

Public Accounts Committee

Quarterly Public Hearing

Witness: Chief Executive Officer, Government of

Jersey

Wednesday, 25th September 2024

Panel:

Deputy I. Gardiner of St. Helier North (Chair) Deputy K .L. Moore of St. Mary, St. Ouen and St. Peter (Vice-Chair) Deputy R.S. Kovacs of St. Saviour Deputy D.J. Warr of St. Helier South Deputy K.M. Wilson of St. Clement Mr. G. Kehoe Mr. V. Khakhria Mr. G. Phipps

Mr. P. Taylor

Witnesses:

Mr. A. McLaughlin, Chief Executive Officer, Government of Jersey Mr. S. Perez, Private Secretary to Chief Executive Officer, Government of Jersey

In attendance:

Ms. L. Pamment, Comptroller and Auditor General

[14:01]

Deputy I. Gardiner of St. Helier North (Chair):

Welcome to the quarterly public hearing of the interim Chief Executive Officer of the Government of Jersey, Andrew McLaughlin. We will introduce ourselves and go into the questions straightaway. I

will just mention again the areas of our questioning will be general questions about what is happening on procurement, feedback and complaints review, risk management and implementation of recommendations. These are the main themes the public hearing will concentrate on. The Public Accounts Committee will introduce themselves. Deputy Inna Gardiner, chair of the Public Accounts Committee.

Deputy K .L. Moore of St. Mary, St. Ouen and St. Peter (Vice-Chair):

Deputy Kristina Moore, vice-chair.

Deputy K.M. Wilson of St. Clement: Deputy Karen Wilson, member of the panel.

Deputy R.S. Kovacs of St. Saviour: Deputy Raluca Kovacs, member of the panel.

Deputy D.J. Warr of St. Helier South: Deputy David Warr, member of the panel.

Mr. V. Khakhria: Vijay Khakhria, lay member.

Mr. P. Taylor: Philip Taylor, lay member.

Mr. G. Kehoe: Glen Kehoe, lay member.

Mr. G. Phipps: Graeme Phipps, lay member.

Comptroller and Auditor General:

In attendance, Lynn Pamment, the Comptroller and Auditor General.

Chief Executive Officer, Government of Jersey: Andrew McLaughlin, Chief Executive Officer.

Private Secretary to Chief Executive Officer, Government of Jersey:

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I am Sebastian Perez. I lead the liaison with the P.A.C. (Public Accounts Committee) and C. & A.G. (Comptroller and Auditor General) on the systems around improvements arising from the relevant reviews.

Deputy I. Gardiner:

Thank you. I will start with the first questions on the general checking in. What changes have you seen in your time in the role and what has been the hardest change to implement since you have been in the role?

Chief Executive Officer, Government of Jersey:

Just for clarity, do you mean since 1st July ...

Deputy I. Gardiner:

No, since you started to work as interim for the ...

Chief Executive Officer, Government of Jersey:

Before my interregnum. The biggest challenge is trying to instil prioritisation into the system. The biggest surprise is that prioritisation was not seen as a priority inside the system when I arrived. That might be the interplay of the political system with the public service but I think, as I have said here and in other places before, I just felt it was an organisation that was additive, it kept adding things, but had not really invested leadership time in prioritisation and how to address the need to prioritise things if you want to get anything done. That has been the biggest challenge and probably the biggest surprise as well.

Deputy I. Gardiner:

Since you started to make prioritisation, I think the public and ourselves hear a lot about prioritisation. How would prioritisation work for you? How do you prioritise? What is the process?

Chief Executive Officer, Government of Jersey:

There is different ways of doing it, different techniques.

Deputy I. Gardiner:

How are you doing it?

Chief Executive Officer, Government of Jersey:

How I am doing it, if we take ... what is the best way to describe it? One way to do it is to try to make sure that you have got the resources to do the things you want to do, in very simple terms. What I observed was that the organisation had more priorities and aspirations than it had the resources to

deliver within the timeframes it thought it was working to. My approach to that very much is to then go through a series of pyramiding exercises with those leaders, and in some cases with elected Members, to try to pyramid down to of all those things you really want to do, what are the things that are the most important to you and what are the things that are most important to the organisation in the Island. Through workshops, work through with people: what do you really want to do if you accept that you cannot do everything? The first part of it really is to try and figure that out, so focus on, if we are talking about, say, the Council of Ministers, the programme of government that they want to pursue, focus on the big goals within that. When those are understood, then focus very much on whether you have the resources or are likely to have the resources to deliver them. So then I look at the 4 big levers you have got, which is: money, obviously, have you got the money to do all those things in the time available; people, both the availability of people and the capability of people, the human resource management. With the E.L.T. (Executive Leadership Team) we have run numerous workshops on the Budget, we have run workshops on people and resources. I would then look at, particularly for the sorts of things we are trying to do, the availability of, in shorthand, I.T. (information technology) and technology support for the things that you want to do: have you got the resources available, can you line them up? Then I would look at legislative time in the case of the Government: how much legislation can you pass in a good year and have you given yourself enough time with the number of laws and law changes you potentially would want to make? When you go through it on that basis, making sure that your resourcing and planning lines up to your priorities, that to me is prioritisation. Once you have done that the main focus is ...

