



# Corporate Services Scrutiny Panel Hearing

**WEDNESDAY, 11th FEBRUARY 2009**

**Panel:**

Senator S.C. Ferguson (Chairman)  
Deputy C.H. Egré of St. Peter (Vice-Chairman)  
Connétable D.J. Murphy of Grouville  
Deputy T.A. Vallois of St. Saviour

**Witnesses:**

Senator T.A. Le Sueur (Chief Minister)  
Mr. W.D. Ogley (Chief Executive Officer)

**Present:**

Ms. J. Marshall (Strategic Planning Manager)  
Mr. W. Millow (Scrutiny Officer)  
Mr. M. Robbins (Scrutiny Officer)

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

Thank you very much for coming in today, Chief Minister, Chief Executive and the Strategic Planning Manager. We are very grateful for the opportunity to discuss the general Business Plan, how you see the year ahead. I think you know everybody. What are your priorities for the coming year?

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

Immediately, I suppose, to achieve a Strategic Plan delivered to the States on time, which reflects the current vertical economic situation and needs of the Island and those needs going forward. I say "current" because clearly we have a situation in the next couple of years, I do not know for how long, of economic decline. We also have to look for some of the longer-term implications in terms of health or in terms of infrastructure that we need to plan for in a proper way. That will focus our mind quite sharply on the need for the States to operate in a better way. From our own point of view within the department, setting up the post of a deputy chief executive, as the States agreed last year, in order that we can bring together all the resource functions and try to see how

they can be delivered in a better way, not just in a more cost-effective way; although that, as a former Treasury Minister, is close to my heart, but in a better way as well. I think that is clear from our point of view in 2 very, very important areas. Clearly from an economic point of view we all know how dependent our resources are on the revenues we get, primarily revenues directly or indirectly from the financial services industry. Watching the activities around the world of the G20, the U.S.A. (United States of America) and things, we certainly endorse the view of industry itself of moving towards a properly demonstrably, regulated transparent regime, which will involve international co-operation. Things like looking at the scope for tax exchange information and tax information exchange agreements, while at the same time maintaining a competitive advantage. It is getting that balance right, but it does mean that the international dimension, if you like, takes an extra prominence on that, or international and national. We had the Treasury review last year and the I.M.F. (International Monetary Fund) review. We have the Foot review in the current year. All of these things are certainly going to put the spotlight on the Island. Particularly in times like this when the world is going through quite a bit of turmoil there is usually a slice(?) of quality. If we can demonstrate that we are at the top of that quality ladder then I think we have got an opportunity as well as a threat, and it is up to us to maximise that opportunity. That is not just a Chief Minister's Department's job; it is a job which I think I need - and I am doing, in conjunction with the Treasury Minister and the Economic Affairs Minister - and we all need to all address, focus on quite strongly. I think the other thing is - perhaps less of a departmental issue, more of a personal one if you like - my concerns about communications with fellow States Members and with the public. I am not making any comparison with the previous Council of Ministers because we are all different in nature, but I want to try to build up a closer working relationship with States Members, which is why I have had these workshops over the last few months talking about the Strategic Plan. I want to try to build up a greater trust of the States by the public where I think at the present time none of us can be particularly happy with the way in which we are regarded by considerable sectors of the public. I think that is not necessarily because we are doing a bad job, but we do not communicate particularly well what we are doing. I think that is something that does not happen by accident and if there are ways in which we can build on that, which I think is

just by an ongoing process, time consuming though it is, we may get a better outcome. I hope we get a better outcome, otherwise we will be wasting our time. Those are some of the things I would like to do. I would like, going on a personal level, to maintain within Scrutiny arrangements the, I think, successful relationship I had the last 3 years with the Corporate Affairs Scrutiny Panel, making sure that you know what we are up to, that we know what you are up to, and we can talk to one another and that we are aiming with a common approach to get the best result in the end. Those are, I think, some of my priorities, probably enough to keep me going for 12 months, the whole whack in the Business Plan nearly.

**Senator S.C. Ferguson:**

I thought that was just the first quarter.

**Senator T.A. Le Sueur:**

Even within priorities you have to prioritise.

**Senator S.C. Ferguson:**

You mentioned the economic situation and so on. With all the rhetoric that is coming ... not rhetoric, but the talk that is coming out, it is fairly gloomy in the press. I wondered if you did have evidence of economic difficulties in the Island that made you concentrate even more and even more quickly?

**Senator T.A. Le Sueur:**

Even with the economic difficulties, certainly in terms of certainly some retailers finding it difficult or impossible to trade, either because of local or national difficulties, the fact of job cuts or rationalisations we have heard of various banks again nationally imposing targets for cuts among staff, which are going to have effects on the Island. In terms of evidence of the extent of that lot, that evidence had become at least a little bit patchy. There will be evidence in things like racial and employment figures, but they sometimes give a partial view, not necessarily the whole view.

It is not necessarily a totally economic view because we have seen in the past that when you get a period of recession many employees leave the Island because either there is no work or no dole for them over here, or there are other prospects elsewhere. I do not think we can necessarily use unemployment numbers as a guide. Certainly, if you try to work on gut feeling, which is not a particularly good indicator, the gut feeling suggests that decline quite clearly.

**Senator S.C. Ferguson:**

Thank you for that. There has been criticism that you should not rewrite a Strategic Plan every 3 years. Would you like to comment on it?

