



Public Accounts Committee

Performance Management Follow-Up Review

Witness: Treasurer of the States

Friday, 14th July 2023

Panel:

Deputy L.V. Feltham of St. Helier Central (Chair)
Deputy M.B. Andrews of St. Helier North (Vice-Chair)
Deputy T.A. Coles of St. Helier South
Deputy M.R. Le Hegarat of St. Helier North
Mr. G. Phipps, Lay Member
Mr. S. Taylor, Jersey Audit Office

Witnesses:

Mr. R. Bell, Treasurer of the States
Mr. A. Hacquoil, Group Director, Strategic Finance
Ms. S. Ward, Head of Business and Performance

[12:30]

Deputy L.V. Feltham of St. Helier Central (Chair):

Good afternoon and welcome to this public hearing of the Public Accounts Committee. Today is Friday, 14th July 2023 and we are holding a public hearing with the Treasurer of the States as part of our review of performance management. I would like to draw everyone's attention to the following. This hearing will be filmed and streamed live. The recording and transcript will be published afterwards on the States Assembly website. All electronic devices, including mobile phones, should be switched to silent. For the purposes of the recording and the transcript I would be grateful if everyone who speaks could ensure that you state your name and role and speak clearly throughout. We will begin with introductions and we will start with the committee. I am Lyndsay Feltham and I am Chair of the Public Accounts Committee.

Deputy T.A. Coles of St. Helier South:

Deputy Tom Coles of St. Helier South, panel member.

Deputy M.B. Andrews of St. Helier North:

Deputy Max Andrews. I am Vice Chair of the Public Accounts Committee.

Deputy M.R. Le Hegarat of St. Helier North:

Deputy Mary Le Hegarat, District North St. Helier, panel member.

Mr. G. Phipps:

I am Graeme Phipps, a lay member.

Mr. S. Taylor:

I am Stephen Taylor from the Jersey Audit Office, representing the C. and A.G. (Comptroller and Auditor General).

Deputy L.V. Feltham:

The officers that we have present?

Treasurer of the States:

Richard Bell, Treasurer of the States.

Group Director, Strategic Finance:

Andy Hacquoil, Group Director of Strategic Finance.

Head of Business and Performance:

Stephanie Ward, Head of Business and Performance for the Treasury.

Deputy L.V. Feltham:

Thank you. We only have about an hour today so we would appreciate obviously good answers but succinct as well if possible. We will start with Deputy Andrews.

Deputy M.B. Andrews:

Richard, I would like to ask you: what are your responsibilities as Chief Officer for the Treasury Department?

Treasurer of the States:

Thank you. So, as Treasurer of the States I have a number of statutory responsibilities, which then flow into my role as Chief Officer of Treasury and Exchequer. But my responsibilities are across treasury investment management, financial planning and performance, shared services for financial services, an overall A.O. (accountable officer) role for Revenue Jersey - but there is a statutory wrinkle there with the Comptroller of Income Tax - as well as now responsible for Commercial Services. Within that element of the Cabinet Office, I am responsible for ... there are the risk areas. The Corporate Portfolio Management Office has come across as well. I am also responsible for internal audit, for F.O.I. (freedom of information) and for health and safety, and I am currently leading the I.T.S. (Integrated Technology Solution) project.

Deputy M.B. Andrews:

Thank you very much for clarifying quite a few responsibilities there.

Treasurer of the States:

Yes.

Deputy M.B. Andrews:

So I was wondering how many people are reporting into you directly.

Treasurer of the States:

Currently 8.

Deputy M.B. Andrews:

Eight, okay. How does the relationship work between, say, those 8 individuals who report to you and also making sure that the ministerial responsibilities and personal objectives are deliverable as well?

Treasurer of the States:

Well, so in terms of the responsibilities and objectives for the department they flow through what the Assembly agrees within the C.S.P. (Common Strategic Policy) and in the Government Plan. That forms part of the ministerial portfolio of priorities within the ministerial plan, the ministerial delivery plan, which is largely the Minister's plan, plus some of those more corporate or internal objectives. My own objectives fall out of that ministerial delivery plan, in essence. So you can see what I call a golden thread, the thread between what the Assembly approves, what the Council of Ministers' objectives are, what the Minister's objectives are, what my objectives are. Those objectives will then cascade down among the teams led by those 8 directors and then from there into their teams and into the individual objectives of team members. So there is a thread all the way through from there. At the end of the day, yes, I have state and statutory responsibilities but we also have to improve

performance, et cetera, and manage risks. At the end of the day, our highest priorities are those objectives of our Minister.

Deputy M.B. Andrews:

Could you maybe just explain the relationship, say, between yourself and the Chief Executive and if you can maybe just go into detail about how your personal performance is appraised by the Chief Executive?

Treasurer of the States:

That is broadly in line with any other employee, through our appraisal system. I have my objectives set at the start of the year. I put them forward. We have a discussion. They are agreed. They are then formally monitored on a half-yearly basis but we meet almost daily in some ways, but on a more scheduled basis weekly or half-weekly and then in a number of different forums. Progress against objectives is then recorded by me. We have a meeting in respect of that and the Chief Exec will then make their comments as to that performance.

Deputy M.B. Andrews:

Okay. So I understand you are part of the Chief Executive leadership team, so what similarities are there with the other Chief Officers in terms of, say, the personal objective setting that is consistent across the spectrum and what differences are there compared to, say, some of the other Chief Officers within the remit of Treasury?