Deputy I. Gardiner:

But the question is on which evidence you are basing your prioritisation or on what are you basing your prioritisation? I understand that we need to prioritise all the time. If it is values, if it is risks, what?

Mr. G. Phipps:

Let me just clarify that question a little bit further, if I can.

Deputy I. Gardiner:

Yes, sure.

Mr. G. Phipps:

You started off by saying you were going round and asking everybody what is important to them, but when you are listening, what is it you are looking for, the most important things that you can then give them guidance on so that you can have a basis, I think is what Inna is saying. What are the most important things to you leading the drive for prioritisation?

The example I was using is the prioritisation around this Government coming up with the C.S.P. (Common Strategic Policy). We may as well use a live example rather than any example. Of course one of the things that is different about this job from previous jobs I have done is you have got a permanent civil service but you have got elected Members who have priorities they have been elected on and they want to turn those into a programme of action. My job, among other things, is to do the best job I can to advise them as they pull those goals together and also to make sure they are capable of being delivered. That is the work I was describing there. It is up to them to decide the priorities. They will do that with regards to their vision for the C.S.P., with regards to the risk register, with regards to all of the normal inputs that you would have, the inputs from the C. & A.G. and others and what is important to Islanders. It is up to them to work through what that list is. It is up to me to try to work out whether it is capable of being delivered.

Deputy I. Gardiner:

Okay. What organisational changes are currently planned?

Chief Executive Officer, Government of Jersey:

Currently planned? Nothing is currently, I do not think, that has not been announced. We have got a leadership change in 2 departments, one caused by a medical procedure, but there is no other ones that we have planned, unless I am missing something.

Deputy I. Gardiner:

If you are already mentioning that the chief officer of H.C.S. (Health and Community Services) is standing down for medical procedures and wish him a good recovery, can you please advise - Tom Walker was announced as an appointment - is that a temporary appointment or it is also interim?

Chief Executive Officer, Government of Jersey:

Interim, yes.

Deputy I. Gardiner:

Okay, so it is an interim appointment. Was the Jersey Appointments Commissioner involved and the process of his appointment endorsed by the Jersey Appointments Commissioner?

Chief Executive Officer, Government of Jersey:

Once we understood the situation we were facing with the incumbent and their situation and once I understood and spoke with the incumbent about what was happening in the role at the moment, also understanding what is planned ahead in terms of some of the work of the ministerial team, it

was my recommendation to the Minister for Health and the chief executive that probably the best equipped in the current team, if we were to go for a interim solution, would be Tom. That was my recommendation to them. I did not deal directly with the Commission. That would have been the Commission dealt more with the chief officer for people services, but it was endorsed by them.

Deputy I. Gardiner:

My understanding ... did somebody get in touch with the Jersey Appointments Commissioner and do you have it in writing that the Jersey Appointments Commissioner endorsed ...

Chief Executive Officer, Government of Jersey:

That will be the Chief People Officer, that is what I just said. I just said that the Chief People Officer, they did that. I did not do that; they did that.

Deputy I. Gardiner:

You did that, so you did go through the process. So was the position open for other expressions of interest for anyone internally to apply and say: "I would like to be interim chief officer for Health"?

Chief Executive Officer, Government of Jersey:

On this occasion, no, because of the unique circumstances of it and looking at what else is happening in the department, it was my advice to the Chief Minister and the Minister for Health that Tom would be the best candidate from the existing team.

Deputy I. Gardiner:

Okay. It is unorthodox because it is the first time ... I am not saying if it is right or wrong, just the observation that it is the first time that we have a person who is not from ... has a background in the medical profession. It is a generalist and the question is how it would support the Health Department. Would it be an advantage, disadvantage how you see a health generalist and not a professional in the area appointed as interim chief executive?

