to some detail, it is around making sure that the biggest organisational change this organisation has ever gone through is well bedded down and is seen to be delivering significant results by that point. Bearing in mind it is a sort of 5-year programme and we are in a 4-year political term but that has got to be, in terms of the change side of things, we want to see a major change being delivered. If you go beyond that, the hospital, I would hope we will have a contractual commitment in place and I would also like to see some significant progress on things like Fort Regent. My direction to officers has been that from the medium term I would like to see the Snow Hill access sorted and then obviously the longer term, that is in our political time.

[15:15]

In the longer term then that obviously we have the right strategy and the right funding in place for the overall revamping of Fort Regent and that is going to be a longer process and that will have started in our time as well.

The Connétable of St. Martin:

Chief Minister, moving on to our climate emergency, has the Council of Ministers responded to the States decision to declare a climate emergency?

The Chief Minister:

As we know, the debate was not that long ago relatively but the States have agreed to be aiming for carbon neutrality by 2030; that is ahead, I think, of any jurisdiction elsewhere on the planet. It is brought to the Council of Ministers each meeting, which I suppose is the main response. Essentially, at the high level the intention is to have a plan in place, as requested, by the end of this year. The crucial discussion at the moment is how we get some funding in place and I am hoping we will obviously have that outlined in the Government Plan and, hopefully, we will have some discussions finalised on that in the next couple of days.

The Connétable of St. Martin:

I was just going to ask about the Government Plan and to ask you, what measures are you planning to include in the Government Plan to change behaviours and raise awareness?

The Chief Minister:

I think at this stage I would not want to comment on what is going to be the final outcome of the Government Plan because those decisions have got to be finalised. What I will say is that it is fairly obvious that transport is one of the bigger areas one will have to address or rather emissions from transport and, therefore, I think it will be likely that you will be looking to see what we can do to change behaviour. But obviously there may be consequences arise out of that.

The Connétable of St. Martin:

Thank you. Will you be conducting any joint work with the Parishes to ensure that carbon neutrality is achieved on a municipal level?

The Chief Minister:

I would hope in the medium term, absolutely but obviously I have not seen the plans from the Minister for the Environment and we will make sure that is fed back to you.

The Connétable of St. Martin:

What consultation have you had with the Minister for the Environment and the Minister for Infrastructure regarding the reports that they are now expected to produce?

The Chief Minister:

They are working on it and obviously they will be bringing it back to the Council of Ministers basically after the summer recess and I would say it will be at that point when we start seeing what their plans are.

The Connétable of St. Martin:

They are working on it now. Can we expect external consultants to be brought in to aid this process?

The Chief Minister:

The short answer is I cannot tell you for certain. The last discussion I had, which was one of the reasons why it was around timing, was that there was work in the budget originally to do this type of work next year. But in order to do it for the timeframe that the States have asked for, officers were saying at the time that it would be necessary to bring someone in and I think that point was made in the debate. I have not had an update on that since, I would say.

Chief Executive:

As far as I am aware, we will do quite a lot of the work in-house because, as the Chief Minister said, we were looking to develop this as a part of the work programme for next year. However, there are some quite specialist areas where we might need some assistance and that is being scoped at the moment. But my expectation is we have got quite a lot of excellence in-house and we will be building on that and just supplementing, rather than getting a wholesale outsource to consultants or interims; that is not where we are looking to go.

The Chief Minister:

Just to add on terms of other actions that have been taking place, so the Energy Partnership is going to refocus itself as the Carbon Neutral Alliance. There will be a carbon futures workshops, we will be taking place in mid-July and also the e-bike scheme, in fact it was alluded to in the last Assembly, is going to be reintroduced and we are looking to try and push forward on electrification of Government vehicles. There is also already in existence a £200 subsidy towards the cost of a home energy audit and that is continuing.

The Connétable of St. Martin:

Okay, thank you.

Deputy S.M. Ahier:

Yes, I would like to move on to inflation and inflation figures. Obviously over the last 20 years our inflation rate has pretty much mirrored the English inflation rate, the peaks and troughs are pretty much exactly the same. But, unfortunately, our inflation rate is approximately 1.5 percentage points higher, as I am sure you are well aware. According to the March 2019 retail price index inflation in Jersey increased by 3.6 per cent, almost double that of the U.K. Was this figure expected?

The Chief Minister:

I try not to anticipate changes in inflation, in terms of significant or otherwise, until the Tax Department have come out; so whether it was expected or not is not relevant. I think the crucial thing here is that Senator Farnham has got an inflation strategy group together and it has got the

Minister for Education and the Minister for Treasury and Resources on that. The intention is that the draft strategy will be presented at the end of June and then in place by the end of the summer recess.

Deputy S.M. Ahier:

What was the target rate of inflation for this figure or do you have a target rate of inflation?

The Chief Minister:

I am not directly sighted on that. I am looking ...

Chief Executive:

There are 2 things, I mean Jersey, if you look at it, has always had an inflation rate that has run ahead of the U.K. unfortunately for some time, if you look at it on a comparable basis. Even though we like when it tracks, if you look at some of the input; the price of oil, the value of sterling is quite an interesting point, price of imports. I think we do not necessarily have a countercyclical position that we normally adopt when it comes to this. We are sometimes the recipient of wider economic aspects which impact on us. The Government has previously followed the F.P.P. (Fiscal Policy Panel) arrangements about trying to deal with spending so it does not fuel further domestic demand and how and in what way that impacts on the economy and how it operates is something that we are trying to do. The chief economist is advising the Deputy Chief Minister's group around some of those measures. When the plan, that the Chief Minister referenced, is due to be brought out we will see some of the arrangements that we are trying to put in place to help with regard to a broader and longer-term view about inflationary impacts on the economy here.

The Chief Minister:

But just to add, obviously 2 of the key components will obviously be things like housing costs and transport costs, now bearing in mind the discussion we have just had about climate crisis and things. If you are trying to change behaviour by perhaps increasing transport costs to disincentivise certain modes of transport, in the short term that could have an inflationary impact. On the other hand and there is an argument around this at the moment, so if in the shorter term, and this is hypothetical at this stage, you put fuel costs up inflation will go up. But if in the longer term that does achieve a shift in behaviour, so that people use their car less and use public transport more, then a proportion of the contributions, as it were, or the weighting of transport in the overall calculation of inflation should, in theory, fall. In theory, in the longer term, it might work its way through but in the short term I suspect you would see a slight inflation. There will be some competing tensions between States policy for climate, for example, versus impact on inflation.

Deputy S.M. Ahier:

Then concentrating on inflation at the moment, they mention about the cost of importation of goods and yet the cost of importation of goods to Gibraltar, for example, are surely greater and yet their inflation rate over the last 20 years is not as high as ours, so is there a connection there or ...