Treasurer of the States:

I think that the only difference would be in respect of some of my responsibilities as Assistant Chief Executive, but in terms of format they are the same. I am just another Chief Officer.

Deputy M.B. Andrews:

In terms of, say, the responsibilities that you are set, how consistent are those responsibilities year upon year or do you see from time to time some drastic changes happen due to ministerial makeup changes?

Treasurer of the States:

So I would probably suggest on a year by year basis I am more likely to have a new Chief Executive than I am a new Minister. Ministers is a 4-year term typically so that stays constant. Obviously, that generally changes at the same time the Assembly changes and, therefore, with the C.S.P.s being approved by the Assembly and the Government Plan being approved by the Assembly, you can see a change between Governments. Sometimes the focus from a Chief Executive will be different as a Chief Executive changes, but broadly as mine fall through the ministerial plan they will not change

drastically year on year, other than added to as ones are completed and others come on board in respect of what is in the ministerial plans.

Deputy M.B. Andrews:

Okay. Thank you very much, Richard.

Deputy L.V. Feltham:

You said earlier that your top priorities are ministerial priorities. I am conscious that in the recent change in role you mentioned about taking on responsibility for the risk function, the C.P.M.O. (Corporate Portfolio Management Office) function and the I.T.S. function. How many ministerial plans are you currently working to?

Treasurer of the States:

So that is largely ... those fall largely through the Chief Minister's plan, which may involve different Assistant Chief Ministers, but they fall through the Chief Minister's plan.

Deputy L.V. Feltham:

Okay. Then when you have the feedback, the ministerial level feedback, is that coming from all Ministers or one Minister in particular?

Treasurer of the States:

So that will be done on an annual basis, and I am not sure that that would have taken place to the extent that it included the A.C.M. (Assistant Chief Minister) on the annual basis. That would probably be in the next annual one, but feedback was taken from the Minister for Treasury and Resources.

Deputy L.V. Feltham:

Okay. Thank you.

Mr. G. Phipps:

Richard, you mentioned risk. Can you identify for us what your top 3 risks are that you are facing and how you propose to manage them?

Treasurer of the States:

Okay. So obviously being involved in a great deal of risks, in terms of from a purely Treasury perspective some of the things are macro rather than being a department, but they may fall out of the key responsibilities of the department and our Minister. So on an internal basis let us say that key risk ... key focus within the department is whether Connect Finance will deliver the expected benefits and, indeed, the adequacies and insufficiencies of financial management that we want it to

deliver. In terms of addressing that in particular, we have been involved as a department in the project from the outset and have been involved in workshops in design and suchlike and in user acceptance testing. As we have gone through implementation and as we came out of immediate implementation, of course, the A.O. for the project left and I became the A.O. essentially for the project. Post-implementation, as well as going through the hypercare period as well, we implemented within Treasury a team focusing on stabilising and embedding Connect Finance to drive the benefits out but in the first case to stabilise and deal with some of the implementation issues we have been seeing. So that is one risk. The second risk that I suppose sounds a bit more grand relates to the threats to long-term financial sustainability. At one end of that, that can be the work we are involved in in delivering a Government Plan for the 4-year period but also looks further out to start to consider the risks that arise from rising health costs, which are also allied to those impacts upon the finances arising from an ageing population. So we carry that long-term risk and issue and work across departments as to how to start to discuss mitigating that, and I think States Members will have had presentations from the Chief Economist about some of those long-term threats. We work with the Chief Economist in respect of those risks. There have, of course, been a number of means over the years of addressing those risks through long-term care schemes. We have a very robust and healthy balance sheet in respect of future pension costs, and the key element that we need to address is the rising costs of health and how we fund those. It is not uncommon across many economies of the world. It is not necessarily rocket science in terms of how to address the funding aspects. That is a programme of work we are involved with, with Health, as to how to develop policies for C.O.M. (Council of Ministers) over the coming years to address that funding gap. But also within that is the need to ensure that health services are delivered efficiently. So we are hand in hand working with the Health Department in respect of the financial recovery plan, which has included putting more finance people into that team, and also a key focus for us and our colleagues who will lead that key focus for the Treasury is making sure that that is embedded. Because there have been instances and examples of good financial management across different departments that are implemented, and sometimes they seem to drift away. So that work we are involved with. More immediately than those long-term sustainability risks are the ... if I can describe it as the macro ... sorry, the considerable volatility we are experiencing currently in macroeconomic factors, be they interest rates, be they inflation in particular. So inflation threatens the sustainability of finances in the short, medium and long term, so how we address that is important, but also any impacts and getting ahead of what that volatility in markets might mean to our investments. So working with the Treasury Advisory Panel, constantly being on top of our investment strategies, for example, constantly on top of our managers in ensuring that they perform, is even more critical during this period than it is when the economy is in a stable position.

Mr. G. Phipps:

Thank you. I am going to shift a little bit now. You mentioned one area where your financial people are putting more into health, et cetera, but on a broad context organisations face a dilemma of either going functionally designed, where they have the expertise in functions that guarantee the quality of the service, of the expertise, or they have them in the business units, which often lead to better business results. In the organisation now, all of the finance rests with you and so departments would not have a C.F.O. (chief financial officer) in each department, for example, so I am going to pursue that a little bit now and a little bit later. As Treasurer, you have oversight for the financial performance across all these different organisations and business units. How do you gain assurance that each of these departments are accomplishing what they need to accomplish financially?