**Senator T.A. Le Sueur:**

Quite right, we should not rewrite a Strategic Plan every 3 years. I am not trying to rewrite it. I think we should review it, upgrade it, and develop it. Certainly, as I made clear yesterday, and perhaps did not make it clear on the first meeting on Monday, within our draft proposal - which should be among my huge pile of papers here or elsewhere - we have done a chart of where we are within the last Strategic Plan, what we have delivered. What we delivered and what is on the way in and what has maybe slipped a bit. Of course, over a 3-year-period politics change and we have to be flexible enough to take what we have and say: "Yes, that must still need doing and will still need doing in another 3 years' time", but other things like maybe an ageing society or maybe an economic downturn have taken greater prominence. They need to have a more immediate focus over the next 3 years. It is going to be a culmination of using the last Strategic Plan as a guide, but not simply slavishly following that and not thinking for yourselves.

**Senator S.C. Ferguson:**

What significant funding pressures do you consider you are going to face this year? This is your department.

**Senator T.A. Le Sueur:**

Within the department, clearly we have received extra funding as a result of an amendment brought to the budget last year, but I think if you look at some of the one-offs and difficulties which we could be facing we have just agreed a review of non-States Members. Okay, slightly smaller than was proposed and it will not cover the Lieutenant Governor and the Dean, but a review with an uncertain cost could be ... I do not know, it is an uncertain cost. What is more certain is that we are hosting the British-Irish Council in September. That is something which rotates every few years among the different participants, different members of the B.I.C. (British-Irish Council). As a meeting it is fairly straightforward and not too bad. Because you have national party leaders they tend to require security to a greater level than I do. **[Laughter]** I do not know why. That comes at a cost. I think last time when Tony Blair came over it cost in the region of £200,000. I do not suppose costs have gone down in the last 7 years.

**Mr. W.D. Ogle (Chief Executive Officer):**

The other jurisdictions have hosted them, and they are reporting to us it was a minimum of £250,000 to host them.

**Senator S.C. Ferguson:**

The other jurisdictions, with respect, do not have Honorary Police to man the perimeters.

**Deputy C.H. Egré of St. Peter (Vice-Chairman):**

£250,000 is not a bad assessment, I would not think.

**Senator T.A. Le Sueur:**

One of the things that is going to throw us slightly in terms of the Public Employees' Pension Fund, there is a liability for the pre-1987 debt. Most of that is picked up by individual departments, but there are some areas, which I gather are down to the Chief Minister's Department to pick up, that is going to add, I gather, something just under £200,000 to the cost this year and, in fact,

going on thereafter. That is something we cannot do much about. We were talking in the Strategic Plan workshops about this general review of the way the States go about things and doing it better. Of course, even scoping that and preparing for that would engage some additional cost over and above simply the employment of a deputy chief executive. I would not want to put a value on that but it is going to be something there, certainly. Another thing we did not budget for, given the current economic climate, we have asked Jersey Finance Limited to look at some of the threats and opportunities facing the Island, particularly in the light of U.K. (United Kingdom) banks were our main taxpayers being now largely government owned. What sort of impact might that have on our economy? That work is largely being done by Jersey Finance, but we agreed to give them a contribution of I think it was £60,000 towards that work. In my view, that is a fundamental piece of information we need to know if we are going to lose any million pounds' worth of our tax revenues. I would like to know if there was a way we could avoid that.

**Connétable D.J. Murphy of Grouville:**

The impression I get now is that the banks have had such a terrible fright that they are going to refloat themselves as quickly as possible to get out of the Government clutches. I would not be surprised to see in a year's time they are all back on the straight and narrow again, as opposed to being in government control.

**Senator T.A. Le Sueur:**

I would not like to say. I do not know what appetite there is for restructuring. All I can say is that we have tried to analyse and assess the risks and the potential opportunity, but certainly the risks on that. All these little things, along with the day-to-day resource pressures that you always have, I do not think the Chief Minister's Department is unique in seeing these pressures; we hear them from Health, we hear them from Home Affairs. Certainly, they are issues for this department as well. We are all suffering from these funding pressures. If we are going at the current time to have reduced States revenues we are going to have to take some fairly serious decisions, not just in the Chief Minister's Department but generally.

**Senator S.C. Ferguson:**

Do you have any new objectives for the coming year, apart from the Anglo ... well, that is a temporary one, is it not?

**Senator T.A. Le Sueur:**

I think not necessarily new objectives in the same way, but the ability to deliver some of them. I think what we said, and why in the last budget amendments we asked for additional money, was the need to focus on this international activity. We are just about to appoint the Director of International Taxation, which we are doing in the States. We wanted to strengthen the international affairs side to look at that. We do have a deputy chief executive appointed now. There are the general difficulties of dealing with economic downturn. There is quite enough to keep us occupied, both with existing problems and maybe not trying to find too many new objectives. New objectives also tend to be new costs. Sorry, Bill whispered in my ear: "social policy" and that is, if you like, an objective in that I wanted to try to bring credit co-ordination across social policy, that we might be able to get better services to the client, if you like, for the customers, and also maybe do things in a more cost-effective way. I do not promise results, but you can ask me in a couple of years' time.

**Senator S.C. Ferguson:**

We will start at the end of the year. Did you keep to budget last year?

**Senator T.A. Le Sueur:**

Of course.

**Senator S.C. Ferguson:**

Which budget? **[Laughter]**

**Senator T.A. Le Sueur:**

The one approved by the States. It is the duty of all accounting officers to stay within the budget or to wave a red flag and say: "Hey, I cannot do it." We have a department which, yes, is under pressure and we have had to maybe shuffle the deck chairs around slightly. At the end of the day I am pleased to say that we did come in within budget. That is I suppose something you ask me; perhaps you should really ask the Chief Executive because he is the Accounting Officer and it is his duty to stay within budget. **[Laughter]** I hope we give you the same sort of answer.

**Mr. W.D. Ogley:**

I like your answer, Chief Minister. But, yes, we did. Absolutely.

