



Corporate Services Scrutiny Panel

Quarterly Review Hearing

Witness: The Chief Minister

Tuesday, 3rd December 2019

Panel:

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

Witnesses:

Senator J.A.N. Le Fondré - The Chief Minister
Connétable C.H. Taylor of St. John - Assistant Chief Minister 1
Connétable R.A. Buchanan of St. Ouen - Assistant Chief Minister 2
Mr. C. Parker - Chief Executive Officer
Mr. R. Bell - Treasurer of the States
Mr. N. Stocks - Policy Principal, Immigration and Migration Policy
Mr. J. Donovan - Strategic Director, Employment Relations
Mr M. Grimley - Group Director, People and Corporate Services

[10:30]

Senator K.L. Moore (Chair):

I draw attention to the witness notice, which covers the parliamentary privilege. I am sure you are aware and understand that. If we could ask that answers be as concise as possible we would be most grateful so that we can get through the questions that we do have for you. We also ask that

there are no interruptions from the public and all electronic devices are on silent. Accredited media, I do not think there are any, are allowed to film for the first 5 minutes but we shall not worry about that today. As you all know, the webcast will be broadcast live and it will be available afterwards on our website. All those present and participating should introduce themselves with their professional title at the beginning of the hearing so we will start with that, shall we? I am Senator Kristina Moore and I am the Chair of the Corporate Services Panel.

Connétable K. Shenton-Stone of St. Martin:

I am Constable Karen Shenton-Stone and I am a member of the Corporate Services Panel.

Connétable R. Vibert of St. Peter:

Constable Richard Vibert, member of the Corporate Services Scrutiny Panel.

Deputy J.H. Perchard of St. Saviour:

Deputy Jess Perchard, member of the panel.

Deputy S.M. Ahier of St. Helier (Vice Chair):

Deputy Steve Ahier, Vice Chair.

The Chief Minister:

Senator John Le Fondré, Chief Minister.

Connétable C.H. Taylor of St. John, Assistant Chief Minister 1:

Constable Chris Taylor, Assistant Chief Minister.

Connétable R.A. Buchanan of St. Ouen, Assistant Chief Minister 2:

Richard Buchanan, Assistant Chief Minister.

Chief Executive Officer:

Charlie Parker, Chief Executive.

Treasurer of the States:

Richard Bell, Treasurer.

Senator K.L. Moore:

Thank you, gentlemen. I should also mention that we have some new microphones in this room so please do not feel the need to adjust them, they are very sensitive and have been set carefully so that they will pick up the sound well from everybody who speaks. So do not worry about them and

resist that temptation, if you can. So we will kick off obviously with the Government Plan, which was agreed yesterday, Chief Minister. Congratulations. Today, as the public reflects upon the Government Plan, how do you feel it will impact upon the cost of living in the Island?

The Chief Minister:

I am very pleased with the outcome as we have had a very good few days of debate and obviously, as I said, I am very, very pleased with the outcome. I think it was 43, 2, 2, which is, I think, a very good result. In terms of impact on Islanders, I believe that from the provision and improvement of services, for example in mental health and children's and all those type of other areas hopefully over the next year members of the public will start seeing improvements and the crucial investment we need to make into them. In terms of the impact on Islanders from a standard of living, that should improve matters. In terms of the financial impact, which I think is what you might be alluding to, I go back to the point that in terms of the revenue rate, the measures that fund part of the Government Plan in terms of the impôt, you know the fuel duty, all that type of territory, broadly speaking, they are, in terms of the plan, a relatively neutral - because we must not forget the fact that tax allowances are going up as well, so it will depend on individual's spending habits and their individual circumstances, but on balance I would hope that ... well, as we said, on balance the measures overall are neutral and if, for example, one does not smoke or one does not ... depending on how much alcohol one consumes or how much one drives, I would hope that members of the public will realise that they are not quite as impacted as perhaps the media might have held out to be the case.

Senator K.L. Moore:

How will you demonstrate the delivery of the outcomes of projects that are outlined in the Government Plan? You have mentioned the £80 million of investment in services.

The Chief Minister:

Overall, over the course of the plan we will see more than that in the period but for next year there are obviously a whole number of measures in the plan. That was quite deliberate. I think C.I.P.F.A. (Chartered Institute of Public Finance and Accountancy) commented on it as well and I think I will hand over to Charlie, who might want to comment on ...

Senator K.L. Moore:

I think the question is, though, how will they be monitored because the measures as printed in the Government Plan are ... there is nothing to measure, they are simply statements and it is not clear what direction of travel is intended even. So what we are interested to know is how they will be monitored and measured going forward.

Chief Executive Officer:

I think there has been a commitment made that there will be throughout the year regular link back to the performance of individual departments with the new performance framework that has been agreed. So if you go through the Government Plan there is, for the first time, an outcomes framework which is linked to that which talks about measuring services and departmental effectiveness against the Government Plan initiatives that they have responsibility for.

Senator K.L. Moore:

Could you point us to that framework, because I am not entirely sure what you mean? If we look at one of the themes, there is a measures section but as we mentioned in the initial question, there is nothing to indicate the direction of travel or how they will ...

Chief Executive Officer:

So if you read I think it is section 3 on page 20, we talk about the fact that we are preparing this outcomes framework and the indicators. The departmental business plans that have also now been published some weeks ago are the more detailed areas in which you will be able to see the relationship between the high level Government Plan initiatives and then the departmental responsibilities that follow, which are either at service level or, depending on if they are cross cutting themes, they will be shared across more than one service. That would be a key part of the golden thread from the strategic ambition laid out in the C.S.P. (Common Strategic Policy) right the way down through the Government Plan into the service departments. The second bit is, as part of that monitoring arrangement for the Council of Ministers, that they will see on a regular basis and inform individual Ministers, which will be rolled out in 2020. Then the third component of that is the regular report back that we will do twice a year to the Assembly, which will give an update as to what we are doing, both around efficiencies and the general targets for the Government Plan. The ambition will be, albeit that it is an ambition at this stage, that in the refresh of the Government Plan next year we will bring a progress report on the nature of how the current programme of activity is doing.

Senator K.L. Moore:

Thank you. When you say that there will be regular reporting to Ministers, how regular will that be?

Chief Executive Officer:

The framework that we have put in place will see a quarterly report back to Ministers, which will be rolled from 2020. So we expect them to see it as a Council of Ministers on that basis. I would expect the individual Ministers though to be seeing performance monitoring on a more regular basis and clearly that is for the Minister to determine as to how regular or at what stage the individual initiative is at. By way of example, if something is geared up to go pretty quickly in 2020 then you would expect to have a regular, I think, update but if something is backloaded in 2020 it might not be as frequent.

Senator K.L. Moore:

When will we see the framework?

Chief Executive Officer:

The performance framework that we talked about, we have previously tried to arrange for a presentation to yourselves and P.A.C. (Public Accounts Committee) around that. We will do that so that you will get an early sight of the framework that we are proposing. The Council of Ministers have it on their agenda tomorrow to finalise and it will come to you after that.

Senator K.L. Moore:

Thank you.

The Connétable of St. Martin:

It was mentioned in the Assembly and on Radio Jersey this morning about the disconnect between Scrutiny and Ministerial Government. What measures will you take to improve upon this for the next Government Plan?

The Chief Minister:

I think what would be helpful, and I am going to be making the comment at Council of Ministers tomorrow as well, is for ... I was going to suggest at ministerial level we just reflect, while it is still fresh in their minds, as to what improvements need to be made. I think it would be helpful from my point of view if perhaps Scrutiny could do similar, in other words, what would you like to see, where do you feel ... take out all of the politics, if that makes sense, and coherently say: "Right, this is where we think the fundamentals went wrong" and we will see what we can do to address them. Certainly from our perspective, and I think we have been very clear, we know the timing needs to be looked at in terms of when items are presented. So I believe the intention is certainly - and I believe the aim, as in it will happen - next time that everything will be lodged at the same time, it will not come out in dribs and drabs. So you will therefore have the entire documentation together on the day of lodging. It will be not a light read I suggest.