[12:45]

Treasurer of the States:

So if we are talking financial management and control, the full ambit of finance function sits within Treasury under direct line report rather than under dotted line report. I could probably suggest that it is easiest to do that. Those risks were always with the Treasury regardless of whether they had the ... as the lead department regardless of whether they had the dotted line or the more formal solid line. Of course, that control framework starts through the Public Finances Law into the public finances manual that is the rulebook, if you like, for how finances are managed across the public service. We keep that under regular review and, indeed, there are chapters come on board this year and edits to those chapters, an improvement cycle in terms of improving that manual. Alongside that, we have training in place for finance staff as well as non-finance staff, core training modules available as well as more specialist training available. I see a key part of ensuring that overall financial management quality is maintaining and recruitment and retention of quality finance staff and their sufficiency. So we have put an increasing focus on that in the Treasury in the last few years. In terms of then the systems and processes, and of course I have just touched on the risks inherent or arising from the implementation of the new system, working through those and ensuring that they are in place is key to ensuring financial controls are effective on the organisation. Alongside that, we have this year developed a fraud and anticorruption strategy and are working across the organisation on improving our understanding of our broad risk. There is a plan in place to take this strategy into actions. There is training coming on board in respect of fraud and anticorruption that will be available to all. There are a number of articles coming on board as well. In terms of next tier round governance, for example, we are responsible for the internal audit function, making sure that the internal audit function is auditing the right things, the right subjects. We get some input there across the organisation but also through the Risk and Audit Committee as well. So there are a number of different ways in which we ensure that adequacy. Key risks there arise from the introduction of the new system. They arise from ... if I was to have had 4 risks, I think my fourth one would have been recruitment and retention. We are seeing a particular challenge

right now after a period of quite some stability. Then I think one of the other risks I see is that as, shall I say, the total cost of government has risen we have not necessarily seen a rise in the size of the finance department. Now, of course, when you are just growing an existing service that is not so much of a problem, but when we get into other services or other projects they require further resourcing.

Mr. G. Phipps:

Fair enough. I think consolidation does have some cost benefits, but I would like to dig a little deeper into the other side, and this is the satisfaction of the departments. I think you have talked to the quality and how you assure from a financial perspective. Is there anything else you would like to say about how you work with your financial business partners to ensure they are getting the assurance and effectiveness that they are meeting their specific financial needs and getting the support from your organisation to do that?

Treasurer of the States:

So part of that will be ... one of my directors is the director responsible for finance business partnering and they meet regularly with - I nearly called them D.G.s (director generals) - Chief Officers to get feedback upon the performance of their teams and what we are providing for that department. Of course, often the finance business partnering is also the front door into other services within the Treasury, be they commercial or otherwise. A key way by which we would gauge whether we are doing what we need to for those departments will be in those meetings with the Chief Officers.

Mr. G. Phipps:

So you get direct feedback from them as to how well you are serving them and that would go into your ...

Treasurer of the States:

Into that director and from that director to me.

Mr. G. Phipps:

Okay. Then another perspective, looking at your year, how would you describe and characterise a good year for your department if you look back? What would the expectations be and if there are problems or issues what would be the main ones that you would be concerned about?

Treasurer of the States:

So there are a number of ways in which I suppose I gain satisfaction at the end of the year that we have had a good year. That starts from the level of delivery against the ministerial plan. Beyond that would be morale of the team, the adequacy and sufficiency of the team around us as well, and

next to that would be how well we are doing for the rest of the organisation but also our external customers. So customer service, whether it is improving, would be those core things that I would attach to a good year. I would like to say investment performance but I would probably say investment performance against benchmark because there are a great deal of factors out there that I cannot manage directly. So it is investment performance against that. In a pleasing year we will see improvement to the sustainability of public finances over the long term, see our role to work with Ministers and suchlike to deliver plans that look after the finances in the long term. So those are core to me in terms of how I might regard a good year. I would say that in government in Jersey, public service in Jersey, one of the key barriers to the delivery of any of those will be things that come along. We have had a run in recent times of things that tend to come along, be they new initiatives, be they responses to external factors and external risks and the number of events we have had in recent times. I would see those as the key barriers to the delivery of what you set out to deliver at the start of the year.

Mr. G. Phipps:

Flexibility is a pretty key one, obviously.

Treasurer of the States:

Yes, it is. A key point I would probably make there is we are not terribly great at reprioritising. We are just very good at identifying new priorities.

Mr. G. Phipps:

Adding to the list instead of ... Okay, we will come back to some of these other questions you raised, like the morale of the organisation, et cetera, but maybe I will turn it over now to Mary to follow up with a few more specific questions.

Deputy M.R. Le Hegarat:

Okay. I am going to ask questions in relation to employee objective setting and appraisals. How are you ensuring that objective setting within your department at all levels is linked back to ministerial and departmental priorities?

Treasurer of the States:

Okay, so firstly is as I have just described, in terms of my objectives set by the Chief Executive but largely, predominantly related to the ministerial plans. The objectives that I set of my directors come directly from those objectives and, therefore, they are responsible to me for the delivery of those. I may lead; they may be the expert subject matter or the person in charge, the lead of the project to deliver those things or in the case of customer performance more directly. They will then cascade that into their teams. Ultimately, at the end of the day, one of those key measures would be did not

deliver against or you have delivered against those objectives; you have clearly had your team pointing in the right direction. As part of our workforce planning and work plan for the coming year, we are going to be looking at consistency of objective setting and the quality of objective setting further down the organisation. I know that the P. and C.S. (People and Corporate Services) team are also looking at that in terms of quality and consistency rather than just that the conversations and just that the objectives have been recorded. Because on the face of it, you could have objectives set, they do not necessarily have to be good ones but they have completed them, so yes. So the next phase of that is while objectives are being set there is a consistency and quality in the right place. I would say that ... well, you are probably going to ask a question about it in the next bit so I will leave it to the question.