**Senator S.C. Ferguson:**

This year, what sort of major changes are you making in the Resource Allocation Act? This year in the department.

**Senator T.A. Le Sueur:**

Again, that is probably something that is more for the Accounting Officer to focus on. I mean, you have seen the Business Plan and maybe some of the refocusing has gone on in the end. I think it is towards the back of that Business Plan. I do not know if I can add very much to that, not without going into individual details, which are there to be read.

**Senator S.C. Ferguson:**

There is nothing that sort of comes out and hits you?

**Senator T.A. Le Sueur:**

Only the fact that we know that there is going to be ongoing pressures.

**Mr. W.D. Ogley:**

The Chief Minister has outlined a number of pressures. We have not yet, and certainly not within the cash limit and what we are required to do, managed to find the funding for the B.I.C. summit. That remains an unanswered issue, I have to say. Apart from that we have absorbed the additional cost pressures by reallocating and pulling money out of different departments. The Chief Minister has already run through those additional cost pressures, which are very substantial. They are adding up to something in the order of £400,000. We have made significant re-allocations and cutbacks to achieve that, to be honest. We have a cash limit and we live with it and that is what we will do.

**The Deputy of St. Peter:**

Maybe we have to get funds from other sources.

**Mr. W.D. Ogley:**

We tend not to have ... well, the B.I.C. summit ...

**The Deputy of St. Peter:**

The unforeseen ones, vis-à-vis what went on when we had set aside the extra millions of pounds to deal with the Haut de la Garenne, sorry, these are unforeseen which have to come from outside of budget.

**Senator T.A. Le Sueur:**

They are, but I do not want to lead a queue to have a request under Article 11(8) otherwise ...

**The Deputy of St. Peter:**

That is the issue.

**Senator T.A. Le Sueur:**

... it ends up increasing our spending to the back door.

**The Deputy of St. Peter:**

That is right.

**Senator T.A. Le Sueur:**

If we had ...

**The Deputy of St. Peter:**

It cannot be ignored.

**Senator T.A. Le Sueur:**

It cannot be ignored, but we have to look at every alternative first.

**Mr. W.D. Ogley:**

If there is one specific item, the continuing to push on customer service and trying to make that customer service centre at the ground floor of Cyril more widely focused, more known and more used. Fortunately, there are more customers coming through and that costs more, so we have made a re-allocation of resources to keep that service working. We made a commitment to deliver it and we are having to staff it because we have more use. It is the part of our department that really is just driven by demand, so we have re-allocated resources rather than at this moment rationing demand. It may well be in the future when we start to look at the fresh designs that we may have to be rational, but we would rather not. We believe in customer service.

**Senator S.C. Ferguson:**

Keeping into the departmental issues, you now have your new Deputy Chief Officer. Presumably his main focus will be to run the change or to keep on top of the change programme. What else do you envisage he will cover?

**Senator T.A. Le Sueur:**

It is not just keeping on top of a change programme, it is also managing, if you like, the whole resource function on an ongoing basis. That, I think, is something which up until now has been part of the remit of the Chief Executive. Although he may be too modest to say so himself, I believe that the Chief Executive has taken too many different directions and some of these responsibilities, such as that for resources, the I.T. (Information Technology) Department, the Human Resources Department, that is best passed to a senior deputy chief executive who can take over all control for that. Although the Chief Executive maintains overall responsibility at a departmental level he has a deputy to whom he can allocate those tasks and focus on other things that he needs to focus on more clearly.

**Senator S.C. Ferguson:**

I think the Emerging Issues Report touched on this and said that it was a very thinly staffed department at the top level.

**Senator T.A. Le Sueur:**

We are aware of that and I would try and ask for more resources **[Laughter]** if I did not know that everyone else was making the same sort of comments.

**Mr. W.D. Ogley:**

Perhaps what is not coming across around the Deputy Chief Executive and resources role is that we have had a push over the last few years to improve the individual resource functions, whether it be Property, H.R. (Human Resources), I.T., and Procurement, and we have taken a lot of cost steps. We have reduced the cost base by 20 per cent. We have improved their performance.

The next step is to bring them all together so they are working now not just individual functions across the whole of the States, but resources working together. There are 2 significant resource activities within Treasury: property and procurement, and indeed the J.D. Edwards system management and development that sit within Treasury and Resources. We are bringing those out of Treasury and Resources and putting them into the resources function. Resources is H.R., I.T., Property, Procurement and the J.D. Edwards system, which is one of those enterprise-wide systems. It is very clear that if we are going to improve the ways of the organisation we work, we have to bring all this lot together. They have to work more closely together. We talked about property. We have offices all over the place, too many offices. We should concentrate on to one campus because we will reduce costs very significantly. Where that is; we are working on it, but if you are going to do that all of these functions have got to come together. I am not back on to the rumour. **[Laughter]**

**The Connétable of Grouville:**

I am not talking about that rumour, I am talking about another one. **[Laughter]**

**Mr. W.D. Ogleley:**

If you are going to do that, I mean, it is not a property move because you have a lot of people issues to deal with. You have to have the systems that make it work. Therefore, we are pulling it all together.

**The Deputy of St. Peter:**

Strategically, we are now going to have the Deputy Chief Officer working under you dealing with those specific areas?

**Mr. W.D. Ogleley:**

He is going to deal with those specific areas; a real focus on that. We look at it as a collaboration. The resources' functions must work properly together, but they need to help departments to work

much better as well. It is not just we are providing a service to customer departments and who tell us exactly what they want; they have to be able to say to departments : “This needs a little bit of weight” at times. “No, this is the right way to do it and this is what you will do.”

**The Deputy of St. Peter:**

It is called direction.