Chief Executive Officer, Government of Jersey:

Yes, I get the question. It is more of the why rather than ... why that person. Really I would say 2 reasons, maybe 3. One reason was, as the Minister for Health has outlined, he is in the foothills ... his ministerial team is in the foothills of trying to create a new structure for Health, which I know he has discussed here. I think he discussed it at the Health Scrutiny Panel. When you look at that so-called whole system health structure and pulling that together and bringing the different constituent parts of the system together, I think there is a lot of policy and politics in that process alone and I felt Tom probably had the skills and expertise to support the ministerial team during that transition period over the next number of months. So that was one reason. There is a second, very practical reason

that Tom already had the line management of public health in the health policy team, so he was already very familiar with parts of the brief and parts of his team obviously work in Health. I also felt that his experience going back in I guess what was then called social security and other places ... I felt that all of that relevant experience probably meant he was the best fit for an interim. That being said, it is very important and I think this is well understood by the ministerial team ... it is very important that while the new unitary structure may take a while to bring together in its entirety, I think everyone recognises that with Chris hopefully being available to us again early in the New Year but due to finish anyway under his contract next March, it is quite important that we pay particular attention to the appointment within the new structure of the senior leader for the secondary health care sector. So we felt in that context and with the months available to us and with the expertise we have in the existing senior team at the hospital, that was a manageable risk for us and it would do more good than harm from having continuity and that deep experience of the rest of government. That was my thinking in recommending it to the Minister for Health.

Deputy I. Gardiner:

Thank you. How long do you think he will hold this position as interim and when do you plan to go to the permanent recruitment for the chief officer?

[14:15]

Chief Executive Officer, Government of Jersey:

I do not know the answer to those 2 questions. I do not know the answer to the first, therefore I do not know the answer to the second, by which I mean they are consulting and beginning to consult on that structure. It is not clear yet at what point they will move from consulting on the concept to being very specific about asking for role profiles and a full organisational design to be erected, which would then trigger the appointment process. As I said at the start, all I have done with the Chief Minister and with the Minister for Health and his team is to say however that process runs - and I accept it is a bit unpredictable - we need to pay particular attention to the senior role within the hospital in the new structure, which is not equivalent to Chris Bown's role but has substantial elements within it.

Deputy I. Gardiner:

So we are going to have organisational changes?

Chief Executive Officer, Government of Jersey:

Well, yes. Sorry, I thought you were meaning ones that had not been announced.

Deputy I. Gardiner:

Generally, we are asking about organisational changes. Does anyone have questions on this area before we move on?

Deputy K.M. Wilson:

Could you just explain how long you have known about the chief officer's situation?

Chief Executive Officer, Government of Jersey:

Which chief officer? Chris Bown?

Deputy K.M. Wilson:

For Health.

Chief Executive Officer, Government of Jersey:

For Health. Well, I have known that he had this issue that may or may not require the treatment he is now going to get, so I have known he has been managing that condition, I would imagine since I restarted in July. Certainly I have known about it from then, but obviously with conditions like this at some point a decision is made that you cannot see it through with rehab and rest and so forth and it needs an operation. I think the first indications of that may have been 3 weeks or so ago, from memory, that it is going to require a period ... is going to require a scheduled operation this autumn and being off. I think all parties were hoping that there might have been a way through without having to have the operation.

Deputy K.M. Wilson:

Was this before the restructuring proposals were being considered or during?

Chief Executive Officer, Government of Jersey:

Well, the Minister for Health - and you will have to ask him this and I am sure Health Scrutiny did - I think made his first public speech regarding this concept in June and he will have been doing his research and work to arrive at that point during the course of the second half of the winter. So the prospect of structural change as an option, as a policy option, has been known about for some time. It has been clarified very recently in terms of what it would look like in terms of consultation beginning within government.

Deputy I. Gardiner:

On the structure point, I would like to ask ...

Chief Executive Officer, Government of Jersey:

I do not think there is any relationship between the 2 things, if that is your question.

Deputy I. Gardiner:

On the structure, it would be very helpful to understand because it is not just the Minister delivers the structural change himself. He is supported by the officers and officers doing the consultation and presenting options to the Minister for the Minister to be able to decide. So there is a connection between ministerial and the civil servants working together to do this restructure. Can you indicate a timeline when we will see a business case for restructure or anything that we can say, okay, this is the way the restructure will go? When will we have the first presentation approximately? Is it 3 months, 6 months, a year, 1½ years? How long will this consultation and planning for restructure of Health take place, in your view?

Chief Executive Officer, Government of Jersey:

The consultation has begun in earnest by the Minister and I think it is up to him to give a timeline, if he is able to give one. My understanding would be that it is partly dependent on how they get on in the consultation, but clearly none of us, I think, have an interest in something that takes so long it starts to feel like a permanent state. So I think I cannot give you a specific timeline today on it because ...

Deputy I. Gardiner:

But the expectations of the chief officer. You have an organisation to manage.