Deputy M.R. Le Hegarat:

[Laughter] I might not be. What about their own personal objectives, though, their own identified personal objectives?

Treasurer of the States:

So you are right that they will ... so, firstly to say within the system that we use now there are key themes. Mostly we are interested in one that is called financial management, but there are others, which therefore draw all members of staff to set objectives within those themes. So there is that level of commonality. Everyone is required to have between 4 and 8, which is why I have ministerial plan as mine because it sucks up all the other ones into a further category. So that is one way of achieving that and that then cascades down into the rest of the organisation. It is all done on an individual basis. I have those 8 direct line reports making their objectives. They may have development objectives within there that are beyond those of just delivering the ministerial plan and they may relate to their team. So I can see that that happens from my individual experience and it will go down further. You are lucky enough to find to my left someone from tier 2 you could ask the same question to, and someone from tier 3. There is a direct line between all 3 of us, but I am sure I know what the answer to the question will be.

Deputy M.R. Le Hegarat:

So what about their own personal development, then? I accept there are themes, but what about individuals' development needs? So how does that work?

Treasurer of the States:

So that part of the discussion and those development needs or development opportunities in terms of the opportunities out there to develop are available within that process as well. I do not have the stats on how many have development needs, unless you ...

Head of Business and Performance:

I do not, I am afraid.

Treasurer of the States:

But there is that opportunity within that ... no, sorry, I meant identifying within the system the development objectives that have been set.

Deputy M.R. Le Hegarat:

In relation to that, how many of the employees within your area of responsibility are in scope for Connect Performance?

Treasurer of the States:

All of them.

Deputy M.R. Le Hegarat:

Okay. That must be a first.

Treasurer of the States:

Or have I got none?

Head of Business and Performance:

Apart from the agency staff, of which there are many.

Treasurer of the States:

Apart from agency staff.

Deputy M.R. Le Hegarat:

Oh, okay.

Treasurer of the States:

Well, I draw ... they are not ... if they are agency staff, they are employed by the agency.

Deputy M.R. Le Hegarat:

Yes, but one assumes that they still have to fall into some sort of scope of appraisal and other areas. So how do you manage those individuals that are agency staff in relation to their performance?

Treasurer of the States:

So this will be largely around using the system. I still see that managers are responsible for managing the performance of the people they work with, whether they are using the system or they are not using the system and whether they are doing that in a team context or an individual context. Of course, as agency staff, poor performance is possibly easier to bring to a close than directly with employees, but nevertheless if we are looking for a long-term relationship with that individual we would expect that development to take place as well.

Deputy M.R. Le Hegarat:

Okay. So you ...

Treasurer of the States:

So, sorry, my answer was about our employees, so all of them, yes.

Deputy M.R. Le Hegarat:

Yes. So you have 100 per cent that are in scope. How many of those individuals have completed the objectives within that Connect Performance?

Treasurer of the States:

Ninety-two per cent have completed it and the ... 72 per cent have ... ones who have gone all the way through to being approved by the manager, off the top of my head.

Head of Business and Performance:

Something like that.

Deputy M.R. Le Hegarat:

Okay, so you are fairly on track?

Treasurer of the States:

Yes.

Deputy L.V. Feltham:

Can I just double check that? Because what state should you be at right now? Because we are over half way through the year, so ...?

Treasurer of the States:

So by the end of July they should have all had a midyear review. We are not at the end of July yet, so I have given you the 92 per cent have had objectives set. There are a number of which ...

Head of Business and Performance:

So as far as ... yes, so 92 per cent for that but then ...

Treasurer of the States:

Sixty-six per cent have been approved by the manager, 13 per cent are sitting with the manager.

Deputy L.V. Feltham:

When should they have been approved by the manager?

Treasurer of the States:

They should have been approved by the manager ...

Head of Business and Performance:

Quarter 1.

Treasurer of the States:

... was it by the first ... month of the year? We did give some latitude within my teams because I expected that to be done a bit later, given the challenges they were faced with I.T.S.

Group Director, Strategic Finance:

Could I interject as well at that point?

Treasurer of the States:

Okay.

Group Director, Strategic Finance:

So obviously the system is recording what has been recorded in the system. In a lot of cases the conversation to set objectives will have already happened. So I would not like for the impression to be given that these people have not had a conversation around what they should be doing this year. They should already be aware. A lot of the stats that you have just heard are about getting them captured formally in the system so that they can be monitored. That is really important and we have had a lot of focus on making sure that they are moving through, but it is not ... in almost all cases they have still happened.

[13:00]

Exceptions have been where someone is, for example, on parental leave. It is very difficult to have an objective conversation with them if they are not in the office, et cetera. So in most cases the

stats would be even better when you think about the setting of objectives rather than recording the setting of objectives.

Deputy M.R. Le Hegarat:

So what you are saying is that the conversations have happened and they know what is the expectations but they are not all recorded on the Connect system?

Group Director, Strategic Finance:

Yes.

Treasurer of the States:

So my focus is getting them on the Connect system.