**Mr. W.D. Ogleley:**

It is called collaborative work. **[Laughter]**

**Senator S.C. Ferguson:**

Yes, because there are quite significant resources in I.T., for instance, in various departments and they do appear to be running along on their own.

**The Deputy of St. Peter:**

That is in hand.

**Mr. W.D. Ogleley:**

They have been. We are giving them much more direction and leadership. At the end of the day, for a big system implementation the Chief Officer has to be responsible because it will affect their department radically. I cannot run the Health I.C.R. (Integrated case record Cost Recovery) project for them because this is affecting doctors, nurses, administration, the whole lot, but it has to work to the standards we set. It has to be professional, and the system side has to be quality and done properly. That needs greater intervention. To be honest, that is part of the reason for the deputy chief executive post so that you have somebody who can stand toe-to-toe, as it were and say: “Now look, this is where I say collaboration rather than direction. At times there has to be some direction that says: “No, the thing you do is this because you are going wrong”, but overall it has to be managed together.

**The Connétable of Grouville:**

That is constructive management.

**Mr. W.D. Ogleley:**

That really was why we needed this post, to stop the push and pull and just manage it. I think that is a big part of the job. Then the other part is the savings programme that is now high on the agenda and John Richardson will lead that. There will be some further resource reallocation within the Chief Minister's to find the resources to make that programme work. We will have to address that.

**The Connétable of Grouville:**

What is J.D. Edwards cost of application?

**Mr. W.D. Ogleley:**

I do not know.

**Senator S.C. Ferguson:**

It is a good one not to know, I think.

**Mr. W.D. Ogleley:**

We have to manage the cost in the future and, more importantly, we have to manage the corporate information that we have, the management information. It is not just finance, it is assets and it is people and it is purchasing. You cannot have a real control over purchasing unless you know where the purchasing is happening and you have a system that can control some of these things. I think it is a fundamental question whether it is that system or whether it is with a mix of others. It is something we have to get to grips with pretty quickly.

**Senator S.C. Ferguson:**

Yes, because the 1,500 or so purchasing cards ... I think it was the 600 purchasing cards in Health that had everybody a little excited.

**The Deputy of St. Peter:**

A very good headline.

**The Connétable of Grouville:**

It was great journalism that.

**Mr. W.D. Ogley:**

You see what we have here? We have a big issue to manage and that is what John will be doing. He has a big job on.

**Senator S.C. Ferguson:**

He has a good reputation for controlling costs down at T.T.S. (Transport and Technical Services), so ...

**Mr. W.D. Ogley:**

Sorry, I went on.

**Senator T.A. Le Sueur:**

That is all right.

**The Connétable of Grouville:**

Look at the state of our roads. That is how you control the costs.

**Senator S.C. Ferguson:**

There are ever-increasing demands for new legislation. How do you feel the Law Drafting Office resources are going to have to develop to provide a timely service, or are we bringing in too much legislation?

**Senator T.A. Le Sueur:**

As a personal view the answer is yes, we are bringing in too much legislation. I think more importantly we are bringing in or proposing new legislation without fully understanding the resource implications. Those resource implications, okay, you have the initial resource implications, you wanted to draft a new animal welfare law - something I know absolutely nothing about - so you have to have officers doing law drafting instructions, picking up for the Minister what this law should contain. There is a lot of internal management even before you get anywhere. Then you have to work out what the resource implications, if the law was implemented, would be; how many extra vets or inspectors or kennels or what not might you want; what are the ongoing costs; what are the regulatory costs; does it work, does it do what we want it to do? All too often we get a simple 2-liner in the proposition: "This proposition has no manpower or resource implications", which you have to sometimes ...

**Senator S.C. Ferguson:**

It is a bit optimistic sometimes.

**Senator T.A. Le Sueur:**

It is a bit optimistic. I think all I say is we need to be a lot clearer and a lot more honest before we even start looking at legislation about the resource implications in doing that. I think that might be a useful way of making sure that any legislation that comes forward only comes forward because it is really necessary, and it is in the right shape and delivers the product. I have been on the Council of Ministers and P. and R. (Policy and Resources) for a while now. We have all looked at business plans year by year and seen law-drafting requests which seem to be absolutely

essential back in 2003. When I came into the States in 1987 the Constables were discussing the Loi sur la Voirie, and I am not sure if they are still discussing it.

**The Connétable of Grouville:**

No, we did that one.

**Senator T.A. Le Sueur:**

You did that one?

**The Connétable of Grouville:**

Yes, we did it. In 2005, I think. It did not take too long.

**Senator T.A. Le Sueur:**

It only took 18 years. I think sometimes we have to be realistic. Are these laws we really need, or are they just aspirations that we would like to have? I think a greater sense of realism ... and that is not from the Law Officers. The Law Officers are the people who carry out what the States require. For Ministers and, perhaps more importantly, from the States Assembly as a whole, we need to be far more realistic before we implement or suggest more and more legislation.

**Senator S.C. Ferguson:**

Is there perhaps a role for the Legal Advisory Panel in this?

**Senator T.A. Le Sueur:**

Only maybe in terms of the shape of the law but, no, I think most of the problems are of a political nature. I think ...

**Senator S.C. Ferguson:**

Is the Legal Advisory Panel not political?

**Senator T.A. Le Sueur:**

Yes, but that tends to only review and advise me on legislation that is being brought. Yes, you could change the nature or the role of the Legislation Advisory Panel, but again, they simply advise me and I can advise the States: "You should not be bringing in this law." That needs to be evidenced. Really, rather than going that circular route, and some of us think you should need to bring it in, it is something that the Minister concerned - assuming it is a Minister bringing the law - should pick up from day one. It is not at day 10 having gone through it and you have the draft law in front of you that you say: "Why do we have this law in the first place?" You ask that question on day one and if the answer is validated on day one then you go ahead and maybe have the Advisory Panel, if needs be, for quality assurance. The ultimate decision has to stay with the Minister and with the States.