Chief Executive Officer, Government of Jersey:

My expectations? Again, what I have done, as you would expect me to do, is to make sure that I have got interim arrangements I am comfortable with in terms of the officer I have put in there, make sure I have covered all the contingencies, because there is uncertainties over how long Chris will be out for and so on and so forth. So all I have tried to do is make sure I cover that risk as best I can. I do not have a specific time for when the consultation will end and what happens. One thing I want to clarify is although I did not speak to the Appointments Commissioner, the Chief People Officer got approval, so we did not move ahead without approval, for the avoidance of doubt.

Deputy I. Gardiner:

Thank for the clarification and it made clear your answer. We will move now to the ...

Mr. G. Phipps:

Sorry, just one last ... it is really a clarification point because you started off about the issue of prioritisation and I believe you said you get your prioritisation directly from the Ministers based on what their needs are and then you respond to them. That sort of explains what is happening here as well but I just want to clarify, did I hear that correctly?

I think when I was asked the very first question, my answers in terms of prioritisation, the example I was using is how prioritisation worked in practice to support Ministers as they put together their vision and goals, which is including the C.S.P. for Government. Obviously there is a whole estate of B.A.U. (business as usual) activities in addition to the things that they want to change in this term of office. There is the things that they have inherited, which must run smoothly as well. My priorities would go wider than that. I was just using that as an example of how we ...

Mr. G. Phipps:

I just wanted to clarify how that worked. I am not disagreeing with it. I just wanted to clarify.

Deputy I. Gardiner:

We will move to the next section. It is a question about procurement and use of consultants.

Deputy K.L. Moore:

May I just quickly? A quick question. If you could just describe the role of the civil service in delivering what I think you have described this morning as a project of restructuring that is led by the Minister. It is his idea, so how is the civil service supporting that?

Chief Executive Officer, Government of Jersey:

I am not sure I have. The Minister has obviously made a public speech and I think he has briefed Health Scrutiny that one of his policy options as the Minister for Health is to try to create a unitary health structure, a whole health system as he calls it. How much actual restructuring of the services as opposed to connecting of the services that involves is an open question. If that is a policy priority ...

Deputy K.L. Moore:

What resource have you provided for that process?

Chief Executive Officer, Government of Jersey:

Yes, I have got you. Again, in terms of the role of the civil service, the health policy team will have supported him in developing those proposals, as you would expect. They will be working with the Health team, Chris and members of his team, to try to make sure that they come up with something conceptually that is likely to be effective and well received. So it is the normal role of a permanent civil service to support Ministers with all aspects of advice, including maybe advice that is harder to receive, as they develop the policy proposals. That is one of our jobs, not our only job but that is one of our jobs and to do it impartially.

Deputy K.L. Moore:

Thank you.

Deputy I. Gardiner:

We will move on to procurement and the procurement review that has been launched and questions in 3 different parts. The first part will be led by Deputy Kovacs from the submissions from the Chamber of Commerce, the Institute of Directors and the Construction Council that were received in those submissions.

Deputy R.S. Kovacs:

This is a theme that came out strongly from different departments and different organisations and Health having a separate procurement review as well. That is why we are touching on it now. I will start with some feedback that we received together with some quotes from the Minister. The Minister for Sustainable Economic Development stated in the Assembly on 10th September: "I have serious concerns about the process in procurement and how they make it difficult for local businesses to access procurement, the time it then takes for responses to come back." What are your plans to address the concerns expressed by the Minister at the States sitting?

Chief Executive Officer, Government of Jersey:

Thank you for the question. One of the joys of this job when you are relatively new into the organisation is looking at all these areas once you get questions about them. Procurement is something I am familiar with from other places but I am getting up to speed as it relates to the public service in Jersey. The first thing I would say is I was very pleasantly surprised about how successful local suppliers are in their procurement processes, which is slightly at odds with the narrative of some of the submissions. Obviously I have experience of other large organisations on this Island and, before you make any adjustments, to find that over 50 per cent of what we procure, which is about £260 million, goes directly to local suppliers, I thought local suppliers were doing way better than I thought they were going to do, quite frankly, given the scale of some of the things that we have to purchase. If you then look at the non-Island suppliers - and I know you have last year's list and hopefully this year's list will be out soon - then really you could adjust that by taking out some of the specialist off-Island health suppliers because clearly we are never going to have a big local contractor supplier in Jersey. Really adjusting for some of those big health contracts, local suppliers are getting up for 60 per cent, two-thirds, of winning the business. So I, for one, was pleasantly surprised by that, at how much business they were winning despite all these issues that have surfaced. It is more than they are winning from other big organisations on the Island, so the Government are doing a better job of procuring locally, I think, than many other organisations of remotely comparable size. Frankly, I was surprised and delighted when I saw just how much business they were winning.