Deputy L.V. Feltham:

I am quite surprised, given that you are the senior person responsible for I.T.S. Connect was part of I.T.S. so I would have anticipated or I would have thought it might be fair to anticipate that your department should be leading the way with usage of the system and saying it works for us.

Treasurer of the States:

So more definitely on the finance element than the people element, but yes, that is the case. But I think when we compare ourselves to many of the other departments we are in the higher elements in terms of having those conversations recorded and those objectives recorded. So I do not see our performance as particularly low. It was lower than I would have expected in the earlier months in any other year, but given the challenges we were having and what that meant in terms of people being extremely busy in the early months, we gave a bit of latitude to a couple of teams in getting those done and those numbers go back up. There are some issues, as Andy says, as to why they might not be recorded. There are also some of the teething problems we have had in the system that mean that roles have changed and if the system does not capture with the roles changing as quickly, then they are not recorded as well.

Deputy M.R. Le Hegarat:

So how are the individual performance objectives being monitored throughout the year?

Treasurer of the States:

In terms of the objectives or in terms of the percentages of objectives set?

Deputy M.R. Le Hegarat:

Well, individual performance against objectives monitored throughout the year?

Treasurer of the States:

Formally that is done on a half-yearly basis, so that half-yearly process is now due. In respect of my line reports, I can see on the system that all bar maybe one have submitted those to me and we need to have that conversation as the formal conversation about those and I need to record by the end of this month ... give the feedback in terms of what is in the system. In terms of, however, the more informal aspect of performance management, I meet with each of my team on a one-to-one basis fortnightly. We also meet in a number of forums across our organisation as an S.L.T. (senior leadership team). We meet across I think 5 different meeting settings and 5 different subject areas, one of which is performance and one of which is people and organisational development, where we pick up whether the formal steps are taking or will be taking place. So during July we are focusing on are they getting done and at the end of July we will have those numbers that will tell us whether they are done. But back to the informal process, I am meeting regularly with my direct line reports. That takes place throughout the organisation. We might be talking about issues, we might be talking about risks, we might be talking about which of the things we are going to do if that new thing has come along, but we are also talking about progress against those objectives. Because at the end of the day they are the business that we are there to talk about.

Deputy M.R. Le Hegarat:

Are you confident that the 8 people that report to you, your direct line, are actually feeding all of that down to their team leaders and their teams?

Treasurer of the States:

From the discussions I have, yes.

Deputy M.R. Le Hegarat:

Okay. How many contractors have you got within your line of responsibility, do you know?

Treasurer of the States:

I have a sheet somewhere.

Deputy M.R. Le Hegarat:

We have already obviously discussed how you manage their performance, but how many have you actually got?

Treasurer of the States:

Off the top of my head we have ...

Head of Business and Performance:

You have 8 agency staff and 11 interims for fixed-term contracts.

Deputy M.R. Le Hegarat:

So you have, sorry, 8 agency staff and 11 ...?

Head of Business and Performance:

Fixed-term contracts or ...

Deputy M.R. Le Hegarat:

Fixed-term contracts. So those fixed-term contracts are not the same as your agency staff, because your agencies have an agent who is responsible for them. So what about the ones that are on the fixed-term contracts, where do they fall into all of this?

Treasurer of the States:

So regarding the ... I might have to ask you for the technical, but in terms of fixed-term contracts versus contracts, they can be fixed-term contracts that are employees or they might be fixed-term contracts under contract for services. Where they are fixed-term contracts as an employee, they are on the system.

Deputy M.R. Le Hegarat:

Okay. Right. So you have your permanent staff and you have your ... so is there any group that we have not discussed? I will ask you that because you might have a better idea.

Head of Business and Performance:

I do not think so. So there is agency staff and ...

Deputy M.R. Le Hegarat:

It gets very confusing when you have fixed-term contract, contracts, agencies.

Head of Business and Performance:

You have normal F.T.E.s (full-time equivalents), you have agency staff and you have those that are under a States contract, so a fixed-term contract. Those under a States contract, like any other States employee, would be under the Connect Performance system.

Treasurer of the States:

Or you will have an interim that is under contract for services and, therefore, it is a matter of contractual management.

Head of Business and Performance:

Yes.

Deputy M.R. Le Hegarat:

Okay. I think that is probably ...

Mr. G. Phipps:

One last question. How comfortable are you and what actions do you take to ensure that not just objectives are being set and that you are dealing with contractors and employees, but that everyone understands what success means and what the key performance indicators are so that that theme of understanding the output you are looking for is clearly understood throughout your organisation regardless of whether they are a contractor?

Treasurer of the States:

So regardless of all of that formal process we also run a number of events, and the most recent of those events at the start of this year were about largely introducing the ministerial plan and our plans for this year to everyone who works with us. So that agenda is set. We did that covering the entire workforce, contractors, otherwise, from the department setting out what is in the delivery plan for the current year as well as work co-forming the strategic workforce plan focus for the coming year as well.

Mr. G. Phipps:

So it is through group discussions where you clarify all that?

Treasurer of the States:

Yes, so group discussions. So that event also had a number of stalls across a number of our teams and teams from other departments of things that we are doing this year. Why do I say other departments? Because that might be things such as Connect Performance. So we had P. and C.S. there talking about Connect Performance as well.

Deputy T.A. Coles:

You mentioned before about recruitment and retention. How many full-time employees do you have under your remit?

Treasurer of the States:

On this very small numbered chart, which is a real challenge for my eyesight, under here we currently have ... I cannot even read the number.

Group Director, Strategic Finance:

387.3.