The Connétable of St. Martin:

Thank you, we will look forward to working with you to improve on things.

The Chief Minister:

If it is possible then coherently, whether it is through the Scrutiny Committee or whether it is through corporate, to bring some succinct remarks back: "This is what think logistically wise we need." That

would be quite helpful. If it could be suggested while it is fresh in all of our minds and I will be doing the same with the ministerial side.

The Connétable of St. Martin:

I am sure we will do that, thank you. Given that many amendments to the Government Plan were described by your Ministers and Assistant Ministers, as well as yourself, as being supported in principle do you intend to allow these amendments to influence policy development and funding for the next Government Plan?

The Chief Minister:

That is interesting. It is less than one day after the vote essentially, so let us have a look ... so some of the ones we know we have said we would look at and there are some we have agreed, yes, in principle. Deputy Doublet's for example, Deputy Gardiner's we have partially accepted or worked on and I think Deputy Ward's in terms of getting the information. That is just 3 straight off the top of my head. We will be doing what we said we will do on those. For example, Deputy Doublet, the new head of midwifery is starting next week, imminently, and the first piece of work, I believe, on her list is to look at the requirements and then that will no doubt have an impact on potential spend in 2020 but also then in the future Government Plan as well.

The Connétable of St. Martin:

We have already slightly touched on this question but how will the preparation of the 2021 Government Plan be different and improve upon the preparation of this one?

The Chief Minister:

I think I will just refer you to my previous answer, if that is okay. Unless Charlie wants to add anything.

Chief Executive Officer:

Just one thing though, it is worth remembering the Government Plan in its next iteration will not be the same huge significant document because, of course it sets a framework. It is where it tweaks and adjusts or it takes account of policy development. I think some of what was originally in the Chief Minister's thinking was it becomes more iterative as you go through the period of the Government's administration. So in that sense more collaboration, more understanding about where and how things get updated fiscally because there is clearly still some implications which potentially could come from, for example, Brexit. Or if it is around policy development or if it is around where it is necessary to make some adjustments to expenditure commitments because of the timing in which things come about. So housing was referenced in the Assembly as a good example of where it is clear that there will be more investment in housing as things go on, climate change. But these things

have to be agreed. So the climate change policy is coming to the Assembly, in a very short period it will be lodged, and that will then require us to take account of the discussions that take place in that sense. I genuinely think it will be a slightly different type of discussion that will take place from 2020's lodging through to the period of the Government Plan, notwithstanding everybody will obviously have their views.

The Chief Minister:

I suppose in addition to that there is what I call the section 9 bit, which is other pieces of work that we are going to be doing hopefully in 2020 which are, again ... some of them are long term but have some potentially for some long-term savings as well.

Senator K.L. Moore:

Do you accept that greater emphasis and consideration needs to be given by Government officials as to the timing of certain pieces of work in the run up to the Government Plan? For example, Housing and the Policy Development Board, the fact that their strategy is going to be brought forward in a matter of weeks in quarter 1 of next year, yet it will not be able to influence a budget until the next Government Plan and that budget appears in 2021. Housing is one of the greatest issues facing the public so that strategy should have been delivered prior to the Government Plan so the Government can take action in 2020. Do you recognise that and will you work towards better aligning the timing of strategies with the Government Plan and funding streams in future?

[10:45]

The Chief Minister:

I suppose the short answer is we will endeavour to. The longer answer is we know, and as I said in the Assembly, there are very clearly 2 areas, one of which we will get on to later, which is migration but migration and housing we know have been complicated issues to deal with. So I would rather make sure we get it right rather than just trying to fit in. That is why we have not been trying it in to something that was lodged in July, which is kind of the issue we had. But having said all that, you know, we do have some funding for pilot projects and things like that and also delivery of housing units is still continuing and will continue. Just because there may be different schemes that come through in different decisions, it does not mean we are not going to be doing anything in 2020. As I said, depending on the outcome, and I do not know the outcome of what the Housing Policy Development Board is going to be coming forward with ...

Senator K.L. Moore:

Well, you know enough to have attributed £10 million to its budget for 2021. The point is why is it impossible to bring that work forward, because nothing is funded for housing in 2020 other than the

ongoing work that was in place with the previous Government. Your Government has been here now for 18 months and yet is not going to deliver any additional funding for this really important area that affects Islanders' lives until 2021, the year before the next election.

The Chief Minister:

The point of the £10 million that was put aside was very much a provision in anticipation of whatever comes out from the Housing Policy Development Board. As we said, there is some funding there already for things like pilot schemes, and I think it was £1 million in there and some of that will no doubt be utilised. As I said, it will depend what comes out of it and whether it is a funding exercise, whether it requires government funding or whether it is putting separate schemes in place of some other description. On the basis that we have to wait and see until that board comes together, I think we will be okay and I think we will be able to put some measures in place next year to assist people with housing.

Chief Executive Officer:

Of course there is, as a result in the changes in the Public Finances (Jersey) Law the option to be able to amend the Government Plan for major initiatives and that flexibility was deliberately put in there to take account of things that would be developed potentially and then come on stream. I would envisage that housing might be categorised as something that would be eligible under that but notwithstanding that it clearly is a decision for the Minister and for the Council of Ministers.

Senator K.L. Moore:

Under which article of the Public Finance (Jersey) Law would that occur?

Treasurer of the States:

Of all the documentation I did bring with me, I did not bring the Public Finances (Jersey) Law with me.

Senator K.L. Moore:

I have a copy. Obviously that is unamended, that was the proposition that went to the Assembly so there are some slight changes there but I think you need either Article 15 or 18, I would imagine.

Treasurer of the States:

No, 15 and 18 are within the approvals of the Government Plan as opposed to amendments to an agreement. I will come back to you.

Senator K.L. Moore:

All right, thank you. So shall we move to efficiencies while we are waiting for the judge to give his deliberations.

The Connétable of St. Peter:

Right, and after the last week I did not think there was anything else we could say about efficiencies but there you are.

The Chief Minister:

I was of the same view. Obviously that has been proven wrong.

The Connétable of St. Peter:

Chief Minister, on the radio this morning you said there was a risk that you would not be able to achieve all the efficiencies. Do you have a contingency plan should that come about?

The Chief Minister:

Right, so just to clarify what I thought I was saying on the radio was that the whole thing we know is a plan, the efficiencies is part of a plan and what I was alluding to is that in my view there will be overs and there will be unders. There will some efficiencies that would deliver more than we are expecting and there will almost certainly be some efficiencies that might deliver less than we are expecting. I am not going to say who, what, where and when because obviously we want to make sure that people do keep focus on achieving what they have to achieve. But, overall, the target is still to achieve a £40 million set of efficiencies, set of savings for 2020. Now, the position that was agreed by the Council of Ministers is that either the Ministers support the efficiencies that were proposed or they find an alternative, or we look at the reprofiling within the growth spend that has been put into that department. So one way or another one can achieve and get over that hurdle. Overall, as I said, we are not talking relatively significant parts of the plan that are still have a slight question mark against them. Obviously the parking will be one of them. As I said, you, I think, are tasked with reviewing this every 6 months so you will be able to see where we are in 6 months' time as to how well we are doing. I do know that some of the savings are already being achieved, because obviously of them have been implemented during the course of this year.

The Connétable of St. Peter:

One fairly significant efficiency, there is already doubt, the Minister for Education does not believe that she will achieve £1.8 million of the efficiencies. How do you plan to manage this?

The Chief Minister:

As I said, I call it plan A, B, C, so plan A was going with what was being proposed. Now, on that side, so education were faced with about 3.6 I think, off the top of my head, and obviously Senator

Vallois is still challenging around 1.7, 1.8. I have a discussion with her, I think it is, next week just to see ... just to identify exactly where her concerns lie. Part of that is around she does not feel yet she has had the information from her officers to give her the confidence that they are achievable. It then falls down to are there alternatives within the department to achieve a similar sort of amount and, if not, then within the gross spend can that be reprofiled to essentially get it across the line. In terms of the growth spend, it is very clear that if certain things are delayed then that does mean that expenditure would not be at the ... sorry, one would spend sufficiently less to achieve the efficiency of the amount that is in question.