**Senator S.C. Ferguson:**

Perhaps is this something that should be emphasised with the Ministers perhaps - as well as the States, obviously - that they should look first to see what they want to do to be done under any other existing laws?

**Senator T.A. Le Sueur:**

Yes, I think that is a fair enough point.

**Senator S.C. Ferguson:**

Is that a formal procedure that is ever done?

**Mr. W.D. Ogley:**

Yes, it is and if I can just ...

**Senator T.A. Le Sueur:**

All right.

**Mr. W.D. Ogley:**

We have revised again. We improved 2 and a half years ago the law drafting process and prioritisation process and brought it all together and it changed it very considerably. What we are doing this year under the direction of the Council of Ministers is to introduce a further refinement, and you will see that coming through in the States Business Plan. We are moving from the status of having the pre-committed previous year's legislation that just rolls through and keeps rolling through, to just having one law drafting programme that encompasses all legislation, which is kept under quarterly review, each set of legislation. When the law drafting bids come forward from departments we are requiring departments to identify and allocate instructing officer resources so that we know that the law can proceed to time because that is one of the issues. We are also requiring them to identify specifically all of the resource implications as far as they can, and these blanket statements are not allowed. We are asking the finance directors and the Treasury to sign off on those resource commitments and then bring the whole lot through the Corporate Management Board through to Council of Ministers so that we get a much greater handle on the resource demands, but also the full provision of resources to allow it to roll forward. We are not allocating law draftsman time waiting for a department to allocate an instructing officer. The time gets allocated when the instructing officer is allocated and we can join the whole process up. That will also, I think, allow a more timely assessment of the resources as we go through the process without a preliminary big-blanket assessment that perhaps does not have enough force behind it and then updating it.

**Senator S.C. Ferguson:**

Yes, are you requiring them to say a quick summary of why it cannot be done under any other existing ...

**Mr. W.D. Ogley:**

That is one of the questions that we are asking to be answered, yes.

**Senator S.C. Ferguson:**

Any more questions on the department? H.R., I.T., Procurement? When is Procurement moving, by the way?

**Mr. W.D. Ogley:**

John Richardson will be taking up his post at the beginning of May and will be bringing the department together from that point.

**Senator S.C. Ferguson:**

Going back to the general chief ministerial sort of thing, we have discussed the recession affecting the Island. What sort of strategies are you putting in place to deal with it?

**Senator T.A. Le Sueur:**

Basically, I suppose what we have been discussing earlier: the need to find savings, and I will not just say "efficiencies" because efficiencies we have been speaking quite a lot on. Actual savings, are there things that we have been doing for years that really we do not need to do or should not be doing? Are there ways in which: "Okay, maybe that can be done better externally"? I am not saying necessarily that outsourcing is a panacea of law; it is not. I think if we are going to look at the functions across the States, are there ways in which they can be harmonised? I think one is certainly under discussion at the moment and is in terms of a sewerage charge; whether wastewater and freshwater could be managed by the same organisation in the same way as most councils in the U.K. and around the world do. Is the Jersey way better or is it more expensive? Those savings are something ... We always said we needed to look at them. I think when you get an economic downturn it sharpens the mind quite a bit. There is a Stabilisation Fund, I am pleased to say, and that is under the control of the Treasury and Resources Minister, but it is

something that I think, as the Council of Ministers, we have to work with him to support him, to see how that fund can best be used. Clearly, we want to also involve the Fiscal Policy Panel in that process. They were the ones who suggested a Stabilisation Fund in the first place and good for them. I think we would have been in a lot worse position if they had not have done. From my point of view, we need to carry on listening to their advice.

**Senator S.C. Ferguson:**

How do you see it being used to stimulate the economy in a manner that is fair to everybody?

**Senator T.A. Le Sueur:**

Fair to everybody is I think ... Why fair to everybody? One of the recommendations of the Fiscal Policy Panel was that if there was going to be the need to spend this money it should be spent where it had the most effect. That might mean targeting it to those less well off because if you are in the position where your income exceeds your outgoings and you are putting money aside, maybe you do not need any extra money to do that. If you are in a situation where you are suddenly finding that your outgoings exceed your income for some reason then if that money is targeted towards those people they are going to spend it and put it back in the economy, so it should work better. I think "fair to all" may be not the correct objective. The objective thing should be the now well-known 3 Ts of Targeted, Temporary and Timely. I think that is up to the Treasury Minister and all of us to determine what things might or might not meet those criteria. Again, maybe it is a question you should also ask with your other Corporate Services hat, the Treasury and Resources Minister, just to see if he gives the same answer as I do. **[Laughter]**

**The Connétable of Grouville:**

You mentioned the combination or the amalgamation of sewerage and water delivery - water delivery and water access - that sounds to me like a big jump to water charges coming up if that happens.

**Senator T.A. Le Sueur:**

I do not know. All I am saying is we should not forget or ignore the obvious, particularly when you see it working elsewhere. Why is it happening elsewhere? Is everyone out of step apart from us, or are we the ones out of step? I do not know, but let us examine it at least, or see what other solutions there are. I know some of the other solutions strike me as being a bit unpalatable to some people.

**The Connétable of Grouville:**

I know. I mean, it is common, as you say, in many other areas where they take over responsibility for all of us, but it does also mean as well that charges jump up. Unless of course you get to the stage of metering every single household.

**The Deputy of St. Peter:**

Which is the intention.

**The Connétable of Grouville:**

No, it would be sensible.

**The Deputy of St. Peter:**

The long-term intention is good.