Treasurer of the States:

There we go. No, actuals in post is 330.

Deputy T.A. Coles:

You say about 387 would be full?

Head of Business and Performance:

Budget.

Deputy T.A. Coles:

Would be budget. So how many vacancies would that be? I am trying to figure out how 0.3 of a person works.

Treasurer of the States:

So we have in total budgeted vacancies of 45, of which 8 are filled by agency staff, 11 are filled either on a fixed-term contract basis or using a contractor, and a further 11, I understand, are going through the completion process of bringing someone on board, which leaves 15.

Deputy T.A. Coles:

What is your average turnover of staff?

Treasurer of the States:

The last 12 months was 8.8 per cent, which is down from the previous number of 10.7 per cent.

Deputy T.A. Coles:

Are you happy with that level of turnover?

Treasurer of the States:

I am not uncomfortable with that level of turnover. We are going through the throes of a spike in turnover at some of the senior ends for a number of reasons. We also have information on the reasons that people leave, and now you are going to ask me what those percentages are. I have the numbers but I have not got the words that go on the left-hand side of those.

Head of Business and Performance:

If you go on to the next page, it tells you the reasons.

Treasurer of the States:

So, of those, 32 per cent left for personal reasons, not work related; 21 per cent left as a result of the end of their contract; 11 per cent left as a result of leaving Jersey; 4 per cent as a result of retirement; 7 per cent for further career development in Jersey; 7 per cent better pay or benefits; 7 per cent by mutual agreement, whatever that might be; 4 per cent by job dissatisfaction.

Head of Business and Performance:

For those that completed the exit survey, yes.

Treasurer of the States:

For those that completed the survey.

Deputy T.A. Coles:

Do you know roughly how many of them completed?

Treasurer of the States:

I have a number of 30 in my head but ...

Head of Business and Performance:

Thirty, yes.

Deputy T.A. Coles:

That sounds like a fairly decent ...

Head of Business and Performance:

Yes.

Deputy T.A. Coles:

So of the ones that remain what is your main method of recording employee satisfaction?

Treasurer of the States:

So the key milestones there would be the Be Heard survey, which of course will shortly be published and will shortly be announced to staff as well, starting at overall level, overall department, then we will start looking at individual teams. We hold a number of staff events at which we gauge on a less formalised basis or a less structured basis feedback. As part of our people and culture plan we have initiatives such as back to the floor, which once I get over my initial fear I enjoy going to meet different

teams. I very much enjoy going to see them and hearing what their problems are and what they like and what they do not like. So that gives you a feel. Obviously, people are probably more likely to be fully honest if it is an anonymous process, but we do gauge through and use technology in the events that we hold that allow people to feed back as well on that sort of anonymous way. We also have in those sessions “ask the chief” or “ask the S.L.T.” so that people can anonymously send through on to a big screen - you can see them all coming down and hope the compere is not going to put you in the hot seat for answering that question - questions that the teams would like to have answered. We do that standing up in front of teams.

Deputy T.A. Coles:

So you should have a decent feeling of the morale of your team, so how do you gauge it yourself? How do you think that Be Heard survey is going to come back?

Treasurer of the States:

So I would firstly probably say I do know the results of the Be Heard survey. So I just want to say that rather than afterwards you go: “Oh, that was a remarkably close answer to what came out.” I think it is fair to say on that basis it will be better than I was expecting, given the stress that they have been put under and the ask that has been made of them in respect of from the finance and commercial side. Some teams are still going through the implementation of I.T.S. and so it was ... I had low expectations in respect of what was going on before. That is notwithstanding all the great work that Steph has been largely responsible for and leading through the people and culture plan, where we have been looking at the visibility of leadership, through the well-being, through use of the volunteering, through the training offer we give. So there was a lot of positive factors in there but people are often reacting to the circumstances of key changes that are being made. I am overall pleased with the progress.

Deputy T.A. Coles:

I am going to move on to the area of the 2018 One.Gov reforms and specifically the Team Jersey programme. How do you think that impacted the workplace culture within your department?

Treasurer of the States:

So I would firstly say that T. and E. (Treasury and Exchequer) went first through the target operating model. From time to time we felt a little bit like we should squeak, being guinea pig through that process. That was a difficult process for all involved and for many was the first time they would have gone through such a process. So for some that was challenging. I would say it has led to a better structure for our department focused in areas that we did not have a focus on before. There was no corporate risk function, for example. When we go through the target operating model side, so when we are talking about One.Gov in that respect, I think the improvements through focusing, which

comes through the work of Team Jersey initially on people and culture plans and looking at well-being and looking at development of people, that has helped improve the morale and principally those programmes fell out across the organisation in a consistent way arising from the Team Jersey initiative as opposed to the One.Gov initiative.

[13:15]

Deputy T.A. Coles:

So directly to your front line workers especially, is it a positive for them or is it balancing ...

Treasurer of the States:

So I think there are both pros and cons. Change is often something that is quite difficult to go through. Of course, a lot of people have changed since that happened. We have had new people coming in and other people leaving. At the moment they are heavily focused from finance and commercial perspective on I.T.S. and in Revenue Jersey, which went through its own process, they are focused upon customer service. They are focused upon the latest changes to their I.T., for example. So I think that in terms of capabilities of people, both of those improved that. They went through a change process that was at times hard, but I think we have a structure that within the finance side of Treasury, but also within tax, was probably more suited to post-I.T.S. than pre-I.T.S.