The Connétable of St. Peter:

Thank you. I think we have touched on the Scrutiny Liaison Panel but how do you intend to work with the Scrutiny Liaison Committee to ensure that the efficiency programme is properly scrutinised?

The Chief Minister:

I was going to say I would hope that we will working quite closely together but, as I understand matters, that is going to have to be reviewed every 6 months, that came out of P.88 and so I am presuming you will be liaising with us as to what your plans are and what your requirements are going to be.

Senator K.L. Moore:

Deputy Southern will, I think. When he joins Scrutiny.

The Chief Minister:

Then from there onwards we will work accordingly.

The Connétable of St. Peter:

Finally, what work have you done so far in identifying the efficiencies for 2021? **[Laughter]**.

The Chief Minister:

That is funny because I did speak my officer who is saying they are already talking about that.

Chief Executive Officer:

For some time now we have been ... as you know if you look at the efficiencies plan there is a framework for 2021 and beyond, we have started the work where we brought director generals together with cross representation from different departments for overseeing the next phase of efficiencies in those categories. One of the biggest ones that it is in addition to the 4 groupings that we previously highlighted, is that whole area around prevention, which takes account of everything from early years on support for children and young people, right the way through to the care model

and how and what we might do to avoid people getting into long-term conditions which require very expensive solutions. That work is in train. In fact I am not in the meeting that I would have been at this normal point in the week where this is on the agenda and the first major report back of that early work is expected. Again, that will be taken through to the Council of Ministers starting in early 2020 with individual Ministers obviously being sighted on that. So work is under way, I have no illusion that there is a lot to do. Some of the work will obviously be starting in 2021 but will impact in 2022 and then we have obviously made reference, I think, in various Scrutiny hearings the other expectation is some of the I.T. (information technology) improvements we need 2 years to bring the I.T. systems in. You will see the benefit of that by 2023, for example. Again, we are already planning some of that. There is ongoing work taking place at the moment.

The Connétable of St. Peter:

Thank you very much.

Senator K.L. Moore:

Chief Minister, when you mentioned plan A, B and C, what is your plan B for replacing the efficiencies that you were planning for in relation to the car parking charges, for example?

The Chief Minister:

So what we said was that plan B was for the Ministers or Minister to find alternatives and then obviously that will be raised at C.O.M. (Council of Ministers) as and when that comes through. On the basis that parking did not go through yesterday I have not yet had the conversation with the Minister for Infrastructure but we will be having that discussion at some point. I think the point I would make on that is that I think we need to go back and just understand the views of Members because some Members were of the view that the measures were not radical enough for them to support because they wanted to see the link into climate change and all that type of stuff. So I think, yes, the Sustainable Transport Policy is coming to C.O.M. tomorrow, to Council of Ministers tomorrow, and we will have a look at that and see what the measures are that come through. So it is perfectly possible that a good part of that funding side may be recouped through whatever the S.T.P. (Sustainable Transport Policy) comes through. However, I rather also suspect that any revenue measures made, part of which at least will have to be going to the Climate Emergency Fund, I am sure. That seems to be an obvious area and it may well be that States turn around and say: "Well, we need to do the following measures if we are going to achieve the reduction in congestion that we are looking for" and then that will obviously come back to the Assembly. So I think there is some flexibility in that area during the course of next year because we know the S.T.P. is going to be coming back through and then we will if the measures are adequate enough for Members or not.

Deputy J.H. Perchard:

I think the thing that Members were concerned about with that is not just about being radical for the sake of being radical, it is the fact that there was no evidence to suggest that behavioural change would ensure as a result of the policy. I think that is the takeaway really for the Council of Ministers to consider is where is the impact assessment and where is the evidence to suggest that people will change behaviour ... will not drive as a result of your policy. That was the problem for Members with the parking charge.

The Chief Minister:

I think part of it as well, the point we were saying, was that it was a first step in itself. That was it.

Deputy J.H. Perchard:

To changing behaviour?

The Chief Minister:

It was sending a message around where we were likely to go and to start sending a message around changing behaviour.

Senator K.L. Moore:

There has been some level of questioning with the Treasury team in relation to tobacco duty, for example, and it has been widely reported that there has been a significant decline in tobacco duty collected in the past year as a result of the public changing behaviours. Could this not be a similar area whereby the public are ahead of the Government in terms of responding to their own views and feelings in relation to congestion and also climate change and the impact of pollution? Therefore, what I am trying to describe is that if the public continue on the trajectory that they are whereby you see many people already of their own volition choosing to cycle, walk or run to work instead of driving, your car park revenues could fall as a result of that change of behaviour, that people are making of their own volition. Therefore you need to be finding other ways of raising revenue.

The Chief Minister:

That is a fair comment. We are not at that point yet and to an extent that would be a better news ...

Senator K.L. Moore:

But will that be addressed in the Sustainably Transport Policy?

The Chief Minister:

... story I would suggest, or a better type of problem to have to deal with. Two comments: one is I do not know what is in the S.T.P. because I have not looked at it yet and, 2, if one stands back and

again goes back to comments in the Government Plan, we are going to have to face the issue on fuel duty, for example, and that is clearly identified in the plan, then we are going to have to find an alternative because one knows, and that is one of the reasons we were putting the measures up. If you are going to try and start changing behaviour we are seeing, I believe, a decline in fuel duty - I will hand over to the Treasurer shortly - and we believe that is due to either more efficient cars or the switch to hybrids and all that type of thing. So we know there we are going to have to do something. My view would be we do it, whatever the measure is that replaces it, that we just then bring it in over, say, 5 years or something and just slowly ratchet it up. But that is my personal view. I do not know if the Treasurer wants to add to that?

[11:00]

Treasurer of the States:

We had previously identified before the climate emergency was declared that we would see it peel off over the long run in terms of fuel duties and we had started to think about what replacements may be. In the meantime a climate emergency was declared and therefore if we are to achieve carbon neutrality by 2030 that all will be much more dramatic. We will have to look at replacement revenue streams simply to balance the books in this regard.

Senator K.L. Moore:

Going back to the political arguments around this, Chief Minister, one of the reasons the Environment and Infrastructure Scrutiny Panel tried to amend the fuel duty was due to the regressive nature of imposing 6p on a litre of fuel which is going to hit those on lower incomes harder than those who have the ability to make alternative arrangements, say, to invest in an electric vehicle or something which may not be an option for some people who are locked into paying increasing fuel charges.

The Chief Minister:

I did not really want to rehash the debates from last week because obviously the Assembly has made a decision on that.

Senator K.L. Moore:

But the question is what political consideration was given to that and did you not understand that point that was being made by the Scrutiny Panel?

The Chief Minister:

No, it is not a case of not understanding it, I think the point was that the overall measures that we put in place, certainly for taxpayers are that the tax allowances have been increased and basically

offset the revenue that has been raised from all the impôt and all of the fuel duties. But also in that is going to be the decision that is going to come through in the discussion around the climate emergency debate is the difference between impacts on individuals and the desire to lower the carbon. To an extent, are the 2 mutually exclusive or do they overlap? I think we say they overlap but at what point do you have to see that change in behaviour. Again, we make the point that fuel duty was a first step and also I think the other one, which was the argument, is that the differential in fuel prices was something like ... it as more than 12p. I think the top end was £1.30 a litre and the bottom end £1.12? Something along those lines. So in other words the differential between garages on the Island was far more than the amount we were putting it up by.

Deputy J.H. Perchard:

Almost exactly what you asked but I will just phrase it differently. How will you ensure, going forward, that your priority to reduce income inequality remains effective while also seeking to raise revenue in other ways? Whatever that is for, whether it is for the climate emergency or otherwise because that is something that I think was felt and you could see through the amendments presented by Scrutiny that perhaps not quite enough has been done to address that particular strategic priority.