Deputy R.S. Kovacs:

Talking about the local suppliers and how easy it is made for them to access the procurement system, the Minister for Sustainable Economic Department mentioned that it can sometimes take months for a local business to hear back, saying: "I have heard various examples of never hearing back from the Government. It is taking months and months and months despite the small business having spent perhaps a week or 2 weeks dropping all other work in order to do the tender process itself." This is similar to the feedback that the committee has received from the Chamber of Commerce, the Construction Council and the Institute of Directors. Can you inform the committee why it is taking so long for businesses to hear back regarding their procurement tender and what is being done to improve this process?

Chief Executive Officer, Government of Jersey:

Again, I will reiterate if you look at the top supplier list you will see it is dominated by Jersey firms, so obviously some businesses are able to enter the process, win contracts and build up very substantial relationships. Obviously if you do not manage to do that, I guess you will have your own story to tell there. I think from looking at it where I think there might be ... there is a couple of things to say about this. In general, governments everywhere find procurement difficult. Gus O'Donnell, giving evidence to a committee like this in the U.K. (United Kingdom), was very clear there are some things government can be brilliant at; procurement is not obviously top of that list because governments regularly are outbid for procurement talent, they cannot compete. They regularly find it difficult because a lot of purchasing is reactive, sometimes because of politics, sometimes because of crisis management. Governments everywhere find procurement difficult and what I am seeing through this consultation is typical of what I see levelled at most governments. It is not to say that we cannot improve it. What sorts of things are we doing? I think the ...

Deputy R.S. Kovacs:

Sorry to interrupt. Why does it take so long to receive responses to the tender process?

Chief Executive Officer, Government of Jersey:

It is difficult without looking at the individual cases, but for sure we have a small dedicated team on procurement. For example, if we look at the issue of some of these complaints people have got about the process, we have got 4 colleagues who are really dedicated to onboarding people on to the systems that we use for procurement, helping them onboard, training them, helping them get used to it in terms of tendering, and we have got another 2 colleagues who really help people on the payment side of that in terms of faster payments. Whether that is enough or not is a kind of open

question. That is the resource we have got. We do not have any plans at the moment to increase that resource, I want to be clear about that, but we have 6,000, 7,000 suppliers, so it is quite a waterfront for them to cover. In terms of how we procure - and I have had a good look at this again because you have given me the opportunity - I think when you are looking at how we procure, which might give rise to some of these issues, it is quite important that you try and move in with people and understand what is happening in real time rather than be a smart aleck based on looking backwards or having facts that they did not have when they were operating it real time. I think when we move in with them there is areas of procurement for larger stuff they do very, very well.

[14:30]

I think the most sensitive area are the medium-sized contracts, which I think are below 100,000. So any contracts below 100,000, which are small contracts for a large organisation but they are obviously very important contracts if you are a small organisation, if that makes sense, in that particular area, as best I could tell from the submissions that I have been able to see, that is where a lot of the noise is, small and medium-sized companies trying to get those smaller pieces of work. The process we have got there is a lot of that work is reactive, by which I mean a need presents itself fairly quickly. It could be something to do with a storm and infrastructure, it could be something to do with roads, for example. When it comes up in those contracts we seek 3 quotes. There is no secret with that. We seek 3 quotes, we put them through a framework and out of that framework the winner emerges. I think a lot of the complaints are around that area of our work and that is probably the area of the work where we have got the most improvement to do. I was delighted to see the Minister for Infrastructure launch the I.S.E. (Island Structural Engineering) initiative a few weeks ago because a lot of those complaints come from smaller contractors in the construction sector and various aspects of facilities management. I think as a government we have got to try and do a better job of giving visibility of the work that is likely to come in those smaller contract areas, particularly if it is not reactive work, giving more visibility of the likely levels of spend to give them more certainty, so that is why we are doing that work, obviously, with the Construction Council and others. In terms of the noise, I would say that is the area where I think we have got the most work to do. When I look at the bigger stuff, the 100-plus stuff all the way up to the S.A.P. (system applications and products in data processing) type purchase, that is very consistent with what I would see in private sector organisations, so it is maybe further down we have got to be a bit more, I would say, careful about how we communicate and how we make things visible. My one worry in saying that is that - and this is another reason why we have to prioritise - in the past we had situations where a lot of that procurement is reactive. Something has happened and we have had to get something done guickly or we have had cash overruns or we have had all of the issues that I have spoken to you about before, which means money starts to go out the door very quickly as the year end approaches. People start spending it very quickly and I just worry that in those historic practices that is where we have maybe not got things right, so that is going to be a focus going forward for the Procurement Services Team that we have got.