**Senator T.A. Le Sueur:**

Let us face it, if we are going to need to spend £100 million or £150 million it has to come from somewhere. It does not come from a hole in the ground, even if it goes into a hole in the ground. It is going to be paid in one form or another, be it by charging or by taxation or by some other solution. There is no free lunch, there is no free sewerage.

**The Deputy of St. Peter:**

The difficulty though for ongoing costing is the failure, or perceived failure, to not maintain the infrastructure with the investment that is required to get that functioning properly.

**The Connétable of Grouville:**

Could I mention roads again?

**The Deputy of St. Peter:**

The same applies to roads. Roads and drains sit comfortably together.

**Senator T.A. Le Sueur:**

It is a situation of the whole infrastructure of the Island in kidding ourselves we have had balanced budgets, if you like. We have achieved balanced budgets by not spending adequately to maintain the assets we have. Okay, in some cases we may have too many assets, but you do need roads, you do need drains, and you do need ...

**The Deputy of St. Peter:**

As you rightly say, they have been neglected over a period of time, so it means it is getting worse and it has not been addressed.

**Senator T.A. Le Sueur:**

I think if you look at the Draft Strategic Plan document that we saw a few moments ago, maintaining the infrastructure, let alone enhancing it, adequately maintaining the infrastructure is one of my key objectives in the Strategic Plan. Maybe it was on the last one as well, but I think perhaps it became buried there among too many others. I want to highlight that as one of the key issues; not one we are going to solve overnight. You do not solve problems like that overnight.

**The Connétable of Grouville:**

The roads will end up ...

**Senator T.A. Le Sueur:**

We need to start now before it gets too much worse.

**The Connétable of Grouville:**

The roads, if I can bring it up again, £35 million needs spending now to bring them up to scratch, which is an enormous amount of money, but it has been just mounting up over the years. It started off, I think, when I first came into the States the figure was about £28 million and we are just lapsing. We are going further and further backwards all the time and we are not catching up.

**Senator T.A. Le Sueur:**

I am not going to comment much over past years and failings or perceived failings then. What I am trying to do is look forward to the future and how we can avoid the situation deteriorating further.

**Senator S.C. Ferguson:**

During your election as Chief Minister you said: "I will protect the job market to ensure that jobs continue to be filled by local people, qualified to do the work." What do you think needs doing in this area to achieve the promise and maintain a high level of local employment in the Island?

**Senator T.A. Le Sueur:**

A variety of things for the Council of Ministers to work together to do. The first one, which is down to the Chief Minister and which I hope to deliver later this year in terms of migration policy, is to bring Regulation of Undertakings and Housing more closely together, start the registration scheme, and make sure that, by doing that, we can get a better handle on what jobs are filled by local people and what jobs are filled by external people and clearly that is a moving target. At the

current time when there are too many jobs for local people to fill, then you need to bring in outside employees. If there is a situation where there are more vacancies, then you need to try to reduce the flow of incoming employees and make sure that there are jobs for local people. But then that brings you on to the next issue that you have to have local people able to do those jobs and one of the focuses has to be on developing the Skills Executive and that has, I think, improved a lot in the last 12 months in terms of skilling or courses and changing the outlook of a whole variety of people and it may well be, and I think it ought to be, part of the remit of the Minister for Education, Sport and Culture in terms of looking at the secondary and further education curriculum and arrangements for students. Is there a relationship between the education programme and the social and employment needs of the Island? Now, I know we have a lot of migration in and out of the Island and that has to be counterbalanced, and one of the difficulties we have is if we wanted to have a very efficient economic Island, then we may need to bring in skills from outside and so we get demographic pressure ...

**The Deputy of St. Peter:**

Would you accept that there have been failings in the recent past in any form of succession planning, for the training up of people and assessing of personnel in the executive roles? It is only now that we are moving forward in that area.

**Senator T.A. Le Sueur:**

I think that one can always improve and yes, there probably were some failings. Have we improved? Yes, but we can still do better, I think. One of the difficulties that I would see, and this is merely a philosophical one, is that we have a States organisation now where politically we have an Executive made up across the different ministries. You have a Corporate Management Board working more closely together and yet staff believe that they work for their department first and for the States second. Now, I think this is a mindset change. It will not happen overnight and it will not always be feasible but if staff in general felt that they worked for the States first rather than against one another, then there might be greater, I will not say incentive, but awareness of the

opportunity to move across departments from one to another and that is something which needs to come from the bottom up from those employees. It also needs a culture from the management down that they do not necessarily just look within their own departments for the workers.

**The Deputy of St. Peter:**

So in your department, who do you see as the leading agency, the developers?

**Senator T.A. Le Sueur:**

I think if you have a deputy chief executive task, management of resources, that is a natural role for that person to lead but I think it is something which is a culture one and in terms of implementation, all I do is tell the Chief Executive: "This is my bright idea. Now, how are you going to do it?" So that is my rationale, ask him how he thinks it could be done.

**Mr. W.D. Ogleby:**

Yes, I am aware that the bright idea has already been put into the pot. It has to be my responsibility with the department. The Deputy Chief Executive would have a role to be in charge of it. and that is within your role and, as you know, we have introduced modern manager programme, future leaders programme .

**The Deputy of St. Peter:**

That is the bit I wanted to tease out.

**Mr. W.D. Ogleby:**

Yes, and more secondment across the States. I am very pleased that obviously the Deputy Chief Executive was an internal appointment.

**The Deputy of St. Peter:**

These are recent initiatives, are they?

**Mr. W.D. Ogley:**

That is right. The Chief Officer of Social Security came from within the Island. We are having more success at that level and working through the organisation but it partly depended upon creating an integrated H.R. service in the States. All the time you had every department with a separate H.R. function and a central policy unit that where they argued with each other it was never going to happen. So I think these are key changes. We had to get some of those basic changes in and I think you are starting to see it flowing through now and it must come faster.