The Chief Minister:

The argument I did raise in the Assembly was that we have made a step towards reducing income inequality by increasing the caps that we have done, but in a balanced way because it is always this balance between the competitive position in the Island and attracting business in versus what we have been rehearsing over the last few days. I think that is going to be an ongoing discussion. I think there are further pieces of work we have to do. One of the things we have to look at we have said is the interaction between the income support and the taxation system. That is a longer piece of work categorically.

Deputy J.H. Perchard:

Were you surprised, Chief Minister, the recent opinion lifestyle survey which suggests that around 30 per cent of the population struggle financially?

The Chief Minister:

Was I surprised at the level?

Deputy J.H. Perchard:

Were you surprised at how high it was?

The Chief Minister:

Yes, I think I was probably ... I need to go back and go through it because obviously that report came out during the middle of the whole Government Plan debates so I have not digested it properly yet and I will want to go back and just see exactly what the questions were that were being posed. I think we just need to see how that has changed. Is it also ...

Deputy J.H. Perchard:

It is an increase on last year so my point is ...

The Chief Minister:

... perception or is it ... so some of it is perception, if that makes sense.

Deputy J.H. Perchard:

Well, people are self-assessing their own financial situation.

The Chief Minister:

Sometimes you have to go back and just check is that case. So if we use the example more recently, in the last few days, my perception in terms of media reporting on the impôt increase on alcohol is the media focus very much on the top end, on spirits and on wine and things like that, and they very rarely mention the fact that a pint of beer is only going up by a penny or if it is weaker strength, less than a penny because that is not a news story. So the perception out there is that all alcohol is going up by X per cent ...

Deputy J.H. Perchard:

My question is in regards to people self-reporting of their own finance circumstances, which I think is a bit different from the example you give.

The Chief Minister:

No, what I am trying to say then is that why we have to run through scenarios and just see where there are things, if there are anomalies and things we need to address or is it a perception issue? I am not saying it is, I just want to understand where and how that is falling. That is about ...

Senator K.L. Moore:

There was a separate question in the opinion and lifestyle survey and I forget, I am afraid, the exact figure in the responses, but an increased number of people reported feeling worse off than they did the previous year. It is also worth noting that that 30 per cent who reported in relation to the question, which was phrased by Deputy Perchard, could be an equivalent to the same statistic there or thereabouts, the number of people who are not taxpayers.

The Chief Minister:

Well, that is the issue, is this within the benefit system essentially or is it those people who fall almost between the 2? So they are not caught by the tax system, they are falling to the wayside. That is why I am saying we just need to understand what the issues are. We did find out, if you recall in some of the population work that there is a point and it is a wider point in the demographics, as it were, is some places where people are either no better off or fractionally worse off when they start earning versus coming out of benefits. This a flat line, slightly negative, and it is over an income stream of, I think, around £5,000 so there are some anomalies in there that we need to address at the very least.

Senator K.L. Moore:

What will you and your officers be doing to understand and dig down ...

The Chief Minister:

We have always said, certainly within the Revenue Board, as an example, hopefully that that is a piece of work that is going to have to be done but it is, again, in all these things, depending on the data available, as to how easy it is to bring it together. You could use some scenarios but then you want to see what the overall position is.

Senator K.L. Moore:

Okay, so we will move now on to migration policy. Deputy Perchard will lead the questioning. Do you need to change?

The Chief Minister:

Yes, musical chairs. You will need to give your name and position.

Policy Principal, Immigration and Migration Policy:

Good morning, I am Neil Scott, Senior Policy Officer.

Deputy J.H. Perchard:

Good morning, let us just start by talking about the recent publication of our panel and some of the recommendations that we have made. What changes do you intend to make to the board to ensure that it is more diverse and to take account of the views of young people in the Island?

The Chief Minister:

I will do the high level and then I will hand over to Chris because he is dealing with ... well, basically he is running this. So in terms of initial view on membership of the board, given that they are just about to finalise work and things we will come to in January, probably not at this stage going to

change the membership but there are some thoughts about engagement with young people, which Chris can talk to. I do make the point obviously the membership is a combination of the Minister for Social Security and the Minister for the Environment, so of 3 executive one is female and it is not all about that but that is one view, of the 2 Back-Benchers it is 50/50, Senator Ferguson and Deputy Huelin, and then the 3 lay members of the public, which is I think the first board probably that has had ... that we have gone out for views outside of the States, if that makes sense in terms of advising on policy in that area.

Deputy J.H. Perchard:

That was invitation only though, is my understanding.

The Chief Minister:

Well, it was a combination because, essentially, the view was ... bearing in mind the need you have to keep the numbers fairly tight to try and get the work happening. We did feel the Institute of Directors and Chamber of Commerce, bearing in mind there is quite a significant impact on economy on these works, would be logical and I believe those are the people that were nominated by those 2 bodies, then obviously the third person was brought in by the board as well. Chris, do you want to add to that?

Assistant Chief Minister 1:

Yes. The Chief Minister has outlined how the board was established and I think we have been over that before. We are now at the stage where we have consulted virtually all the industries on the Island and we have started to pull those strings together. The next phase is to consult the Assembly itself and to also consult with some of our findings and challenge those findings back to the industries that have presented to us.

Deputy J.H. Perchard:

Which industries, if any, have been excluded from your consultation?

Assistant Chief Minister 1:

I do not think any have been excluded.

Deputy J.H. Perchard:

I only ask because you said virtually all. I was not sure if it was all or most?

Assistant Chief Minister 1:

I cannot say all because I cannot categorically say ... some industries are sub industries. For instance, you say finance, they will turn around and say: "Is it accounting, is it fund, is banking?" so I think we have gone out as widely as we possibly can.

Deputy J.H. Perchard:

Presumably agriculture has been given the same amount ...

Assistant Chief Minister 1:

Yes.

Deputy J.H. Perchard:

Because obviously they raised their concerns earlier about not mentioned in the terms and scope of the board initially. That is pleasing to hear that they have been.

Assistant Chief Minister 1:

Agriculture have been fully ... I think the feedback I have had from agriculture is they are very grateful for the time we have spent with them.

Deputy J.H. Perchard:

Sure. The second part of my question was about the views of young people and how you intend to capture them.

Assistant Chief Minister 1:

Yes, that is a very interesting question. I think the best way is there are within some of the schools doing A levels, migration policy is part of their modules in various studies for various A levels. We will be consulting those to come and talk to us.

Deputy J.H. Perchard:

You are saying there are units of study happening in schools right now pertaining to Jersey's migration policy?

Assistant Chief Minister 1:

No. Migration generally, and there has been some contact with ... sorry, Neil, can you enlarge on that? One of the schools has been in touch.

Policy Principal, Immigration and Migration Policy:

Yes, some students are studying migration as part of their geography A level. They have been in touch with us just to find out how migration works in Jersey for their studies but not specifically in relation to migration obviously.

Deputy J.H. Perchard:

Sure. That is very positive but it sounds like the schools have approached you. I have asked how you intend to capture young people's views. How will you be ... either through working with the Children's Commissioner or reaching out to schools directly what is your plan of action to do that?

Assistant Chief Minister 1:

At the moment we have been getting evidence and it is difficult to ask school children what evidence do they have. When we start going back for opinions, which can be based on the evidence we found, that is when we will be engaging.

Deputy J.H. Perchard:

All right, sorry, I misunderstood the word "evidence". I assumed it included opinion. So what is the nature of the evidence you have been collecting if it excludes opinion at the moment?

Assistant Chief Minister 1:

A lot of opinion as well as evidence has been gathered from those particular sections of industry that we have consulted with. Sorry, just repeat the question. What evidence have we got?

Deputy J.H. Perchard:

Well, you stated that the view of young people have not been captured yet because you will do that when you go out for opinion so I said if you are not looking at opinion right now, what is the nature of the evidence you are collecting or have collected to date.