Deputy R.S. Kovacs:

To pick up on what you said in order to better improve this unit to look back, how do you manage the feedback around this? I will state again the submission from Jersey Chamber of Commerce which says: "The general consensus is that Government of Jersey procurement is broken, serving to act as a barrier to business being done rather than something that enables local businesses to provide valuable goods and services to our Government and ultimately local tax payers." The Minister for Treasury and Resources stated in the Assembly still on 10th September he was not aware of this: "No, I was not aware of that feedback. We have done considerable work which is outside the scope of this question to continue to improve our procurement processes." Can you please advise the P.A.C. what the process is for collecting feedback on procurement and how is this filtered into the Government?

Chief Executive Officer, Government of Jersey:

Sure, and the first thing to say is I have read that submission and obviously I have done as much homework as I can for coming here. I do not recognise that characterisation of our procurement and I am happy to go and see the Chamber and explain to them in detail why I do not recognise it. As I said at the top, if you adjust for those bigger, off-Island health contracts, which this committee is very familiar with, somewhere around two-thirds of the money this Government spends on procurement goes directly into local suppliers and multiplies through the local economy. The Chamber submission is not consistent with that fact. It simply is not.

Deputy R.S. Kovacs:

But their submission is based on the feedback they received from their businesses, so what are you planning to do to address this sentiment from the businesses?

Chief Executive Officer, Government of Jersey:

So, it is anecdotal, it is not factual, but these are important feelings that are in the community. I will definitely go and see them on that point because I do not recognise that characterisation. In terms of how we gather feedback, as I said we have got obviously a small procurement team. I think the Treasurer, were he here, would accept that in the changeover from the ... or the transition out of one.gov and the chief operating office structure that was set up and all of that history into Treasury and Corporate Resources, he has been in a period over the last 18 months of rebuilding capability and quality in that team because obviously we had some people depart, which is well known. So I think there are things we are doing, obviously rebuilding that team. We have got those 4 colleagues who are focused on interacting with businesses and picking up on these concerns. If some of the

organisations who are directly funded by Government, by the way, but some of the organisations who have submitted to you think that more can be done to help businesses interact with Government, I would be delighted to see what role they could play in that. I think there is a role for Jersey Business. There will be a role for Digital Jersey. If businesses need help in general, we have already distributed grant money to organisations whose job it is to help business, so if they could put their shoulder to the wheel that would be fantastic.

Deputy I. Gardiner:

Okay. Checking with the members if somebody would like to follow up.

Mr. P. Taylor:

Given we are doing a review of procurement, you have talked about the proportion that goes to local businesses, the difficulty of leaving the smaller contracts for local business.

Chief Executive Officer, Government of Jersey:

Yes, there are sub-100 of those.

Mr. P. Taylor:

Sub-100. Standing back, I know you like a big 5, what would be the big 5 improvements you would make to the overall system or that you may be looking to implement?

Chief Executive Officer, Government of Jersey:

On the procurement system in the narrow, definitely one of them would be zeroing in on that sub-100 that we discussed because I think the process above that is kind of industry best practice, I would say. I have looked at things like S.A.P. procurement to see if it is what we would have expected to see in other organisations and it is. In that sub-100, definitely focusing in there, trying to find ways to be less reactive or less short-term in the way that we procure. I know that is not possible working in government, hence the work that the Minister for Infrastructure is doing with the construction sector. I think we could extend that to other sectors, so that would be crucial. Certainly, with the team who are really focused on interacting with these businesses who are tendering or who are seeking payment, there is a team where we are going to do a bit more detailed work on customer experience and how to handle what are de facto complaints or actual complaints. That is something we may talk about later. That is something we have been doing a concerted piece of work on with planning. I would want to adopt the same approach to this team because he definitely needs some help dealing with this incoming. So, those would be the sorts of things in the very short-term that we would really want to look at. I think one of the things that is going to help is the wider prioritisation exercise. I think, as I said to this group before, the problem in government in the recent past has not been cash, although listening to the F.P.P. (Fiscal Policy Panel) yesterday it might soon become cash but it has not been cash. There has always been enough cash. It has been lining up the rest of the resources so that you can spend the money well. That is how we have ended up in trouble in consultants, I think, and on pure procurement. So, I am hoping that as we, over time, pull the capital programme and the other spending programmes back to something that is realistic for the Island, that will then give everyone the time and poise to plan better and to be given more clarity of the market around what it is procuring and the timelines. I just think it has all been a bit too breathless in the recent past.

Deputy I. Gardiner:

I need just to remind you to keep the questions succinct and answers to the questions because we are really tight with time. Before we move to the next part within our procurement review, I just comment and I really welcome that you are going back to the Chamber of Commerce. It is important that you also address the Institute of Directors and Construction Council because all 3 organisations submitted their evidence to the panel and the sentiment is exactly the same sentiment. It is not just the Chamber of Commerce saying about the system, it is also the Institute of Directors and Construction Council, so this feedback came across all 3 big organisations. I think something, like you mentioned ... you used the word "noise" but for me it is concerns from the small businesses. I would like to remind everyone that Jersey is a lot of small business economy, and this is why it is important that the concerns from the small businesses will be heard and will be addressed as well. David, you wanted to ask ...