Chief Executive:

I cannot answer that question in terms of a comparator. I would have to defer to the Chief Economist to be able to provide you with some trend analysis but I think there are some things that we can do. One of the key things I think the F.P.P. said is about how Government or public finances do not contribute to inflationary measures. Going back to the point, I think the Chair raised, about efficiencies; one of the aspects, I think, the Council of Ministers is keen to do is to make sure that public finances are run well, they are run at the right level, efficiencies are driven out of the system, which improves productivity, all of which will help with improving our economic base. We can also look at the right type of competition, so making sure that businesses here benefit from some of the contractual opportunities that the States run. We had a conversation about this at a previous Scrutiny hearing about the way in which we are trying to look at better ways in which some of the supply chains on Island can operate around certain government contracts and whether that can be more efficient; improve their levels of return, improve levels of productivity. Of course, housing is the other factor and construction, which we have obviously, over the last few years, been contributing to construction on the Island. We need to make sure that it does not overheat and, therefore, send up costs. There are pricing points in construction which does add to inflation. But supply of new housing and reducing cost of housing is a factor that really is very important to us. I suspect if you were to look at Gibraltar our housing unit costs are significantly higher; that would be one of the things that may be a point of difference.

The Chief Minister:

This is a guess as well because I suspect a lot of goods from Gibraltar were just coming by lorry from Spain, whereas obviously everything is shipped. The other point I would make on housing, bearing in mind I would have said for housing costs being a key element, is the board that we just set up which is looking at housing and supply, is also specifically charged with looking at cost. Therefore, if there is a way and it does identify anything, which is reduce the actual cost, for example, construction and housing, that could have a longer-term impact as well.

Deputy S.M. Ahier:

Do you expect the rate of inflation to grow or shrink over the coming quarters?

The Chief Minister:

I think the F.P.P. trend at the moment is expected to fall gradually back and they are estimating a trend back to about 2.5 per cent. But there are some caveats around there because obviously what

happens at Brexit in October, what happens in the Middle East with oil? I am always very cautious about any expectations because I think, as we have said, we have a challenging few months ahead of us and any one event of which could have an impact.

Deputy S.M. Ahier:

Obviously brings us on to the next question about the various possibilities with Brexit deals, what effect will it have on inflation in Jersey if there is a no deal, for example?

The Chief Minister:

I think it is probably too early to speculate on that point. Is it going to have an inflationary effect? Because if sterling falls, is it going to fall any further than where it is at present? Do not forget it dropped, I think it was 10 per cent, was it not, after the vote? What is the duration because is it a permanent structural thing or is it a blip? I think at this stage I do not think I would want to speculate.

Deputy S.M. Ahier:

The latest R.P.I. (Retail Price Index) inflation was 3.6 per cent but average weekly earnings in Jersey are 0.1 per cent behind 3.5 per cent. What are you doing to ensure that wages either can match or exceed the rate of inflation, especially now that wages next year will be directly connected to inflation and obviously there are wage deals with the unions at 1.3 per cent above R.P.I.?

The Chief Minister:

Sorry, are we talking public sector or generally?

Deputy S.M. Ahier:

Generally but obviously in the public sector ...

The Chief Minister:

I think the short answer is there is not much ... it depends on your views. I do not think Government should be particularly interfering overall in what wages financial institutions or employers generally should be setting for their workforce because that takes into account an awful lot of parameters that they themselves have to judge. You will see that we know there is a demand for workers, for bodies, effectively, and that, I think, will have an impact. I have got the discussions at some point about the future increases in the minimum wage, which will also have an impact.

Deputy S.M. Ahier:

Getting back to Senator Farnham's inflation group; what work has he undertaken so far and how many times have they met?

The Chief Minister:

I would have to come back to you on that, I think; we will get the details to you.

Deputy S.M. Ahier:

Can you expect any new anti-inflation policies to be brought to the States of Jersey within the next few months?

The Chief Minister:

I think I answered that question because we are expecting something to go to them by the end of June.

Deputy S.M. Ahier:

Yes, okay. What can you expect to be coming up in the Government Plan regarding inflation? Is there anything incorporated within it?

The Chief Minister:

At this stage I am not sighted on that. I would not expect there to be. But what I would say is it goes back to this issue around, will there be any impacts, depending, for example, on the incremental matters? Will there be some impacts that might have an inflationary impact? It is possible.

Chief Executive:

We have some inflationary arrangements built into the Government Plan's financial forecasting, which is predicated on our best estimates.

[15:30]

That obviously impacts on things like old age pension, support for families who need additional income and there has been a decision taken by the Assembly in light of the recommendation of the Minister around that. There are some supports for children at the lower end of economic households where they get extra resources coming in as well, so that low income families will be able to benefit. We have obviously built in to the Medium Financial Plan the cost of living rise for public sector pay, which is also being factored in over the 3-year deal to be able to try and support some of the challenges that were fixed by the former M.T.F.P. (Medium Term Financial Plan) period over salaries. There are some aspects in the Government Plan of decisions and policies that are flowing through, partly through this Government's earlier decision, some of that going back to previous implications, as set out in the former M.T.F.P. period. I think you will see those aspects being embedded into the overall plan.

The Chief Minister:

Yes, I thought you were talking about, as it were, strategy to reduce inflation being included, rather than the monetary side because there will obviously be estimates for inflation because they will have a direct financial impact.

Deputy S.M. Ahier:

Of course, thank you.

Deputy J.H. Perchard:

Chief Minister, I just want to ask you some questions about the cost of living, which I appreciate you have already alluded to but do you believe that the current cost of living in Jersey is sustainable for the majority?

The Chief Minister:

The cost of living, if you tie it into the inflation rate, has gone up and down all the way through my life. I can remember when, I think, it was 15 per cent, definitely 8 per cent, and we are now at a relatively low ... it is slightly higher but we have been through a fairly low period for quite some time. The impact really is whether or how people's salaries change relative to the cost of living on the Island.

Deputy J.H. Perchard:

Do you think that between my generation and yours that those changes have ... that the same salary has been such that the cost of living in Jersey for someone of my age group is affordable?

The Chief Minister:

Right, are we talking inflation cost of living or are we talking the cost of housing?

Deputy J.H. Perchard:

I would like an all-encompassing the cost it is for me to live on this Island, including inflation and the cost of housing.

The Chief Minister:

I think there are 2 issues, so in terms of the ability to purchase a house on this Island I think it has got harder, that is why I think housing was one of the key features during the whole election campaign; it is why I have got a piece of work happening on that. If you look at the overall cost of living, as in effectively tying into the inflation rate, obviously we have, as Charlie has alluded to, various things in place and feel people at the lower end and that includes tweaking what is called the disregards to try and incentivise people to work more and move their reliance away from benefits

fractionally. But if you are talking people who were not on benefits, I think one of the big impacts we are still feeling, oddly enough, is things like the impact of the financial crash and I think also the impact of technology and that will have an impact overall on jobs and salaries.