Assistant Chief Minister 1:

Right. It has been interesting in that different industries have different needs, obviously, and there is, within the Island, a progression. Not everybody who comes in to the Island continues to work in the industry that they come into the Island to work in. For example, hospitality will bring people in to work in hospitality. Once they get their 5 year entitled to work they tend to progress up into other areas. This is beneficial in some areas, it is also causing problems in others.

Deputy J.H. Perchard:

Have you been collecting quantitative data at present and you are going to move on to qualitative data?

Assistant Chief Minister 1:

Correct.

Deputy J.H. Perchard:

So when can we expect to see that quantitative data?

The Chief Minister:

Are you talking about when are we going to see the outcomes of the reports of the work that has been happening?

Deputy J.H. Perchard:

The Assistant Minister has just explicitly stated that the nature of the data at the moment is not opinion based so I was asking when we can expect to see what is assumedly numerical data given that it is not qualitative?

[11:15]

Assistant Chief Minister 1:

We have not be gathering numerical ... the number of individuals that have been coming in.

Deputy J.H. Perchard:

What is the nature of the evidence you have been gathering to date?

Assistant Chief Minister 1:

It has been the needs of the industries and the areas that they source their income, their staff. For example, the big elephant in the room is Brexit and how that is going to change. When we set the board up, Brexit was supposed to have taken place at the end of March, it did not. It has been delayed and it has been further delayed again. That is creating a significant difficulty for us. But essentially at the moment hospitality industries in Jersey can collect from 650 million people within Europe. After Brexit we will be looking at about 80 million, which is the British Isles and the common travel area where we can source, potentially source, labour from.

Deputy J.H. Perchard:

Are you saying you have been carrying out an analysis of the impact on staffing in particular industries?

Policy Principal, Immigration and Migration Policy:

I can assist if you want. We published the migration interim report and within that there were a number of assumptions, principles that the board was working to and that is really what the board has been testing with those people that it has gone out to for consultation. So within that there was a number of hypothetical work permissions, they are not what the board was proposing to take forward but they have a number of options to get people thinking about different areas and controls that could be utilised on the migration. By going out to the various parts of industry, charities, representatives of the Portuguese community, we have much better feedback on how those levers may or may not be accepted.

Deputy J.H. Perchard:

How were those hypothetical situations reached? How were they developed? In particular I am taking about the hypothetical permit categories, W, X, Y, Z as presented in the report.

Assistant Chief Minister 1:

I think it was a mixture between what was proposed in the previous migration policy which was polled whereby you have work permits over particular periods of time and the current system and it was basically challenging back to try and extract answers from industry as to do they want short-term permits, do they want long-term permits, what is their needs?

Deputy J.H. Perchard:

So were those W, X, Y, Zs developed in conjunction with discussions ... were they influenced in any way by the discussions you had with industry?

Assistant Chief Minister 1:

No, because we set those and went through that process with all the industries. We now hopefully have got the information from them to develop further the process.

Policy Principal, Immigration and Migration Policy:

The development of those 4 hypothetical work conditions was to develop a strawman so that we had something to discuss and that we had consistency with each of those stakeholders that we went out to talk to. So we were talking about the same things to each individual. So the development of it was hypothetical, you have 4 different permissions that are very short term permissions, W, and Z which is your permanent permission but the Y for longer term, so that would be residents that come with an intention to remain here permanently and then you have an option, the one in the middle, X, which is maybe a shorter term permission of some sort. So it is really just to try and cover the different basis of how a migrant might come into the Island in order that industry and charities could have a look at that and see how they felt about it.

Deputy J.H. Perchard:

Could you summarise W for us, please?

Policy Principal, Immigration and Migration Policy:

Okay, so W was put forward as pretty much a mirror of the permission that already exists from an immigration work permit point of view, so that is looking at initially short term, so up to 9 months was the figure that we were utilising because that mirrors again the immigration work permit. So that would be for individuals that are coming over predominantly to fill labour gaps, which is how it was envisaged at the start as opposed to skills gaps and there was some restriction put within that to test what the screening was.

Deputy J.H. Perchard:

Was the exclusion of children under the W category something that was different from the previous category that you had just compared it to. Was that a new addition?

Policy Principal, Immigration and Migration Policy:

No, so the immigration work permit control ... so the W effectively mirrors the immigration control and that immigration work permit for third country internationals, nationals, does not permit to bring dependents or children with them. So just to mirror that.

Deputy J.H. Perchard:

Okay, so that is something that ... that has been aspect of that permit that has been criticised. Does the board intend to change that element of that permit given the criticism that it has received but also the concerns raised by the Minister for Children that we might be in breach of certain ... the U.N.C.R.C. (United Nations Convention on the Rights of the Child) and other human rights legislation?

Policy Principal, Immigration and Migration Policy:

The board, through its consultation process, has taken on board lots of views. We are due to meet on Thursday this week to discuss the consultation process that is taking place throughout October and November, when I am sure we will be taking all the views into account.

Deputy J.H. Perchard:

Chief Minister, given that your Government has pledged to put children first, do you not think it is a no brainer to in fact exclude anything from this legislation that will be proposed by the Council of Ministers that does contravene the U.N.C.R.C.?

The Chief Minister:

I think, just to be clear, the advice we have had, as I understand matters, says we do not contravene human rights.

Deputy J.H. Perchard:

That conflicts with my perception of what the U.N.C.R.C. states.

The Chief Minister:

I am just saying that is the advice we have had and so at this stage ... and I will wait to see what I get from the board, because the board advises me, and we can then start taking it up through the process.

Deputy J.H. Perchard:

Politically do you think that excluding children from the permit that is aimed at lower skilled and therefore lower income immigrants politically is aligned with your pledge to put children first and to reduce income inequality.

The Chief Minister:

As I said, I am not ... I am waiting to see what the board comes out with before I start ... I need to understand ...

Deputy J.H. Perchard:

But this is proposed in the report.

The Chief Minister:

I need to understand the issues and what I have understood is that it is not non-compliant with human rights, the present position. What we have to be clear before we make any changes at all in any direction is what is the impact on population on the Island. It does not matter whether it is a younger person or an older person that comes through, that is still an additional person ultimately and that is a decision that we ...

Deputy J.H. Perchard:

It does not matter if it is a lower skilled or a higher skilled person, therefore lower income or higher income person, should the same rules apply irrespective of your income in terms of whether you are allowed to bring your children with you?

The Chief Minister:

I think that is going to be a discussion that we as politicians are ultimately going to have when we have the data in front of us, which comes from the work of the board, because that is going to be a

fairly hard decision we are going to have to go through. There will be a lot of hard decisions in this area if we are serious about controlling population. That is just one of them. There will be other arguments around the economic impact, whether there is just the financial impact of people coming through, do we take that on the chin. Do we say there should be some form of charge for that? If we did, where would that land? Would that be on the taxpayer, if you like, on the employer, on the employee, all these kind of areas. Let us get the data first and see what the board are considering. But, as I said, the advice that we have received is that it is not non-compliant with human rights.

Deputy J.H. Perchard:

Sure. Just my final question, the consultation being carried out by the Customs and Immigration Service at present, is that part of ... has that come from the board? So that is happening in parallel? How will you ensure that ...

The Chief Minister:

Sorry, is this the e-settlement scheme?

Deputy J.H. Perchard:

No, the ...

Assistant Chief Minister 1:

The Customs and Immigration Service ...

Policy Principal, Immigration and Migration Policy:

It is the future border immigration system in the U.K. (United Kingdom).

Deputy J.H. Perchard:

Yes, how will that tie in with the work of the board? How will you ensure that there is not duplication or even if they come back with conflicting views to your own, how will you navigate that?

The Chief Minister:

Do you want to just explain the differences, I think?