**The Connétable of Grouville:**

In the event that we have to go into a protectionist mode to safeguard Jersey jobs, what outside influences would you expect to be brought to bear on us?

**Senator T.A. Le Sueur:**

I do not think there is much merit in going into protectionist mode. What we have to do is to look at it from the other direction and say if certain jobs are no longer available what can we do to help the local people into what jobs there might be in the future. So I think I would be looking to the Economic Development Minister maybe or the Statistics Unit in terms of business opportunities and all that, where businesses see vacancies coming in the future, what the structure of the future business profile of the Island would be and try to get the Skills Executive to react to that and match the gaps to the people, if you like. Now, that is easier said than done, I appreciate, but I think simply saying we have to have local plumbers and every non-Jersey plumber should leave the Island, is not necessarily going to improve the skills of the local plumbing industry or the costs to the people or to be better for the Island in the long run.

**Mr. W.D. Ogley:**

Two further points. When we are talking about economic stimulus and we have yet to see what the package looks like but obviously work is going on, but if there is an element of that which is stimulating parts of our business community, small works, for example, where there is a natural

dam to it, the States has every right, as the people letting the contract, to place employment restrictions on that and focus that new investment into supporting and protecting local jobs. I expect that those ideas will very much be part of that. You can tie that back to Reg. of Uns. licences to ensure that you are not just getting local people focused on your jobs and a lot of new people brought in. So we have the mechanisms to make that happen but I think it is more about stimulus and support. The big external pressure clearly is if you find major employers in the Island that say: "We just cannot find the right people to employ here and our business will not work so we are moving somewhere else that has a much freer flow of skills", that is where the training and the retraining and giving people the opportunity comes in. We are not expecting that to happen but we have to protect ourselves from it.

**The Connétable of Grouville:**

The question did come up yesterday. Now it is a high cost base for financial services. What can we do, can we do anything to help that?

**Senator T.A. Le Sueur:**

We can try to keep inflation down to the lowest possible level. To some extent, it is down to supply and demand and that gets you some interesting discussions on migration policy but I think, given the constraints that the Island faces - and there are constraints that all Islands face - you are starting from a basically higher cost base and it means you have to work that much harder and it may be that you have to do other things which compensate for that higher cost base. If you have better reputation, better productivity, better output, more profitable jobs, then you can regain that competitive edge, and we have seen that in previous situations where maybe in terms of restructuring, the cost beneficial work is done by well qualified people locally and some of the mundane routine work can be done elsewhere in a cheaper location. Businesses will decide on a variety of reasons where they want to locate their activities. We have to make sure that the overall package that they can obtain in Jersey is better than they can obtain elsewhere. That is an ongoing battle which we need to win.

**Mr. W.D. Ogley:**

If there is a world where the industry is facing new cost pressures - I do not want to speculate what they are - but new cost pressures may come through, then you look immediately at the competitive advantage you can create by making sure that our cost pressures are much less than they would face in other locations because it is not just about salaries. There are a whole host of other sets of costs.

**The Connétable of Grouville:**

Well, I hear this morning on the news that house prices here have dropped.

**Senator T.A. Le Sueur:**

The index has dropped, yes. They are still rising but they are rising at a lower level or a lower rate.

**The Connétable of Grouville:**

That is not the impression I got. I thought it was the average price down from £500,000 to £480,000 or something like that.

**Senator T.A. Le Sueur:**

Yes, in the last quarter, they have dropped compared with 12 months earlier. They are still higher than they were 12 months earlier.

**Senator S.C. Ferguson:**

On their last visit, the Fiscal Policy Panel made it very clear that they were a bit fed up that the States had not followed their advice.

**Senator T.A. Le Sueur:**

Disappointed, yes.

**Senator S.C. Ferguson:**

Yes, extremely. You have said that there are no new projects without funding or savings. Is this the main direction change arising from the F.P.P.'s last report or do you have others in mind?

**Senator T.A. Le Sueur:**

I think when the F.P.P. last reported, they said 2 things. They said that the State election fund should be increased in value, which we have done, and it should not be used until the time was right. At that time, which was October, November last year, they said the time was not yet right. We have asked them to come back next month and give us an update and we will share with them our current economic forecasts and the range of uncertainty, if you like, which I think you probably all saw yesterday or the day before, or, indeed, in that White Paper there. They will no doubt comment on whether they feel, firstly, that it is appropriate to use part of the Stabilisation Fund and, secondly, the sort of directions in which that should be used. So certainly I look forward to receiving that advice and receiving it in good time for us to be able to implement that within the Strategic Plan framework. Of course, the Strategic Plan is very much a policy arrangement and it is the Business Plan a few months later which will decide where money is being spent. So it is in that context, I suppose, ultimately, that the decision would be made but certainly I believe that the F.P.P. have been very useful to the Island, useful certainly to me in my previous role as Treasury Minister and I would certainly endeavour, whenever possible, to follow their advice.

**Senator S.C. Ferguson:**

Yes, I thought they were jolly good but that was probably because I agreed with them. You have mentioned that you would like to involve States Members and members of the public in finding common and informed views to which the majority could sign up. Your departmental Business

Plan talked of disseminating new theories of consultation. This suggests you have a strategy to effect a significant step change in public consultation and response. What have you in mind to achieve that?