Deputy J.H. Perchard:

While I understand that it is not necessarily desirable to always match salaries to inflation, especially if inflation is rising, do you acknowledge that by not doing so results in a lower standard of living for people whose salary just not caught up with the cost of living?

The Chief Minister:

I think the short answer is yes but there are also other points where it depends on the salary levels and whether it is relative that the salary that they are receiving is still deemed to be fair or better than contemporaries might be receiving; they are all factors that come in to that kind of decision.

Deputy J.H. Perchard:

Are you suggesting that if someone's salary is high enough for the States to deem fair, even if it does not cover the cost of living and, therefore, their quality of life decreases; that is okay because they have a satisfactory amount of disposable income?

The Chief Minister:

We have capped, I think we are still in the process if we have a freeze and everybody earning over £100,000, for example, so, yes.

Deputy J.H. Perchard:

Yes, okay.

The Chief Minister:

If you are saying that people earning £100,000 and we have frozen their salaries, I must therefore ...

Deputy J.H. Perchard:

I was talking about the middle majority.

The Chief Minister:

I am taking that as a principle because that could be a household income, we do not know. But we have taken that view that there is a point and salaries have been frozen at that level, for example.

Deputy J.H. Perchard:

What measures, if any, do you plan on introducing to lower the cost of living for the majority of people in Jersey?

The Chief Minister:

That goes back to the point, are we talking inflation or are we talking housing?

Deputy J.H. Perchard:

I would like an answer to both.

The Chief Minister:

The housing side, as I said, we put in the idea of the Policy Development Board that is in place, is to try and deal with in the longer term, what do we do about housing. We will no doubt later on come on to population; that will be a factor because supply and demand. I just lost my train of thought there but on the inflation side I think there will be some difficulties and some tensions, shall we say, from 2 different States policies? The example I was using earlier is that if, as a result of the decision to vote for the climate emergency, we decide to put the price of petrol up, for example, that will have an inflationary impact and, therefore, that will push the cost of living up. But if we do not do that, for example, that would be against the policy of the States. What I am trying to say is it is going to be very, very complicated. What we can do is we can try and protect people where they are very much at the lower end of the scale and, as I said, that is around disregards, it is around the minimum wage, that is around the family support stuff that has been put in place and the Minister for Social Security has taken various steps and I think we are debating some of it on 16th July.

Deputy J.H. Perchard:

Thank you. Regarding housing specifically, what measures are you going to bring forward that will ... perhaps more from an intervention, are you considering rental perhaps?

The Chief Minister:

There has already been a policy put in place for Andium for social rented housing. I have to say my overall view on capping rents, if you look at the overall market, is very reserved around that because often you end up with unintended consequences and very poor behaviour, in other words, people find ways around it. Back in the 1960s and 1970s, I believe, people would be charged ingoing, they would be charged everything else because there was, effectively ... at the minute I am talking from memory, very, very distant memory or understanding, is that I think there was some form of rent control mechanism in place. Essentially, the poor behaviour that came round was landlords were finding their way around it. I think the shorter answer on that is whatever one tries to do one has to be very, very careful because you sometimes end up with unintended consequences. I do think we should be looking at and I would be expecting the Housing Board coming through, which is being

chaired by Michael de la Haye, the former Greffier of the States, to be looking at, I will say, something around the shared equity support to encourage and help people in the middle bracket to acquire their own house. But I do not know what the precise detail on that will be, other than I have seen some initial provisions that were originally put through the capital ... I think they are going through the capital programme, which is what we are going to be discussing over the next few days.

Deputy J.H. Perchard:

Thank you. I appreciate the kind of mathematical reason for the separation of inflationary cost of living considerations and ones from a housing point of view but do you not think that from a Government perspective housing and the rate of inflation have to be considered together within any policy that seeks to deal with the cost of living? Because if you do not do that then, inevitably, if you tackle the inflation problem it will not matter for a lot of people because the housing demands on them are still as great as ever.

The Chief Minister:

Yes, you cannot ignore ...

Deputy J.H. Perchard:

How joined up is the work of the development board and the Inflation Review Panel?

The Chief Minister:

The Inflation Review Panel is looking at the overall side of what, if anything, can be done to reduce overall inflation. The housing is very much focused on the very wide topic of housing, it has the cross-fertilisation, for want of a better expression; that is something we are looking at because arguably now with the boards that are in place. At the moment it is being co-ordinated through the Council of Ministers but I think we might need to just have a look at the structure on that. But, as I said, the inflation work is coming through in June; I think the housing board is going to take a little longer and we will see what the outputs are of both of them and how they interact.

Deputy J.H. Perchard:

Thank you. Just finally, I do not know if you have seen New Zealand's well-being budget where they measured success by people's well-being and the intention is to combat poverty and mental health issues. I was just wondering if the States of Jersey will be presenting any such well-being budgets themselves.

The Chief Minister:

I am going to hand over to Catherine on that because there is a comment about well-being being done in the organisation and obviously it is also a metric, I believe, that is in the Future Jersey site,

if I remember correctly. But do you want to comment or am I dropping you slap right in it? I do recall seeing in the notes around the well-being strategy that is coming forward.

Chief of Staff:

There is a well-being strategy being developed that will take on board that and we are looking at best practice from other places around the world to inform that. Clearly it is at its early stages at the moment, so we are doing the evidence gathering.

Deputy J.H. Perchard:

Because I think what was so profound about what New Zealand were doing is they are looking at fiscal policy through a well-being lens, which I think is the difference between having fiscal policies and well-being policies; they have bridged the gap.

Chief of Staff:

Yes. Some of what the staff are looking at in terms of the Island Plan, they have been looking at planning through the happiness, how do you make a place happy? They are taking it through that lens as well, so that is being taken through in terms of the preparation and the evidence gathering through the Island Plan as well, as well as linking up with Health in terms of what we can do around mental health. As a part of the actual workforce development we have got a number of well-being policies we have put in place around health, know your numbers. We are just about to develop training for mental health champions across the organisation, so we have put out some press around that, internally for internal kind of to see if you are interested in becoming being trained, commanding them to an event. We are looking from both sides, both from an external and how we do it for the Island but also how we do it for the staff as well.

Assistant Chief Minister:

I will just add, I was speaking to somebody from Guernsey; Guernsey have done really well in their mental health because they set something up from a cognitive behaviour therapy, which is called the 35 Life Lessons and it meant that the children went into the mental health care system, no matter who they saw and they face all different professionals, were being dealt with in a consistent manner using these 35 skills. They also put people to teach it in schools at very early levels, so people have those cognitive behaviours in there. I got the Minister for Health and Social Services and the Minister for Education to meet up with some of the specialists that were over from Guernsey last week.