Deputy T.A. Coles:

I think that leads on to Lyndsay.

Deputy L.V. Feltham:

Yes. Just before we move on, obviously you have mentioned that those One.Gov reforms were challenging. Would you say that potentially you have come to a point now where it is 5 years down the line, you are in a stage of more stability and that might be why you are seeing more positive results potentially on the Be Heard survey than what you were expecting and what you have seen before?

Treasurer of the States:

Well, yes, there are different ways in which that stability can manifest. At the moment, colleagues are dealing with the changes arising from I.T.S. so it is going through a different set of changes and at all times going through different sets of changes, whatever those changes be, maybe can be challenging. We need to support people through that and we need to make sure that we have the business change processes in place. I think that is a factor that says if you were going through a huge restructure and going through I.T.S., then that anxiety would be far increased. But as I think

... I have probably been on record before to say we need some stability and that is key to improving people's short-term well-being.

Deputy L.V. Feltham:

I am going to pick up on something that you mentioned earlier that relates to this point. You mentioned that there in recent years has perhaps been more political stability because you know that you get a Government for ... or you get a States Assembly for 4 years and you are more likely to have a new C.E.O. (Chief Executive Officer). I am conscious that we are in a state of change at the moment. How is that affecting the teams?

Treasurer of the States:

I would say that the changing Chief Executive is more of a factor in disruption for senior levels of service necessarily than people in the whole of the organisation. That is partly softened as well, is it not, because basically what they do day to day might not be changed by a new Chief Executive. They get on with running the organisation and providing services to customers, patients, pupils, whatever they may be. At those direct line reports and underneath that, of course, there can be big changes that come with a new Chief Executive, so those can, just out of curiosity if nothing else, lead to a sense of instability or unease. No one is going to say that changing Chief Executives so often is beneficial but there are factors within the organisation that stay stable. Like I say, I ... well, I upset someone by saying I have 2 bosses, because I think there are many people who think they are as well and, indeed, they are rightly saying that on an indirect basis, but for me personally I have 2. So one of those changes every 4 years and one of those has changed more regularly recently. So there is a stability in that the whole thing does not change. There is stability that comes with working towards ministerial plans and Council of Ministers' objectives and the States Assembly objectives, so there is something that is staying stable as well as something that may be changing.

Deputy L.V. Feltham:

Okay. The next area of questioning is, I am sure you will be glad to hear, I.T.S. and the follow-up that was done on the I.C.T. (information and communication technology) implementation. I think it was just yesterday that we did present our comments back in relation to the C. and A.G. report, which you probably have not had the opportunity to have a look at yet.

Treasurer of the States:

Well, so tuned in is my team they did try to put it past me this morning. I scanned it.

Deputy L.V. Feltham:

That is good.

Treasurer of the States:

That was timely; there it is. [Laughter]

Deputy L.V. Feltham:

We are conscious that there is recommendation 8, which I think touches upon some of the things that we have discussed today around the issues with business readiness for new technology solutions. This recommendation was about ensuring that there is business readiness checklists. That recommendation was accepted. However, the executive response did say that it was already in place, there was no need for a target date. I am conscious now you are also responsible for C.P.M.O. so you should be well across this area. Do you think that those business readiness checklists that apparently were in place worked well in relation to the I.T.S. implementation, both in terms of Connect Performance and also your finance elements?

Treasurer of the States:

Looking at it, I think ... business change readiness in respect of Connect Performance looks to have been in better shape at that time than business readiness for the challenges we may have underestimated in respect of Connect Finance. Of course, Connect Performance is only part of the H.R. (human resources) suite of changes, some of which are still to come through, some of which are going to be shelved for now. I think the checklist ... perhaps it is that feedback rather than the checklist itself that perhaps had an optimistic view as to that level of business change. We did see and we could see when we were going through the implementation a lowish take-up on training. We were trying to get that improved. Of course, some of the feedback we had from some of our advisers was that it is not uncommon to see that in that people often turn to training only once they have to use the system, a bit like me. So you often get that. However, if we could have had more people gone through the training and more people taking up the training we may have found ourselves in a different position. So the business checklists are there. What we have learnt through the different releases is to ... in that role that you say I have now taken on, I am more sharp and alert to some of the risks around the checklist and making sure that those teams are ready, and ready to take over responsibility for that system into B.A.U. (business as usual) as well.

Deputy L.V. Feltham:

I think you are seeing from our comments that we are quite keen to follow up on that further because obviously it has been quite public that the rollout of the system was not perfect and did cause some problems. So to be told that checklists are in place and we are already doing this, despite the fact the C. and A.G. made a recommendation post that implementation, I think we would want to see further documentary evidence of that and we will follow that up in writing.

Treasurer of the States:

Yes.

Deputy L.V. Feltham:

Have you already done some work to gain further assurances that this process will work better for future implementation of I.T. (information technology) projects?

Treasurer of the States:

I am probably focusing more on the on-the-ground feeling than the checklist, so when the checklist is documenting what is lying underneath the checklist, and using the experience of release 1 particularly in release 3 when we have been talking about who has done the training. If that number is low, why is it low? Are we confident we are on top of it? We are also doing things like ... which we will have a difference of view as to whether you can phase in in waves a finance system such as ours, but other elements of the Connect, where we can we have acknowledged that it would be easier where you can release in waves to release in waves so that you can see the learning that you need to make for the next wave. We have experience of that. When we put in the system that was the system before the Ariba system, so Supply Jersey, we did that in phases. But we could do that in phases and we are doing that with ... we will do that with further modules of release 2 and we are doing that with release 3 in respect of which departments it is being rolled out into.