**Senator T.A. Le Sueur:**

I do not know I have a significant step change. I think my approach has certainly been to try to engage, as I said earlier, with States Members and members of the public in things like key strategic policy, perhaps more generally in terms of consultation. I think that one of the ideas we have had in the last 3 years but probably has not been used as well or as clearly understood as it might have been is that of Green and White Papers or our equivalent Green and White Papers. I think that maybe we need to develop and work on that and see how that can be better understood, firstly by Ministers and departments issuing those papers and, secondly, by the people receiving them and responding to them and appreciating that if they are consultation papers, then they should offer a range of opportunities and the pros and cons of different ones so that a decision can be made. Consultation papers are not communication papers, simply telling people what is going to happen. They are consultation to ascertain different points of view. So I think in that sort of way, there is a learning process for all of us which surely should lead to better communications, better understanding. I would not call it a step change. As I say, we have the tools there but we are not using them as well as we should be.

**Senator S.C. Ferguson:**

All right. So going on from that and following a comment in your election speech, which again appears in your departmental Business Plan, B.P.14, what improvements, apart from the Green and White Papers, do you think could occur in working practice of the Scrutiny function on both sides to achieve improved effectiveness?

**Senator T.A. Le Sueur:**

The simple answer is talk to one another and maybe talk openly to one another. I believe I have demonstrated that personally over, say, the last 3 years but I think, at a general level, I asked members of the Chairmen's Committee to come to the Council of Ministers at an early stage to discuss things, and I would like to repeat that exercise. The Business Plan says every 6 months. I have not read the Business Plan properly and I invited them maybe every 3 months, but I do not think there is any harm in inviting them to come more often and talk to the Council of Ministers and to get some understanding. At the time, I presented an outline of the programme of each department for the next 12 months to enable Scrutiny to plan their activities better because it is not a case of all of us working in isolation. I am sure if you have a plan of work for the next 12 months it makes your life easier. If you have that plan of work you can share with us, it makes our life easier so it is this greater communication and I think maybe focusing or having structured discussions, as we have had with this situation, where Ministers get an idea of the line of interest or questions which panels want to ask, not constraining them too much but just in a general direction which way they are thinking. Then Ministers can give panels better more coherent and more structured answers. That ought to help both ways because unless you understand what we are trying to do and we understand what you are trying to do, there is a danger of misunderstandings. So just to conclude that one, when you get a draft report, where possible, if we can maintain what already exists, I think that the transcripts go out to Ministers a few days beforehand just to make sure we have the facts right, not necessarily your conclusions, but that we get the facts right because I do not want to see spats in public about Ministers saying: "I did not say that" or "You have it wrong" when, in fact, it may just be an innocent misunderstanding and I do not know who would necessarily be to blame. Let us get the facts right and agreed by both sides. Then whatever conclusions Scrutiny come up with are the conclusions of the Scrutiny Panel and the Minister can respond to them within the 6-week period as he should do. So I think in summary it is more open communication, better talking.

**Senator S.C. Ferguson:**

As Churchill said: "Better jaw, jaw, jaw than war, war, war." Well, not quite that, no, but ...

**Senator T.A. Le Sueur:**

Well, not quite that. I hope it never comes to war, war, war. I believe that certainly where Scrutiny has worked well, it has worked very well and I want to see if we can ... and I am sure you would equally want to see if that can be extended more widely than maybe it has been done over the past 3 years.

**The Deputy of St. Peter:**

Having said that, and I agree with you, there are certain areas within Scrutiny that do work very, very well and have been very constructive. There have been other areas where there have not been and there have been breakdowns in communication. How do you envisage dealing with those particular areas where you feel there is a breakdown in trust or maybe a breakdown in trust?

**Senator T.A. Le Sueur:**

There is more likely to be a breakdown in trust if people do not talk to one another, and that is why I want to make sure that we have these meetings every 3 months at Council of Ministers level. I would also expect Ministers to talk to their Scrutiny Panel chairman at some of those meetings as well so that there is an understanding of what both parties are trying to achieve. Ultimately, it comes by experience. I think there have been cases where people have had a bad experience in the past, one way or another, and it has put them off and this is probably more so on the side of Ministers, put them off being too open in their answers. Frankly, if I know I can trust a panel, I will give them information very often before passing it even to my fellow States Members or members of the Council of Ministers. That, I believe, works very well but there has to be that element of trust which does not happen by accident and it is so easy to betray it, I think, particularly in cases where the Scrutiny Panel members or chairman may have their own personal

agendas. Now, I know we are all individuals and we cannot always help having personal agendas but if we can do it in an objective way, I think that will create greater trust.

**Senator S.C. Ferguson:**

Well, as long as you can stop overspending, I think that is our only agenda.

**Senator T.A. Le Sueur:**

Well, I do not think it needs to be your only agenda but certainly I ...

**Senator S.C. Ferguson:**

No, I think we all share the same view of how we would like the whole operation to develop and we look forward to a very productive working period over the next 3 years. Thank you very much indeed for your time. Now, I know you have to rush off to yet another meeting.

**Senator T.A. Le Sueur:**

Thank you for your understanding and I hope that when the Strategic Plan is published in April, you will be quite happy to continue this dialogue and see where we have not done quite as well as we could have done.

**Senator S.C. Ferguson:**

Well, no, I think is not the next meeting, as we start finishing the Strategic Plan, start on the Business Plan.

**Senator T.A. Le Sueur:**

Probably, yes. I think both officers and I would like to get one thing out of the way first and ...

**Senator S.C. Ferguson:**

Oh, we thought we would just like to juggle it. It is the female multi-tasking, you see.

**Senator T.A. Le Sueur:**

All right, okay. Well, we will have to see if we can pick up some ideas.

**Senator S.C. Ferguson:**

Well, thank you very much indeed anyway.

**Senator T.A. Le Sueur:**

Thank you all.

**Senator S.C. Ferguson:**

Thank you, Mr. Ogley. Thank you, Mrs. Marshall.