The Chief Minister:

I think it is important to stress as well that for mental health particularly there is additional funding going into the Government Plan because we know that those services were in a poor state.

Deputy J.H. Perchard:

Sure. I think the exceptional thing about this particular piece of legislation from New Zealand is that it is a budget that is driven by well-being outcomes and I think that is the gap I would like to see us fill.

Senator K.L. Moore:

If I could just ... sorry, you have not answered that.

The Chief Minister:

I was just reminded from my notes, obviously in terms of pensioners there is a protection built in for their pensions in terms of the impact of R.P.I., which ties into the earnings index as well, I seem to recall. Okay.

Deputy J.H. Perchard:

Thank you.

Senator K.L. Moore:

If I could just return to an earlier answer you gave in relation to rental caps where you said that you were very reserved about these probably in the private sector. Have you discussed that with Reform Jersey? Obviously if I recall correctly but I cannot quite lay my hands on the right piece of evidence; that was a fundamental part of your agreement with them.

The Chief Minister:

I do not recall rental caps being in the agreement. They are certainly particularly focused on Andium and social rents but the wider market, I think we will have probably a difference of views on that.

Senator K.L. Moore:

I think my understanding of their agreement was that that was a rental cap in the private sector that they were talking about because we already have that in the public sector.

The Chief Minister:

We shall later have an interesting discussion when we get to that point.

Senator K.L. Moore:

Surely that was decided before you signed an agreement with them.

The Chief Minister:

I have not got the wording of the agreement in front of me and we are a year down the line. Certainly there were some positions taken where we knew there was going to be disagreement and that will then be a matter for the Assembly. My position on rental caps overall is that you have got to be very, very careful because there can be unintended consequences.

Senator K.L. Moore:

Thank you. We are going to move on and talk about communications now, so we would like to know what guidelines are provided, if any, to staff in relation to operating government social media accounts.

[15:45]

The Chief Minister:

I think that is going to be right at the operational level and I will hand over to Charlie on that front, so you might want to clarify the question.

Chief Executive:

This is where our officers are having social media accounts or the government and its use of social media.

Senator K.L. Moore:

We will start specifically with government social media accounts, yes.

Chief Executive:

The Government's use of social media is about promotion mostly for the campaigns that the Government is necessarily at the forefront. We have had bowel cancer, we have had flu jabs, et cetera, those sorts of things. It will use social media, uses social media to promote activity, whether that is events that the Government is sponsoring or Island events that the Government believes should be brought to people's notice. The Government's officials, there is a code of conduct around various aspects but I am not sure in terms of the social media that I have seen anywhere where an official has broken the code. It has not been brought to my attention. Individuals obviously have their own social media accounts and we know that there have been colleagues who will post stuff in reference to their own personal set of circumstances. My opinion on all of that is less is more. But, notwithstanding that, you cannot stop people having a social network. But, as far as I am concerned, I do not think anything has been brought to my attention around social media for officers but that is where on a Government-operational basis we use social media, which is more around campaigns and promoting the work of Government.

Senator K.L. Moore:

Thank you. Perhaps if you could share with us the code of conduct, that might be helpful.

Chief Executive:

Yes, we will check that, yes.

Senator K.L. Moore:

Thank you. In a report in May of this year, the particular report is the *Arrangements for Freedom of Information in Jersey*, the Comptroller and Auditor General argued that better I.T. (information technology) systems were required in order to record them. What progress is being made in relation to that recommendation?

Assistant Chief Minister:

We are doing a programme of works to try and build, say, the foundations and currently we have got over 600 applications across the whole of the organisation. We are trying to bring things down, so you have got one customer's relation tool, we have got better information on our finances, where J.D. Edwards is kind of at the end of its life, better H.R. systems. We are putting in Windows 10 and Office 365. We are trying to get rid of the 600 applications that have multiple duplications and work in their own silos and just have one corporate digital programme, so you can see the life cycle of a customer about whether they have been speaking to Health or Social Security, all those, so we can provide a faster and better service to the customers and record the data in one place where we can get it easier.

Senator K.L. Moore:

Will that include freedom of information?

Assistant Chief Minister:

Yes.

Chief of Staff:

We have already started on freedom of informations because originally the departments recorded their own freedom of information differently, so we have now started to bring that together. We have a very small team of 3 sitting centrally as the hub and then they have a spoke of F.O.I. (freedom of information) champions. The systems are not talking to each other as well as we would like to yet but they are approaching the F.O.I. and recording in the similar way. We are now able to do reporting to management team and to C.S.B. (Corporate Strategy Board) on a monthly basis on the types of F.O.I.s we receive. How quickly we respond to them and the whole range of different issues around where we need to provide further support to departments, so they are getting more F.O.I.s in another

department. Clearly we are not there yet because the system is not in place that will be able to record it completely corporately. However, we have made quite a big step and I am able to report to the C. and A.G. (Comptroller and Auditor General) and to P.A.C. (Public Accounts Committee) on F.O.I. That will link into the tracker that we have put in place around C. and A.G. recommendations, so we can now start to compare centrally where we are in different departments on F.O.I.s and on C. and A.G. recommendations. Also, that links into the new complaints board system that we are just about to launch, which sits with C.L.S. (Customer and Local Services).

Senator K.L. Moore:

Thank you. Is there a timeline on completing that piece of work in relation, particularly, to freedom of information?

Chief of Staff:

For freedom of information, until we get the I.T. system in place there is not a timeline for that. But in terms of being able to make sure that we are reporting consistently right across the departments; that will be complete by the end of September.

Senator K.L. Moore:

Thank you. Is it still the case that some freedom of information requests are filtered by the Communications Unit?

Chief of Staff:

No, they are not filtered. What happens is if there are F.O.I.s that they think may have some media interest, then that would have an impact on Ministers. They are escalated to the comms team for that but not so that they can filter it at all.

The Chief Minister:

I think the point we are pointing out is they were never filtered in terms of ... I think occasionally they were looked at for grammar and punctuation but the content would never change, as I understand it.

Chief of Staff:

All of management team, all director generals get the list of F.O.I.s on a weekly basis now. Because sometimes an F.O.I. might be generated in one department, however, it has an impact on another department but that is purely so that they can see the breadth of what is coming in.

Senator K.L. Moore:

For awareness purposes.

Chief of Staff:

Yes.

Senator K.L. Moore:

Yes, okay. Thank you. We move on now to the States Employment Board.

The Connétable of St. Peter:

Yes, the States Employment Board. Chief Minister, the N.A.S.U.W.T. (National Association of Schoolmasters Union of Women Teachers) has rejected your pay offer and may undertake further strike action, what has been your response to this?