Policy Principal, Immigration and Migration Policy:

Yes, so that consultation programme is around the U.K.'s future border. There immigration system that they are looking to propose. It will be very dependent on which Government is in place in December. We are meeting with representatives of the Customs and Immigration Service, clearly immigration and migration are not the same but they are intertwined. Currently the migration board is working within the immigration controls, what those immigration controls might be in the future as

part of that consultation process. As I understand it from speaking with Customs and Immigration the process of consultation is to keep businesses and those people in the Island updated on what proposals might be coming. So there are things like point based systems being proposed. There is a paper that came out in December 2018 about Theresa May's proposals for immigration systems so it is to highlight those 2 people within Jersey that have an interest in immigration or impacts by immigration so that they have an opportunity to feed back into that process so that Jersey Customs and Immigration can, in turn, feed back into the U.K. As I understand it, it is to mirror a process that is already taking place in the U.K.

Deputy J.H. Perchard:

Thank you.

Senator K.L. Moore:

Okay, thank you. Deputy Perchard now has to leave.

Deputy J.H. Perchard:

Nothing personal, Chief Minister.

The Chief Minister:

I am highly offended. I will hold it against you for a long time.

Deputy S.M. Ahier:

If we might now move on to Andium and the Comptroller and Auditor General's report and remuneration of board members. What role did you personally play, Chief Minister, in the discussions with Andium over director's salaries?

The Chief Minister:

In terms of process over time, and I will have to go back ... this is roughly, so please do not hold me to dates precisely. It was first brought to my attention, I think, in the end part of last year. I will say November/December time and that was in the context of the level of pay rises that were apparently taking place and that is also the concern of the States Employment Board and concern in the context of the pay disputes we are facing. From memory at that point we were having, effectively ... from 2014 we had had pay rises of something like £70,000 plus over that period of time. Essentially as part of that a review was instigated which was into the market testing, if you like, of the relevant level of salaries and I think by about May time, I think was when we were having the results and having the deliberations. Where I think I got probably more directly involved and am happy for Charlie and Richard to inject at the right moment, was when we got to the point of the renewal of the ... or the extension rather of the Chairman of Andium and I think in the context and with the observations and

concerns that have been expressed to me by S.E.B. (States Employment Board) in the early part of this process, we had felt it was appropriate to only extend for a period of time. In the end that was agreed on between 3 and 6 months but with a month's notice. From memory, the term of office was meant to have ... the previous Minister for Treasury and Resources had basically set the term of office to expire on, I think, the 30th of June and that was meant to be predicated on our succession planning and a successor having been identified. My recollection is that that work had not taken place and also in that time period, I cannot remember exactly when, was when it became clear that (a) we had the issues around the pay increases, (b) the information flow that came out as a result of that and, (c) for me most particularly, the awarding and paying of a bonus that had not been approved by the shareholder. In that context at some point I think I have met twice, it might have been 3 times, I am going to say twice, with the Chairman of Andium and in that second meeting was when we indicated that we would not be extending it. That essentially we were giving the notice and in the end we agreed on the end of October as that date. Obviously, if it helps, at that point I had an element of involvement in understanding who the successor was going to be.

Deputy S.M. Ahier:

The pay rises and the bonuses you mentioned, were they signed off by the Assistant Minister for Treasury and Resources. If they were, did you have a conversation with him before he signed them off or did he have a conversation with you?

[11:30]

The Chief Minister:

There were some conversations that were had and there were various points in time where positions were established, shall we say, but I think I will hand over to Richard at that point if he has any more recollections in terms of timing. Because some of the discussions were taking place between November and then up to about May/June because obviously part of that was before, when I know Treasury felt they had been in a somewhat invidious position of something like the salary increases had been implemented some 17 or 18 months before and they only came through, or Treasury were only informed about them through the receipt of the accounts. Therefore it was almost a fait accompli and we did not feel that was a particularly satisfactory position to be in. The position on the bonus, we did have quite a number of discussions around that because it was the fact it had not been approved, which I did not feel was satisfactory.

Deputy S.M. Ahier:

So you disagreed fundamentally with the Assistant Minister signing off on the pay and the bonuses?

The Chief Minister:

I do not know, I honestly cannot recall if the Assistant Minister signed off on the bonus.

Treasurer of the States:

So the Assistant Minister signed off the remuneration report for 2017 and that was the point at which we became aware of the salary increase, Andium maintain the position that spoke in general terms. They have subsequently acknowledged that going forward they would comply with the Memorandum of Understanding. Around about that time the Assistant Minister or we as the Treasury became aware of the payment of a bonus in 2018 as well, which I do not think anyone is challenging whether or not the board saw or even sought the Assistant Minister's permission or even advised the Assistant Minister. In terms of revising governance going forward, it is undeniably the position that the M.O.U. (Memorandum of Understanding) requires these things to have been approved in advance and we are faced with a situation where we were having to advise the Minister on signing these things off in arrears, as the Chief Minister implies, almost as a fait accompli. There was original signing-off in terms of the remuneration report for 2017 but, as the Chief Minister points out, when that became more widely understood by the States Employment Board members, there was a further discussion about advisable that was in light of ongoing pay negotiations with civil servants and other pay groups who were not seeing such large increases in their pay. Also we then committed to undertaking an independent review of our own, which demonstrated that the more recent increases were outside of the advice in that report.

Deputy S.M. Ahier:

In the C. & A.G. (Comptroller and Auditor General) report it states that: "Insufficient priority has been given to overseeing the relationship with companies. In my view strengthening oversight is necessary." Do you believe that tighter-rein policy will be implemented?

The Chief Minister:

We have accepted the recommendations; we agree that a new structure is required, which either Charlie or Richard can talk about, because measures are being put in place.

Treasurer of the States:

Picking up on a couple of themes across, if not more than a couple of reports of the C. & A.G., and consistent with the OneGov structure, we will be putting in place an Officer Oversight Board that brings together all strategic issues where these organisations touch the States at a strategic level. That will include the establishment of a remuneration policy, which will therefore give them more understanding of where the shareholder and the Government of Jersey is.

Deputy S.M. Ahier:

Do you intend to ensure that the new permanent board of Andium is more diverse than the last?

The Chief Minister:

Yes, is the short answer. I will again hand over to Richard on that front, but there are some measures in place as to how we manage overall. I did require Charlie to write to a lot of our arm's-length organisations, which perhaps he might address as well, earlier in the year raising that point as well. Richard, do you want to look at the structure and, Charlie, you can talk about the correspondence?

Treasurer of the States:

If we went back to June last year, I believe there was probably a more diverse board than there is currently. Further to 2 or 3 resignations or at end of office that has changed. The current Chair will be using, as required, the J.A.C. (Jersey Appointments Commission) recruitment guidelines, which do include diversity and appointment on the basis of merit, and the Assistant Minister will be discussing how the boards go about ensuring that they give people a fair chance.

Chief Executive Officer:

So the Chief Minister rightly points out that we were asked to write to every States-owned entity and larger arm's-length organisation, whereby there is a funding relationship and/or some sort of delivery of services on behalf of the Government, to remind them of their obligations under the Jersey Appointments Commission's framework, which Richard has just identified. That was for board members and for senior executive members as well. That then culminated in Dame Janet undertaking a presentation to all of those organisations and their representatives to walk them through some of the changes that had taken place, the approach that should be adopted, et cetera. Then, on the back of that, we have subsequently written out identifying all of the procedures that you would expect a public appointments function like that to see. We are seeing a number of those organisations adjusting their arrangements and obviously now have a much closer relationship with the Appointments Commission in order to be able to discharge their responsibilities accordingly.

Deputy S.M. Ahier:

So that framework will apply to all arm's-length organisations?

Chief Executive Officer:

Yes, it already has, the Chief Minister has already asked for that to be put in place some months ago and the Jersey Appointments Commission is overseeing that process because clearly, where they are independent bodies and they have arrangements for recruitment, they conduct that. Where we are party to that then clearly we play a role in reminding and supporting that process, but they have their own obligations as companies to discharge that.

The Chief Minister:

It might be that Richard could add something because he was at the presentation.