Deputy L.V. Feltham:

You mentioned earlier the role of the department in U.A.T., user acceptance testing, and also identifying requirements in that. Will there be improvements to those processes that you might suggest?

Treasurer of the States:

Yes, I think that again is really getting under the skin of that user acceptance testing when we are going through those go-live meetings. It is probably to the more front of my mind through the experience of release 1 into those future releases.

Deputy L.V. Feltham:

Another one of the C. and A.G.'s recommendations was about producing annual reports on benefits realisation. That was rejected by the Government. Can you give us some more information about what is being done to improve recording of outcomes and benefit realisation? I would imagine you are very interested as Treasurer that what you are spending money on is delivering benefits.

Treasurer of the States:

Yes, I am. We will be in respect of I.T.S. and more generally focusing on benefits realisation as a team across ... within Andrew's team and there are people within the C.P.M.O. That becomes our

next focus in terms of benefits realisation. We are definitely in favour of looking through and making sure that benefits are realised. Rejection to this is not in principle, it is in terms of the resourcing and keeping on top of this. I think it was proposed over a 10-year period post I.T.S. implementation. So lots of that rigour and control around projects is in place now. The next thing to be turning our attention to is benefits realisation.

Deputy L.V. Feltham:

Okay. We will continue to follow that particular subject up. I know there were some questions that Graeme wanted to get to just before we run out of time.

Mr. G. Phipps:

We are running out of time, yes. We have a number of follow-up questions pertaining to both C. and A.G. recommendations and previous P.A.C. (Public Accounts Committee) recommendations, so I will just quickly flag a few and then you can talk while we still have time on them. This pertains to the recommendation that we undertake a comprehensive, structured, post-implementation review of the financial business partner with input from the departments to ensure that the full benefits of the new model are obtained. This pertains to what I talked about earlier, a functional organisation versus a business unit organisation. Your example of finance is clearly a functional-based organisation that services the business units, so it is in that domain that these questions are coming from. Rather than go through specific questions I am just going to give you a quick overview of the kind of questions we can follow up in writing but give you a chance in closing to talk to whatever extent you would like in closing. So how are you ensuring that the shared services are co-ordinated and the performance management of that is jointly measured, tracked, so they are shared and understood in your organisation and the department? What processes do you implement in order to track the performance of services across the different departments, so that is beyond just functional finance corporately but tied to the needs of the departments? Is this incorporated into your specific performance and your leads, that shared area? Can you advise as to the recommendations of C30, 30 months overdue for the implementation, that specific recommendation? What learnings have taken place in this whole domain since this has been clarified?

Treasurer of the States:

Very quickly ...

Mr. G. Phipps:

Just in general. You get the gist of where the questions are ...

Treasurer of the States:

... finance business partnering, no, we have not done a review but what we have done over the last 2 years, I think it was, is we have had a project we call embedding and improvement of finance business partnering. It has a number of streams to it, but in terms of your question relating to the service provided to departments, there is an M.O.U. (memorandum of understanding) in place. That will now be revisited post the new system, so that is an element of that. But other workstreams included in that were how we retain and recruit staff, how we develop and build professional competence. So we have a competency framework that does go beyond finance business partnering but was built around finance business partnering initially. We have a service offer. We are always actively looking to develop those teams and promote from within, so that is an element in terms of building a good quality team that understands our business and also develops local candidates. So there is a big piece of work that we will provide a more comprehensive answer on in respect of finance business partnering.

[13:30]

Lots of the issues around finance business partnering is not necessarily around quality - although we have challenges at the moment with the new system, we have challenges for those teams, and we are looking to help them and improve our offer - but relate to, dare I say it, the One.Gov initiative and whether finance business partnering is what everyone would like or whether they would like what they used to have, which is finance directors rather than finance business partners and in that way their solid line of management into their accountable officer and a dotted line of management through to Treasury, whereas as it is now it is the other way around. A lot of the discussion focuses on that. I have had a lot of discussion over my time with my different jobs in this organisation as to which way I prefer, and that included the then C. and A.G., which arose out of a recommendation, as you probably will remember, that we move to the finance business partnering model rather than the 6 different finance teams in an organisation such as ours, which is a very big organisation but is a very broad organisation, so it does not have 600 finance people in each of those departments. There are advantages and disadvantages to both. I am fairly open to both the pros and cons, having changed my mind about which I prefer.

Mr. G. Phipps:

You are where you are.

Treasurer of the States:

Yes.

Mr. G. Phipps:

The reality is, so I guess in closing I would just like to encourage you ... because we have heard exactly what you said, some like the old way, et cetera. So the real challenge is to ensure that the benefits of the previous model are incorporated even as you go forward in the new model. So I guess I would just really encourage you then as one of your key customers, it is each of the departments and the divisions that you are getting that feedback of what is missing.

Treasurer of the States:

Yes.

Mr. G. Phipps:

I am assuming you have plans to do that as a key focus.

Treasurer of the States:

Well, we have the feedback route ...

Mr. G. Phipps:

That is the intent of this very initiative, the recommendation from C. and A.G.

Deputy L.V. Feltham:

As Graeme said, we will follow up with the other questions in writing because we have come to the end of the allocated time for this hearing. So I would like to thank the officers for attending and also thank the supporting officers from the Greffe as well. I will bring this hearing to a close. Thank you.

[13:32]