

19-21 Broad Street | St Helier  
Jersey | JE2 3RR

Senator Kristina Moore  
Chair, Corporate Services Scrutiny Panel

Via email

7<sup>h</sup> of September 2020

Dear Senator Moore,

**Memorandum of Understanding (“MOU”) – States-owned entities**

Thank you for your letter of 24 August 2020.

I note the concern expressed about the generic approach being taken and perhaps should have been a little more detailed in my previous response.

The new MOUs are split into two distinct sections:

Section 1

This is bespoke to each States-owned entity (“SOE”) setting out the background and legislation that resulted in the incorporation of that SOE; the Minister or body responsible for the relevant government policy, as appropriate; and the business objectives of the SOE.

Section 2

This contains a detailed governance framework that is designed to address a number of the recommendations of recent Comptroller & Auditor General and related reports, whilst also ensuring uniformity of governance and reporting requirements with respect to each SOE. This section, including the meeting calendar, will for the most part be consistent across the SOEs and allows a single change to the governance arrangements to be implemented equally and at the same time. I view this approach to the wider governance of SOEs as a significant improvement on the previous individual arrangements.

I hope this provides the Panel with greater assurance that the drafting of the MOUs is not being undertaken generically but in a manner that balances the need for consistency of approach against the specific circumstances of each SOE.

The Panel requests a list of the Arm’s Length Organisations which are in the process of reviewing their MOUs. I assume this is a reference to the SOEs and the following are the entities in question: -

Andium Homes Limited  
Jersey Post International Limited  
JT Group Limited  
Ports of Jersey Limited

The States of Jersey Development Company Limited

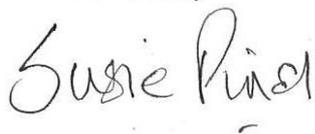
The Panel also requests the drafts of each MOU. I would be happy to share these with you but would suggest that it would be somewhat premature to do so at this stage, since we are expecting feedback from the boards of each SOE on the initial drafts, within the next couple of weeks. Following receipt of the SOE responses, we will be reviewing and updating the drafts, as deemed necessary and appropriate. Once that process is complete I would be happy to provide you with updated copies of each individual draft.

In relation to the law drafting instructions, the MOU are not legally binding documents they simply set out the relationship between each SOE and the Minister for Treasury and Resources as the delegated shareholder on behalf of the States of Jersey. With that in mind there is no requirement for law drafting as part of their implementation or adoption.

We are working towards implementing the new MOUs for each SOE by the end of the year, with potential for a phased approach as the individual terms are agreed. It would be helpful to understand if your Panel intends to conduct a formal review of each MoU prior to implementation as I will need to factor this into the timelines.

In terms of your request for copies of minutes of shareholder meetings, I would reiterate that these would normally be confidential between a shareholder and an incorporated body and, by their very nature, will include a significant amount of commercially sensitive and confidential information. I remain unaware of any particular review of relevance that your Panel is undertaking at this time which requires sight of these documents.

Yours sincerely

A handwritten signature in black ink that reads "Susie Pinel". The signature is written in a cursive, flowing style.

Deputy Susie Pinel  
Minister - Treasury and Resources

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