The Chief Minister:

We have corresponded with the N.A.S.U.W.T. We have had some very positive discussions. I am optimistic that sometime in the next few days, hopefully, I shall be able to say something with more substance than what I am saying at the moment and which will be positive.

The Connétable of St. Peter:

Do you believe you will have to present a new pay offer to them?

The Chief Minister:

No, not at this stage. As I said, I am expecting, on the basis of the discussions, which were mainly a clarification around the issue that they were concerned about, that we will be able to say something positive in the next few days. But I do not want to speculate too much because until I have got it and we co-ordinate matters, I am always concerned, as ever, to make sure that it is the outcome, in other words, getting everybody over the line is the most important thing, rather than putting things out in the public domain too early.

The Connétable of St. Peter:

What impact have the strikes and those revised pay offers had on the way that the Government Plan is being shaped? For instance, will you be allowing for cost of living increases over a 4-year rolling period?

The Chief Minister:

We have talked about that there is always now a provision put in the Government Plan for inflation but it goes back to that point of if we felt the offer was fair, which we did, in a whole variety of places and we have also sought to address long outstanding issues, workforce modernisation started 4 years ago and then, effectively, was rejected by all the unions. What we have done in the various

pay negotiations that have been taking place since I have been in charge and since I started leading in S.E.B. (States Employment Board) just before Christmas, is we have made progress in a whole of areas. But, as I have said, once we get out of the disputes and the negotiations have been ongoing and the balloting that is going on at the moment, I will try and do a full explanation to States Members as to what we have achieved doing that these last few months. They have been difficult, they have been tough but we have made quite a lot of progress.

The Connétable of St. Peter:

Will you be looking at lessons learnt from these events and the future ability of S.E.B. to negotiate with the unions and how they undertake that?

The Chief Minister:

I think I am very pleased with the stance that S.E.B. have taken in terms of we effectively agreed a strategy. We have given flexibility where we needed to. We have sought to address unfairness in wages, for example, particularly using nurses and midwives versus the civil service structures. Although, as I said, one gets lots of public comments from all sides when there is, shall we say, a strong negotiation happening or a dispute is happening, I think overall each time the outcomes have been achieved so far and I have been pleased with it. That may seem slightly odd possibly from your perspective but obviously if we consider that pretty well most pay groups now have either settled or are about to ballot to members or are balloting members on the most recent offers. But we have also managed to keep within the financial discipline that we are facing. If we had just gone down the line of a straight cost of living exercise, that would have been £9 million added to the deficit.

Deputy J.H. Perchard:

Has the working group established to you identify ... say where the efficiencies have been constituted yet?

The Chief Minister:

Can I hand that over to Chris because that is what ... ?

Director, Employment Relations and Organisation Design:

Yes, at the present moment the officers are just liaising with the unions. I think, to be fair, as the Constable pointed out a few moments ago, N.A.S.U.W.T. have yet to finalise on that, so I think slightly holding things up but they are in discussions about who is going to do what, when and how.

The Connétable of St. Peter:

Do you consider that non-Assembly members with experience of industrial negotiations could in future be members of S.E.B. or co-opted on to S.E.B.? Do you feel that that would be something that would improve their efficiency in the way they undertake negotiations?

The Chief Minister:

I would say that we have got a very, very good negotiating team and so I am not too sure and I have been very, very impressed with the advice we have been given, they have been receiving. But one has to remember that we have been through quite a range of issues, we have been addressing some very long outstanding points, not just up from the last 3 or 4 years but some that go back a long time. Chris, do you want to add anything to it?

Director, Employment Relations and Organisation Design:

Yes, just picking up your point about independent advice, I mean the board itself has an independent adviser, a lady called Beverley Shears, who is an ex-director general of the Ministry of Justice in H.R. She is an ex-deputy director of South West Trains and she is an experienced H.R. professional of well over 40 years standing. She has got that experience in dealing with difficult trade union negotiations in the railway industry.

The Chief Minister:

She is there specifically to advise the politicians.

Director, Employment Relations and Organisation Design:

Yes.

The Chief Minister:

She has been very supportive of every action we have taken.

Director, Employment Relations and Organisation Design:

Yes.

The Chief Minister:

Do you want to add anything around the team itself?

Director, Employment Relations and Organisation Design:

I think the team ...

The Chief Minister:

Perhaps excluding yourself.

Director, Employment Relations and Organisation Design:

The way the teams worked, yes, obviously there is a very well respected internal individual and a very experienced external individual and together as a team I think they have worked incredibly well with the trade unions to achieve what is a very complex set of negotiations.

The Chief Minister:

It has been absolutely continuous, so there have been discussions and phone calls over the weekends; we have had discussions and conference calls when they have been away on annual leave. That has continued all the way through and we have been very, very focused in ensuring that that communication and that discussion with all parties has been happening all the way down the line, irrespective of some of the public comments that have been made.

The Connétable of St. Peter:

You stated in the Assembly that Ministers and Assistant Ministers would have been sacked if they had voted for the proposed no-confidence motion, was this appropriate, given the absence of collective responsibility?

The Chief Minister:

May I ask what the relevance to the S.E.B. is for that one?

The Connétable of St. Peter:

It was a vote of no confidence in the S.E.B.

The Chief Minister:

I see.

The Connétable of St. Peter:

I believe it was relevant.

The Chief Minister:

I think the point was is that there is always room, and I made it very clear, for disagreement and sometimes that will go to the Assembly and that is where the ultimate decision is made. A vote of no confidence is another degree, it is basic crossing the line, where, essentially, if a Minister or Assistant Minister were to vote for it it means I have no confidence in the colleagues I am working round the table with. From that point of view that would not be acceptable from my perspective and that was certainly accepted at Council of Ministers at that point or at least understood, shall we say.

The Connétable of St. Peter:

Is the Chief Minister aware that as a result of the dispute between S.E.B., the unions, the teachers, a number of parents are threatening to withhold a percentage of payment to their school fees?

The Chief Minister:

Yes.

The Connétable of St. Peter:

Do you think morally that we should look at that because we have not paid the teachers during the dispute but we are telling parents that they have to pay for days when there is no education for their children?

The Chief Minister:

I am wondering if I want to comment while we still have a union that has not formally made any declarations. Because I would like to comment but I do not ...

Director, Employment Relations and Organisation Design:

I think as the Chief Minister pointed out a few minutes ago, we are still in negotiations and I think anything that might be considered just ... we would not want anything to derail anything in the last minute, would we?

The Chief Minister:

But I will say we have had some advice that says that we are not legally responsible for that. It is deemed the equivalent in disruption, as, for the sake of argument, a series of snow days or bad weather days or whatever.