Assistant Chief Minister 2:

I was the Government lead on that presentation to the outsourced entities and we made it very clear to them that we expect them to follow a diverse process in terms of recruiting members to their boards in terms of the selection process. It was pretty generally accepted, in fact welcomed by all present, that this would take place. So there was no resistance and they understood clearly what we wanted them to do.

Deputy S.M. Ahier:

Thank you.

Senator K.L. Moore:

We are going to move on to your recent international trips and the Constable of St. Martin is going to lead on this section.

The Connétable of St. Martin:

Yes, your visits to China and Singapore. So the first question is in 3 parts and it is: what were the purposes of your trips to China and Singapore; what outcomes did your visits yield; and were the outcomes enough to justify the trip?

The Chief Minister:

I have been twice now down to that part of the world and essentially, as I am sure the Chair will be familiar with, the clear market strategy has been around for a while, and one of the areas in the world targeted is Asia and obviously China as well. So I have now done 2 trips down there and a lot of that ... the purpose ultimately is about promoting the Island and ultimately getting benefit for the Island, mainly economically, but there may be some other benefits as well. So, in terms of this time around, we did Singapore, Beijing, briefly Shanghai and Hong Kong on the way out. In terms of outcomes, as a result of the first trip last year where we met the organisation that is responsible for educational exchanges, so in this instance with China the engagement is economic, cultural and educational, the educational organisation does send groups of teachers, they are very keen to twin with schools, in this instance in Europe, and so they have a group that goes up to Paris and then comes across to London and this time around they visited us, which was in September of this year. As a result of that, when I was down there we signed an M.O.U., which is quite broadly drafted, which was for the Education Department, and the intention then is to build on that, to build on the existing 2 relationships we have, which is Hautlieu and J.C.G. (Jersey College for Girls) are twinned with 2 schools, one in Shanghai, one in Beijing, which was where the present President of China attended, and also Hautlieu is the thousandth, I think it is, Confucius Learning Point or Training

Centre for Chinese. So the visiting group was very impressed I believe with how well they were received here and so the expectation is that hopefully over the next, I want to say couple of years, but over the next period of time we can increase the twinning arrangements with schools in Jersey and schools in China. That can mean at the moment, I think both for Hautlieu and J.C.G., they send some pupils down there and the relevant schools send some pupils up here and I think it is for a period of about 4 weeks to learn from each other. We do have one or 2 students here, which ties into that kind of understanding of different cultures. As I said, that is basically about starting to establish a slightly broader base, if that makes sense, of how we engage with, in this instance China, and then you can build on that base going forward. This year was the 10th anniversary of Jersey Finance down in that part of the world and I was again flying the flag for Jersey Finance in those areas. In Singapore, Hong Kong and Shanghai, over the last 2 years, I have met on a number of occasions as part of these trips with what we call the intermediaries. That is essentially understanding how Jersey is perceived, what are the challenges we face, what could we be doing differently. For example, the 2 examples I use quite often when we are talking about these things, so the Battersea Power Station project in London is Malaysian money that is structured through here; that generally is in the public domain; that is why I am happy to use that, and obviously the SoftBank Vision Fund is located here. Certainly that latter, when we mentioned that in Singapore, was very, very well received. That is by people who might be lawyers who are setting up structures and would they use Jersey or the Crown dependencies, but obviously what we are doing is promoting Jersey. So overall in terms of me going down as Chief Minister, depending what part of the world one is going to and the maturity of that relationship, one has to go down ... you do not just get a relationship by going down once in 4 years; you have to do it on a sustained basis and occasionally it has to be the Chief Minister who does it; that is from a protocol perspective.

The Connétable of St. Martin:

I appreciate that we have a presence in Hong Kong but I have to ask this question: is it wise and should be setting out to create stronger ties with China given what is happening in Hong Kong at present?

The Chief Minister:

The point is what we do is we fully work with the Foreign Office in London and take the advice as to how we engage with all sorts of jurisdictions and that is about fully supporting British foreign policy and giving priority to the protection and promotion of human rights.

The Connétable of St. Martin:

Can we expect further visits and partnership-building in 2020 for these 2 jurisdictions?

The Chief Minister:

For Asia in the wider context, yes. The question will be exactly where we go and when is yet to be determined. I only got back on 10th or 11th November and obviously we moved straight into the Government Plan, so we will be assessing exactly where we go for the potential visit in November of next year in due course, so we have not made any direct plans. So, for example, I would like to see slightly more engagement with Singapore and we will see how that all ties together.

[11:45]

The Connétable of St. Martin:

Leading on from going to China for education, I was just wondering whether you had any plans to visit countries closer to home, for example Scandinavia has a really excellent reputation for teaching?

The Chief Minister:

This is more about cultural exchanges.

The Connétable of St. Martin:

Yes, but I was thinking, because it ties up with J.C.G. and Hautlieu, if you have Scandinavians coming over as well that is a cultural exchange as well.

The Chief Minister:

I could well be the case, yes.

The Connétable of St. Martin:

I was just thinking, because the model in Finland especially is so good for education, it seems why do we not go sort of slightly closer to home? I can understand going to China and I was on the J.C.G. Foundation when they were setting up links with China, so I can see it from that point of view as well, but I was just thinking Finland does have an excellent education system and I know that some other members will be very keen for you to visit there to look at their education model.

The Chief Minister:

I will leave the direct education policy to the Minister for Education.

The Connétable of St. Martin:

No, I just thought it led on from that, thank you.

Deputy S.M. Ahier:

You said that there may be economical benefit from dealing and negotiating with China. Since it has such a poor human rights record, is this a suitable trading partner?

The Chief Minister:

As I say, I go back to my earlier comment, which is that we work with the British Foreign Office in understanding how we engage with different jurisdictions.

Senator K.L. Moore:

We are just going to move on to talk about your role as Chair of the States Employment Board, so if you need to change chairs around, if those approaching the table could introduce themselves and give their roles please?

Strategic Director, Employment Relations:

Jonathan Donovan, Strategic Director, Employment Relations, in that capacity I act as lead negotiator for the States Employment Board reviews.

Group Director, People and Corporate Services:

Hello, Mark Grimley, Group Director of People and Corporate Services.

Senator K.L. Moore:

Thank you both and welcome. So the Employment Board has committed to reviewing its response to the bullying and harassment report in January 2020 and how will that review be structured and will it be reported back in January?

The Chief Minister:

In terms of the detail as to how that is going to be structured, I think Mark is probably best placed to give the detail of how it is going to come through, so I will hand over to you.

Group Director, People and Corporate Services:

So a number of reports came up at the beginning of this year and the end of last year, the HR Lounge, which has been questioned in the States as recently as October, we also had the Team Jersey phase one report. We also had the staff survey of 2017 where questions were asked about bullying and harassment. In January this year we put in place a new bullying and harassment policy and that stated the new policy objectives, which also included the 20 recommendations from the HR Lounge report. So the States Employment Board would expect to see the progress against the plan and the recommendations from the HR Lounge. They will expect to see the effectiveness of the expo link, which is the bullying, harassment and whistle-blowing line. They will want to see the

number of reports that are coming through but also the outcomes and any lessons learned for adjustments to the policy.

Senator K.L. Moore:

So will HR Lounge be coming back to do an update on their review?

Group Director, People and Corporate Services:

That will be a decision for the States Board in January when they receive that. Having a look at where we are at the moment, I can say that we have seen an increase in the number of reports, which in itself is a measure of the success of the publicity that we have received. So in 2017 we received 11 reports, the following year 15 and this year we are up to 30. So in some respects the publicity around bullying and harassment and raising a complaint has seen an increase, which would be one of the objectives. It depends whether or not the States are confident that we have taken the actions and that we have sufficient in place. My recommendation at the moment would be not to include them. I did meet with HR Lounge when I first started. I think the report in another era, now where we have more expertise and more focus on it, was a helpful direction of travel for us, but I am much more confident that we have got in place a policy function that is able to set policy objectives and evaluate them.