Deputy D.J. Warr:

Yes, just as an owner of a small business and who has recently experienced ... I recognise completely that commentary from the Chamber of Commerce for our organisation. I think we took something like a week to try and get a list of our products listed on the Government's site, backwards and forwards. What has subsequently been apparent, it seems to me, is a lack of training almost on the people who are procuring from us. So for me, it is ... rather than going though a system, someone will pick up a phone - this is from the Government's side to us in terms of placing orders - they do not seem to be particularly familiar with how exactly to use the procurement system from their point of view because obviously it is really important that they stick to the rules because otherwise we do not get paid as an organisation. So one of the observations I would say, as a business who uses the Government services, is training. For me, it is very apparent that there is not a familiarity with the system and that would be really helpful.

Chief Executive Officer, Government of Jersey:

Yes, it is a great point. That is what I meant in terms of trying to do what we have been doing in planning recently and going in with a team and really having a concerted sprint piece of work with that team to work on capability. It is a bit stretched obviously, that team, when you ... the numbers

we have got in terms of the number of suppliers. I recognise that. I think there is just 2 other things that are important, if we are moving away from procurement, to say, which I think is very important context for this table and for the Chamber when I get to see them. The first thing is most of these systems were put in to give the Government better oversight and control of their own money after a period in which it was believed the Government did not have good oversight and control of its own money because it was very siloed and departmentalism and suppliers everywhere and it was deemed to be a bit chaotic. The spirit of a lot of the changes that have happened in recent years have been to put these systems in to try and get government oversight, clarity and governance. They were not put into address, necessarily, the needs of those who were interacting with them in the first instance. Related to that is a very important point. When you put in these systems or are thinking of putting in new systems ... I was one of the people who was consulted by someone in the then C.E.O.'s (Chief Executive Officer) office because my organisation had just put in Workday. You have got 3 choices really in the modern world if you are a big organisation. You have probably got S.A.P., Oracle and Workday. We put in Workday. The team came to see me to understand the pros and cons of Workday and the user experience presumably, while they were trying to work out whether to choose that or S.A.P. or one of the other ones. Either way, they chose S.A.P. When you put these enterprise resource planning systems in, even if you commit to all the money, which we have not but even if you did, in my experience it takes a number of years before you reach a settled state, particularly when the system that replaces it had been there for 25 years. All your colleagues have to get used to the changes, all your external parties have to get used to the changes, you have to yourself work out how to make the system, which is largely out the box, work best in your context. I know that Jersey is not famed for patience, but this takes a number of years before you reach an optimal state. We are currently operationally halfway through year 2. This is the foothills of this and even though we are halfway through year 2, as you can see from the top 100 list and from the numbers I have given you, Jersey businesses are doing very well out of the Government of Jersey in terms of the money that we are putting directly into this economy.

Deputy I. Gardiner:

But it does go back to the big businesses and it was mentioned about the white list and who is getting the contracts and the small local businesses, but we will continue this and we will look into this. No, we need to move this up. As you mentioned the S.A.P. system that was implemented, I will hand to Deputy Moore to continue the questions around the S.A.P. implementation.

Deputy K.L. Moore:

As you mentioned, this is a long process and one of your biggest procurement projects, so could you just remind us how many modules were committed to in the full business case?

Deputy I. Gardiner:

I would need to write to you with that detail. All I can tell you for sure is it is less than was in the original business case because the subsequent budgets ... there has been descoping. The maintenance budgets, to my mind, are lower than they would need to be for a S.A.P. system. It is less but I just do not have those numbers, unless you have them, Seb?

[14:45]

Private Secretary to Chief Executive Officer, Government of Jersey:

To the best of my knowledge ...

Deputy I. Gardiner:

I can write to you with them.

Deputy K.L. Moore:

If you could, so we would like to be reminded how many modules were committed to in the full business case versus how many are now being implemented and the reasons for that change. That would be very helpful. As the system is rolled out, could you describe to us please how you are tracking the benefits of introducing the new system?

Chief Executive Officer, Government of Jersey:

So this is not about the procurement of the system, this is about its implementation?

Deputy K.L. Moore:

Yes, but when undertaking procurement, one expects that there is an expectation that it will improve the working of the organisation that it is there to serve and how that interacts.