The Connétable of St. Peter:

Yes, I have seen that and it is strange that you are not commenting because in fact the director general of the area concerned has sent a letter to a parent, who has handed me this letter at lunchtime, giving the justifications why they do not think they should. Morally, do you not think there is a case here?

The Chief Minister:

I would like to comment once we are out of the dispute, hopefully we will be with the other union.

The Connétable of St. Peter:

But the thing is your director general has already commented, I mean he has given his reasons why he does not believe you should consider it.

[16:00]

Firstly, perhaps you could comment on it, it is top of his list. The first page of the letter, the letter is a page and a half, the first page is irrelevant to why; it just gives a brief history of the dispute ...

The Chief Minister:

I suspect he gives a breakdown of disputes ...

The Connétable of St. Peter:

Yes. Then, firstly, top of the list, I would make 3 points: "Should the matter be tested, the parallels with the English statutory position with respect to rebate in respect of university tuition are not replicated in Jersey." I can understand that but really can we justify that? Would you not agree it is an issue you should look at?

The Chief Minister:

I think the short answer is I am just reluctant to express a political view at this stage ...

The Connétable of St. Peter:

All right.

The Chief Minister:

... which I am very happy to give once the matter is closed.

The Connétable of St. Peter:

Okay.

The Chief Minister:

Because I have to raise very particular view on that matter. From a legal point of view, the advice is very clear, that we are not obliged and that the answer that is being given is being done from the accounting officer's perspective and they are bound by the law.

The Connétable of St. Peter:

Okay. That is fine. As a parent, I would have been somewhat upset by this letter. Would you really think that you should say: "Thirdly, any deduction to school fees will continue to show as unpaid fees on the relevant accounting ledger and may result in measures by treasury and executive to recover the debt and or referral to the school in the same manner as an overdue account for non-payment"?

So, in effect, we are threatening action against parents for something which I think morally we should be looking at.

The Chief Minister:

I am very happy to comment later, but what I am saying is that the letter will have been written from the accounting officer's point of view, which is the legal position.

Senator K.L. Moore:

With respect, Chief Minister, this is a side issue to the actual arguments that you have with the union. I think you should answer the question. This is about your performance as S.E.B. so far in this matter and not about your ongoing negotiations. This is about how you deal with parents and the families who have been affected.

The Chief Minister:

If I express a political view on this matter, what I do not want to do, in any shape or form, is prejudice the final outcomes of, what I am hoping, will be some positive news that we get in the next couple of days. That is my absolute line on this: it is about getting to the outcomes.

Senator K.L. Moore:

I think the Constable's question there was: did you think it was appropriate for somebody to be threatened with the debt receivers?

The Connétable of St. Peter:

Yes, is it appropriate to threaten parents?

The Chief Minister:

What I am saying is that the legal position ... there is no threatening there ...

The Connétable of St. Peter:

Well, there is.

The Chief Minister:

There is a statement that the legal position is that there is a debt that is due for the fees. That is the legal position, unless any other decision is made.

Chief Executive:

Perhaps I could just turn it around, Constable. There are certain obligations to accounting officers that they have to by law discharge. There will be questions raised to accounting officers on a number

of factors including this issue, where the accounting officer are not seen to discharge their responsibilities. You, as politicians and the Assembly, the Government Ministers, would be looking for some sort of justification. There is, in all of these situations, decisions that have to be made at a political level. There are also comments that have to be made about an accounting officer's statutory obligations. In the context of ... without having seen the letter or the correspondence discharging that responsibility it is important that that is laid out so there is no ambiguity about what the obligation is as the accounting officer. I accept that there is a fine line that that then goes into the other area, which the Chief Minister will comment on in his own time.

The Connétable of St. Peter:

Okay. Let us say, if you were a parent, would you have been disappointed or would you feel threatened by this letter? In effect, it is saying, if you do not pay up, we will take action.

Chief Executive:

If you were a parent, by way of example, who is behind on your school fees, you would still be faced with summary notification of the possible implications of that, whatever the outcome, whatever the justification, at some point. Therefore, we have an obligation. It may not be a particularly nice role that you discharge to ensure that you protect the public purse and deliver the legal requirements as an officer. I am not going to comment on the specific case, but that is a requirement as an accounting officer, which if you do not deliver you could, yourself, be subject to legal challenge.

The Connétable of St. Peter:

Would you be looking at taking these people to the Petty Debts Court, for instance?

Chief Executive:

I am not going to and cannot comment on the individual ...

The Connétable of St. Peter:

I think you should get a copy of this letter. I think you should consider whether it is appropriate.

The Chief Minister:

If you want to send us a copy, you might want to take their names off.

The Connétable of St. Peter:

They wish to remain anonymous. They did not know I was coming here today, which is interesting. They have asked me to pursue this. Obviously ...

The Chief Minister:

First, I am very happy to have online discussion and then comment publicly as and when it is appropriate. Secondly, if you wish to anonymise it and send us the contents, that is not a problem.

Deputy J.H. Perchard:

Chief Minister, you may also wish to consider commenting on the efforts of parents involving themselves in, what is essentially, an employer and employee situation; in contrast to my Constable. There is an element of holding the school to ransom and applying pressure there, that I just advance and urge you look at that side of it.

The Chief Minister:

Thank you very much.

Senator K.L. Moore:

Equally families have been charged with services that they have not received, such as transport and food costs that are paid for upfront. We could spend a long time on this today. We are going to move on now to talk about target operating models.

The Connétable of St. Martin:

Target operating models: what involvement and oversights have you had of the implementation of target operating models within your remit?

The Chief Minister:

In terms of structures, all target operating models go to S.E.B. They also go to Council of Ministers. They also come up to the Political Oversight Group that is in place. Then individually there has been, certainly on the 2 or 3 that spring to mind, quite a level of detail applied and going through their structures. To be clear, the target operating model is basically a name for restructuring of individual departments. It is around trying to avoid duplication. Charlie and Catherine can comment very specifically on what the objectives are. It is a fundamental part of the restructuring of the organisation. It is corporate terminology that is used in common practice. It is not just a jargon term that has been generated by one individual.

The Connétable of St. Martin:

How is political oversight managed for departments which do not have an obvious political link?

The Chief Minister:

Sorry in terms of ...?

The Connétable of St. Martin:

Is there any oversight for departments which are not linked to political insight ...

The Chief Minister:

All target operating models certainly come to S.E.B. I think they all come up to Council of Ministers.

Chief Executive:

All the reporting of the progress goes through a number of channels. One is obviously there are Ministers where there is a direct correlation. Some Ministers, such as the Chief Minister, will delegate aspects. So by way of example, the Deputy has responsibility for the modernisation digital component. Another Assistant Minister has responsibility for all the people services on behalf of the Chief Minister. The chief operating officer reports in more than one arena. All of the initial target operating models go through the States Employment Board. The progress is followed through the Political Oversight Group. Periodically, the Political Oversight Group reports through to the Council of Ministers. The Political Oversight Group was set up at the bequest of the Council of Ministers to be able to give more focus and scrutiny and challenge into some of the arrangements. We have talked about that to your panel at its meeting last week.