Senator K.L. Moore:

Would it not be a sensible moment in time to invite them to assess from an independent and objective basis whether what you consider to be an improved policy basis is effective and working, especially in light of the increased number of complaints being made?

Group Director, People and Corporate Services:

If the States Employment Board wants further assurance around the progress that we are making an independent adviser is always helpful. The States Board does also have an independent adviser who sits with them and advises them on these matters as well, so that is really a decision for the States Employment Board about their level of assurance.

Senator K.L. Moore:

Could you just remind who their independent adviser is?

Group Director, People and Corporate Services:

Bev Shears.

Senator K.L. Moore:

It is interesting that you mention, Mr Grimley, that 30 reports have been made through the listening service because in a recent F.O.I. (freedom of information) response it stated that 17 complaints of bullying and harassment had been made and 6 whistle-blowing complaints, so there have been a significant number of reports since the F.O.I. response was collated, which is only a matter of weeks ago, days even.

Group Director, People and Corporate Services:

There was. So we have 2 routes for complaints to be raised, one is through the expo link and one is through our usual grievance and disciplinary, so we categorise as they come through, so it is quicker to categorise the nature of the complaints through expo link, which has an explicit dropdown. When we get a grievance come in, we evaluate what that grievance is about, so it could be anything from terms and conditions to treatment at work to bullying and harassment, and they are the figures that are coming into this 30 now. I can go into further details about the live cases and the outcomes of those, so we have, I would not quite say real-time information, but we have very good quick information to give us indicators.

Senator K.L. Moore:

Would you like to elaborate?

Group Director, People and Corporate Services:

At the moment we have defined outcomes, so we have been through the full process for 16 of the bullying and harassment complaints. If I look at this one, 6 had no further action; that would mean that there was either not sufficient evidence or the matter was resolved informally before hearing; 5 went to informal matters that would be mediation; 2 were taken formally, which would involve disciplinary action and warnings, final warnings; one resulted in a dismissal; and 2 resulted in other actions. Now other actions may be that they have gone beyond our internal procedures and gone, for example, to the tribunals.

Senator K.L. Moore:

Thank you; that is most helpful. Chief Minister, do you consider that this level of complaints, 30, is appropriate, about right, for the size of the organisation?

The Chief Minister:

The short answer is we must remember we have a workforce of around 7,000 so at the end of the day it is that expression, one is too many, but we know we are going to get some and the question is, over time, and we are in the early stages of this, which is whether you bring HR Lounge back or not, is do you see an improvement and also it is in how we act on them. That is all around the

cultural change in the organisation, which is where Team Jersey comes in, and all the others that the organisation is going through.

Senator K.L. Moore:

Could I just ask you, Chief Minister, if it is your view that the Team Jersey project is being effective and making an appropriate change that you desire to see in the organisation?

The Chief Minister:

The feedback that I get from Team Jersey is encouraging but they have been quite clear, this is not a 3-month project, this is a longer-term project. So I think it is still a little bit too early to start saying categorically, yes, we have achieved the change that we are looking for.

Senator K.L. Moore:

What percentage of the workforce, in your opinion, have joined the bus?

The Chief Minister:

We have our Team Jersey session coming up, but I believe they have had several hundred managers at least who have gone through the process so far, 500.

Group Director, People and Corporate Services:

So we have had 500 managers go through the process. We have a number of programmes that colleagues are going through, so we have had Team Jersey Leads, of which I think there are about 200 Team Jersey Leads there that links directly into the department. They provide us feedback about the success of the programme. We have I think 800 people booked on My Conversations My Goals, which is about the performance conversations, but also being able to raise concerns. We also have manager sessions where we address issues around how to handle complaints and also appropriate behaviour.

Senator K.L. Moore:

So as the Chair of the States Employment Board, Chief Minister, will you be recommending to the board that they invite HR Lounge back to assess the position now?

The Chief Minister:

As I have said, it will depend on the advice, and do not forget we only get the formal reports in January ...

Senator K.L. Moore:

What is your sense, Chief Minister? What is your sense and how do you feel?

The Chief Minister:

My concern at this stage would be is it too soon or is it a case one does it in a year's time. That is the question. Because if the organisation is still going through that organisational change and all the other bits and pieces, it is whether you need to give it a period of time to bed down. That is my observation. Richard, do you want to add anything to that?

Assistant Chief Minister 2:

Yes, just ...

Senator K.L. Moore:

That is okay, we would like to move on now to the public sector pay and we are running short of time, thank you.

Deputy S.M. Ahier:

On public sector pay, Chief Minister, has the Government unilaterally withdrawn from the Joint Council Framework Agreement as noted in open discussion with J.C.S.A. (Jersey Civil Service Association) Prospect and the Civil Servants Union dated 27th November?

The Chief Minister:

What I will say is it is quite a complicated area and at that point I can hand over to Jonathan who can give you the technicalities, but there are some nuances around this.

Strategic Director, Employment Relations:

Yes, very much so, and the agreement to which you refer was put in place in absence of the workforce modernisation being accepted by all of the pay groups, which would create a single pay and grading structure and therefore the Joint Council was there to negotiate pay around the single table. As the panel will probably recall, W.F.M. (workforce modernisation) was resoundingly rejected by almost all pay groups, as a result of which there have not been single-table pay negotiations and in fact we have held negotiations with various unions in various forms. So, for instance, negotiations with nurses and midwives involved the Royal Colleges of Nurses and Midwives and the Jersey Nursing Association around a single table and so on, and other groups similarly. So we reached agreement with all of the pay groups in respect of 2018 and 2019 and most of the pay groups in respect of 2020 with the exception of civil servants who did not accept the board's final offer and manual workers had been an early adopter of the 2018/19 offer and consequently the States Employment Board, on receiving a paper from me this afternoon as to how we can progress to agreement with manual workers.

Deputy S.M. Ahier:

Chief Minister, do you believe that Government Ministers should be required to meet with unions as part of negotiations or should they be conducted solely through respective negotiators?

The Chief Minister:

In terms of negotiations I am very much of the view that we have a process and that we should be adhering to that process. However, I have met the unions I think once this year and we are planning to meet them again at some point; it will probably be in the first couple of months next year, to at least understand issues. But that is not a negotiation and I make that very clear. Richard, if you want to add, in terms of States Employment Board as a whole?

Assistant Chief Minister 2:

As the Chief Minister has outlined, it is not our policy to negotiate with unions, but it is our policy to meet them on a frequent basis to sit down and have round-table discussions, both individually with each of the unions and we have had at least one session where all the unions were present and we envisage that will continue going forward.

Deputy S.M. Ahier:

In the union's letter they say the ongoing dispute has eroded civil servants' trust in the S.E.B. (States Employment Board) as an employer. How do you intend to rebuild this trust?

The Chief Minister:

The starting point, I am going to say, is that when we are in pay discussions or pay negotiations there will be 2 lines to a particular argument and there will be certain types of language that are used by different sides that are doing that case, so I am not going to put too much credence on a breakdown in trust and all that type of territory at this stage because each side has taken a negotiating stance and when we have reached agreement with other unions we have stuck to our word. But it is a case of sometimes people will take a position because the outcome they have had does not necessarily suit their ambitions.

Deputy S.M. Ahier:

When do you expect the outstanding pay dispute with the civil service unions to be resolved?

The Chief Minister:

Again I will hand back to Jonathan in terms of a full update.

[12:00]

Assistant Chief Minister 2:

I can provide the answer to that. The dispute is essentially resolved because we have formally failed to come to agreement and we have imposed the pay offer from 1st January this year. So from both sides it is now the end of that particular negotiation. If I can just come back to a small point, in terms of building trust with the unions, it is our intention to sit down with them and have extensive discussions on pay negotiation frameworks to look at what has gone wrong in the past and to look at ways of improving the situation so that we do not necessarily end up where we ended up this time.

Deputy S.M. Ahier:

Thank you.

Senator K.L. Moore:

It is 12 o'clock so we managed to finish on time. I thank you all for your attendance and your answers today and I close this hearing.

[12:00]