The Connétable of St. Martin:

Yes, you did. Is Customer and Local Services accountable to you or the Minister for Social Security?

The Chief Minister:

The Minister for Social Security who is restructuring that target operating model. As an example, that saved about net £400,000 a year. I hope this is a positive example of what the outcomes are that come through this process.

The Connétable of St. Martin:

I know that we went over the Political Oversight Group on Friday afternoon, but if you just remind us all, for the sake of this panel, who sits on the Political Oversight Group?

The Chief Minister:

I chair it. Lyndon Farnham is on it. Susie Pinel is on it. We have a member of the public, which is in public domain, is it not? Yes. It is Kevin Keene. David Johnson and Hugh Raymond are on it.

Deputy J.H. Perchard:

Just on the question of the Minister for Social Security, the Minister stated in a public hearing something along the lines of: "I do not do Customer and Local Services, I just do Social Security." It may have been a misstep on her part, but is there any distinction made between the function of her ministry and the rest of that department?

Chief Executive:

Yes. By way of example, the local services component, which comes under the management of the Customer and Local Services director general. Part of those activities are discharged through the Minister for Health and Social Services and the Minister for Children and Housing and obviously you will be aware that we have done some briefings to try and ensure that we talk to the Connétables, et cetera. In that sense, there will be some more thematic approaches which sit outside of a single Minister.

The Chief Minister:

An example is that the director general reports significantly to Judy Martin, the Minister for Social Security.

Senator K.L. Moore:

In the instance that there might be a number of Ministers being served by particular departments, what working practices have this Council of Ministers developed in order to best agree upon the priorities of that department jointly and to ensure that there is proper joined up work and oversight, for example in children and young people and skills?

The Chief Minister:

The example that did spring to mind was G.H.E. (Growth, Housing and Environment), which is the largest one. Politically what we have said is that we think the current operating model is out for consultation. We have indicated at Council of Ministers that as it is finalised we think that structure is a bit too big and there will need to be some stuff that needs to change in there. We have put that into the text on the consultation. There are some tweaks that will be happening around some of that structure. Also we have made it very clear, using that particular example, that we think the segregation duties, checks and balances territory, needs to be strengthened politically in that front.

Senator K.L. Moore:

My question was about joined-up thinking working and setting priorities rather than segregating duties.

The Chief Minister:

Yes, what I was talking about was just saying that if you use that as a particular example, that particular department is out to consultation and then there may be some changes in that territory. In terms of how the Ministers work, a lot of that is very much the responsibility of the D.G. (director general) to ensure things are co-ordinated properly. The issues are being served by different officers, who are then making sure things co-ordinate at the officer level.

Chief Executive:

A good example of where you are getting good thematic arrangements are through the Policy Development Board, so by way of example, the early years, led by the Minister for Education, involves the Minister for Children and Housing and the Minister for Health and Social Services. They are working with officers and advisers to generate a complete review of the way in which we deal with that at an integrated offer. In a similar way, there are Assistant Ministers that sit across more than one portfolio of activity. So you have within the children and young people, education and schools an Assistant Minister who has responsibility for further education and skills. They are also involved in Health and Social Security to get the joined-up link between supply for labour market supply issues, by way of example, training, development. So from a Social Security point of view, the Back to Work scheme and the links there. From a health point of view, what are we doing about long-term professional training?

[16:15]

They take an overview of that and work with 3 Ministers accordingly. So that is a good example. The work that has been done on the Government Plan has been done thematically. Ministers chair the individual work streams, but involve a cross section of Ministers from the Government to be able to deal with that. What you are getting is a much more joined-up approach, which goes across the whole of government, rather than up and down government. That is work in progress, but has been at the behest of the Chief Minister. One of the big advantages of using Assistant Ministers in that way has been able to provide the loop back to ensure that there is political oversight in various areas where there needs to be a more joined-up approach. So for health and physical well-being, you have a Minister who sits in the *Economic Development, Tourism, Sport and Culture* piece sitting as joint Minister. They are also leading on work around mental health. That has again provided some real clarity. Going back to your point about well-being, he has a particular view about how to take that forward. That is part of his view of how you create a much better and weller society here on the Island. That is through linking sport, mental health and health. He is involved in leading on those particular areas.

The Chief Minister:

That structuring was deliberately done at the time, but it was some time ago.

Senator K.L. Moore:

Thank you. I presume some of that crossover is so that Ministers do not experience surprises when another Minister announces a strategy in their area and they were not aware of it, for example.

The Chief Minister:

That should also be the intention. I am sure there will sometimes be areas which fall through loops and that is what we have to deal with under the constraints of the system.

Senator K.L. Moore:

Then I can return to my initial question, which was about the working practices that the Council of Ministers have developed among themselves to ensure that they priorities within a department structure, so that they are not fighting for attention, as the case may be.

The Chief Minister:

I think you will find that overall where there are issues between individual Ministers, if there is a conflict, either they resolve it between themselves or they will bring it up to me to resolve or come to the Council of Ministers to resolve. That is a process thus far that seems to be working okay.

Senator K.L. Moore:

You have had some of those conversations then.

The Chief Minister:

I think you will always have some conversations when one thing may be happening that may be causing an issue in another area. That is how you address it. That is human nature at times.

Senator K.L. Moore:

Okay. We would like to move on now and ask some questions that have been put to us by members of the public. I will kick off. Julie asks: "We are the sunniest place in the British Isles, we should be harnessing all that free energy by increased use of solar panels. Many people are ready and willing to have solar panels installed on their properties, but they are not able to afford them. Why are there no incentives or subsidies for this?"

The Chief Minister:

Speaking as somebody who does have solar panels on our house, I tend to agree. That will come out as a matter for the Minister for the Environment. I would hope that would come out of the climate change work that we are looking at. I will not prejudge incentives that will be coming through, because we very much rely on the advice of officers as to what is the most environmentally beneficial way of dealing with this.

Deputy S.M. Ahier:

Another member of the public asks: "What incentives are there in place to encourage people to purchase all electric vehicles?" Obviously in France, for example, they give a €4,000 subsidy if you hand in your petrol or diesel car and replace it with an electric car.

The Chief Minister:

Transport is not my speciality. From memory, I believe, charging points in the various car parks, I believe are free, if I am looking at the right chart.

Senator K.L. Moore:

A member of the public has to pay the J.E.C. (Jersey Electric Company) £10 a month.

The Chief Minister:

Okay. You are far more informed than I am on that front, because I am working from memory on that point. In terms of, again, as I said, that would be a matter for both the Minister for the Environment and the Minister for Infrastructure. Obviously, it is not motor vehicles, but there is the e-bike scheme. There is the intention to role that out again.

Assistant Chief Minister

One thing we do in Planning, when we get planning applications, is try and put obligations, when there are big developments, to make sure they have either got the trunking underneath in the car park or they have the electric charging. So we kind of try and incentivise by putting the base things that we need for electric cars into new developments.

The Chief Minister:

Bearing in mind the plan that is going to be done by the end of this year ... the point I was trying to make is that the environmental officers, who are very talented in this area, will offer the right advice as to what gets the most environmental benefit for the pound spent. If they come back and say a subsidy scheme is the best way forward, then obviously we will be listening and considering that advice. If they turn round and say: "For an environmental impact you should be doing X rather than Y." Then obviously that would be the technical discussion and advice that will be brought to the Council of Ministers at that point.

Senator K.L. Moore:

Following up on the Deputy's last answer: would the Deputy be able to confirm to us whether or not there is a policy that there will be no new car parking areas created?

Assistant Chief Minister

It is not a policy but it is best practice is what we do with the Planning Department. Where there is a large development with a car park underneath, it is not generally on small developments, we ask them to put in areas for electric bikes and electric charging. So it is not a policy itself, but it is just best practice on using planning obligations through the department.

Deputy J.H. Perchard:

Is there any intention to prevent building new commuter car parks for CO2 emitting vehicles?

Assistant Chief Minister

That is something that we could deal with in the Island Plan, but that is under consultation.

The Connétable of St. Martin:

Lynn has asked: "Jersey produces 14,000 tonnes of food waste. Jersey has an incinerator 3 times bigger than it needs to be. Food waste is fed into the incinerator producing thousands of tonnes of unnecessary CO2 when it can be digested aerobically and made into compost. Farmed generatively would add much needed carbon back into Jersey soil." He continues: "It seems like the public are embracing the climate emergency we find ourselves in, while the Government in Jersey are green washing themselves around the problem. Under the Chief Minister's leadership, will this change?"

The Chief Minister:

Interesting. Two comments. One is again from the environmental point of view. I will bow to the advice from the officers as and when this plan comes forward. What I can say on the food waste side, certainly when food waste was originally mooted and it was about putting it back on to the land, this was at least 9 or 10 years ago, there were issues at the time and there were differing opinions around this as to whether the supermarkets, who bought the agricultural products ... that the food waste grown on that land might have some issues. What I will say is that certainly there is a proof of concept done at the boat show recently. Somebody waved the output under my nose about 4 weeks ago. I do not know scientifically, so from a layman's point of view, it looked like something we should be encouraging, but I will very much bow to the scientific advice on that matter. If it says it is good, absolutely no problem.

The Connétable of St. Peter:

There was a 2-month trial done at the airport. They used a digester up there. I do not know what the outcome was.

The Chief Minister:

That is the one.

The Connétable of St. Peter:

I do not know what the output of ...

The Chief Minister:

It smelled very strongly of coffee is all I can remember. From the layman's point of view it seemed good. We just have to see if scientifically it is the right thing to be doing.

Assistant Chief Minister

We can talk to the Constables about their Parishes and what they would like to do to help as well.

The Connétable of St. Peter:

From David regarding the traffic: "What is the Chief Minister going to do about the increasing traffic problem? Has he any intention of introducing some radical restrictions on vehicle size and ownership?"

The Chief Minister:

That is an interesting one. Again, a lot of them are environmental. That comes back down to the point about: let us see what the plan comes up with towards the end of the year. If you can incentivise people to move away from their cars and get on to public transport itself, and that seems to be the way to go, then absolutely one would go down that route. In terms of car ownership versus car usage, I have always as an individual been move in favour of reducing car usage. At the end of the day, it does not matter how many cars you own, you can only drive one at a time. There may be some environmental arguments which says we should only have so many cars. My preference would be deal with car usage. Do you start trying to limit ownership in terms of when people first come on to the Island? That might be quite an interesting political discussion to have closer to the time, shall we say.

Deputy J.H. Perchard:

Have you considered a congestion charge?

The Chief Minister:

There has been some discussion around a congestion charge. I am not sighted on where that goes. I know the officers in transport have raised it and mentioned it over the last couple of months. Where that goes, again, let us see when the environment plan comes out. Let us see exactly what we are trying to achieve. At the end of the day, do not forget we are a small island and we obviously have to make sure that we do want to keep St. Helier economically active. If there was any view or threat that a congestion charge would just add to the hassle for people coming in, there is always the fuss around parking and things like that, we just have to be slightly careful around that front.

Deputy J.H. Perchard:

I do not think reducing the cars on the road correlates with a decline in economic activity in St. Helier. Do you have any evidence to support that?

The Chief Minister:

As of now, no. I pause, because I know there was a study done within what was then T.T.S. (Transport and Technical Services) some 4 or 5 years ago. What I do know is that when there have been restrictions on things like parking and stuff done like that in town, which obviously is a question of vehicles being able to come into town, I do believe that representatives of town traders do raise concerns. In other words, if people are not able to come in easily that they will see a decline in their overall business and encourage more people to shop online.

Assistant Chief Minister

I do believe that the Economic Development Department is doing a retail strategy that will feed into information about parking and transport.

Deputy J.H. Perchard:

Obviously the solution is not necessarily can all cars stay off the road, but can we improve the bus service or encourage public transport use.

Assistant Chief Minister

I would hope to see that in the retail strategy and that it will have more information in that area.

The Connétable of St. Martin:

We have one last question. This is from Mrs L. She says that she met somebody recently who moved from the U.K. to take a Jersey job in a sector with severe shortages. They are now being downgraded and thinking about going back to the U.K. She says this leaves Jersey with a bad reputation among their profession.

Deputy J.H. Perchard:

I guess the question is: is that a typical ...?

The Chief Minister:

I generally cannot comment on an individual's circumstances and it is very much operational. Charlie, is there anything ...?

Chief Executive:

I cannot comment on something without knowing more detail. If someone has been recruited and they have been downgraded, you are recruited to a government job, not OneGov job. It could be that the job they were recruited to was a teacher or a nurse and there would have been some changes. I genuinely do not know what may or may not have been behind the particular post.

The Chief Minister:

It seems slightly odd, that timeframe ...

Chief Executive:

I can always look at it. Certainly what we do not want to do is to create an environment where reputationally the Island is damaged. That would be regrettable.

Deputy J.H. Perchard:

Thank you.

Senator K.L. Moore:

Thank you all for your answers. We are going to call a halt to this part of the hearing, so that those of you who are leaving can leave. We will call you back in shortly for the continuation.

[16:29]