Chief Executive Officer, Government of Jersey:

Well, first of all it is procurement, and I have gone back and looked back, as I said, and I go to my previous remarks. It is better to move in with people rather than judge them 4 years after the fact. In procuring this system, you used a specialist broker, tick, you understood it, you had quite a wide consultation including with me in my old job. You ended up looking in detail, it looks like, at the 3 market leaders. You did something, which I think is inspired and is still serving us well. You insisted on quite a programme of social value with implementation of S.A.P. You insisted on an on-Island specialist support service from an on-Island contractor who is still supporting us to this day. You insisted on on-Island training of the local I.T. industry through PwC, which is still with us to this day. So in terms of what you bought, the act of procurement and how you bought it, with the benefit of hindsight looking back, it is pretty much what I would have expected you to do. On its implementation, it is quite difficult to track as well as one would like because there have been

elements of descoping, the budgets seemed to have changed once we got into it. There has been descoping. As I said, I am concerned that the maintenance budget for S.A.P. ... this is a general concern about Government of Jersey to your requests for observations, that you bought S.A.P., you largely bought it out the box, you did not customise it, thank goodness, but your budget for maintenance, which can include upgrades pushed on you which are mandatory, it can include modules which you see would really make a difference to your business and you want to pull down that whole ecosystem ... you buy the ecosystem with something like S.A.P. We have got an ongoing budget of £2.5 million for that. That is way lower than I would have expected it to be for a system of that nature which is going enterprise wide. So, where we have a consistent business case that has not been descoped for one reason or another - and I think probably the best example of that is going to be in Treasury - we do have the tracking of the benefits against that and the expectations of it. I think the same will be substantially true in People Services, although again, I believe there might have been some descoping in aspects of that. There are many other areas where S.A.P. is ... where we have changed business cases and it will not rolled out as anticipated. It is quite a messy environment, but I will do my best when I write back to you to try to get to the bottom of that, but I would just ask everyone to remember that you bought it for a particular reason. I know people are not necessarily all supporting that reason at the moment, but it does take a number of years to get the best out of a system like S.A.P. and you definitely have to invest on it on the way through because you join an ecosystem, and you have to pull the benefits from that ecosystem with money.

Deputy K.L. Moore:

You have mentioned training as a part of the programme and the contract with the delivery agent partner, which was Keytree and also PwC. Training is a point that is consistently raised as an area where there is a need for greater work, so how is this being delivered through the delivery partners and how effective has this been?

Chief Executive Officer, Government of Jersey:

Again, I would like the budgets to be bigger. They are not going to be bigger; I am just saying I would like them to be bigger for the avoidance of doubt. I am not sure on these things. Am I naming individual contractors or what is the ...

Deputy I. Gardiner:

No, do we look at it in the public domain when it is in ...

Chief Executive Officer, Government of Jersey:

Obviously, in the case of PwC, that is ongoing. I think the next leg of that is the connection into Highlands College and ramping that up so that the training is not just of the existing industry and existing suppliers, that it goes down into vocational education is the next place we are going with that, but it is a very important point. We really need to follow through on that investment because this system will probably be with us for as long as the last system, which is a generation, and we are going to get the most benefit out of it if we upskill our own ecosystem of engineers and suppliers. I think that the team would say that in terms of the original business case, they are fulfilling that. Probably what we have found is that we have a need for even more training, which again is not a surprise, but it is evident that we have got a need for more. We are having those discussions again with our partners - soon with Highlands if it has not started already - around what more we can do in this area. It is a priority for us.

Deputy K.L. Moore:

Yes. Well, as you have mentioned, it was not a surprise because it was known at the time of procurement that there was a lack of expertise particularly with regard to maintenance in the Island for this particular system.

Chief Executive Officer, Government of Jersey:

Well, you have got an advantage over me there. I was not involved at that stage, but in the case of S.A.P., obviously my old organisation did not choose it, and we found there was a shortage of engineers for that system as well on Island. I think the Island and shortage of engineers go together in many contexts but certainly there are one or 2 large organisations on Island that use S.A.P., including a very major international bank. It is not that it is a completely alien system to this environment, but if your question is is there a shortage of S.A.P. engineers around this jurisdiction and other jurisdictions at the moment, the answer to that is yes.

Deputy I. Gardiner:

We will follow up with written questions because we would like to get some numbers: first of all, modules implemented/not implemented; how much was spent per each contractor to implement the system, how much from Government? I think that some numbers around this would help P.A.C. to consider. We will go to the last part around the procurement and Deputy Wilson will ask questions around the consultants.

Deputy K.M. Wilson:

Thank you. Are you able to clarify how the Government find consultants in the context of procurement and spending and are there different types or categories of consultants? If so, are they counted and reported separately in terms of expenditure and impact?

Chief Executive Officer, Government of Jersey:

Jeepers. Well, we have definitions of consultants, which I can read out. I suspect that is what you do not want, or I can write to you with the definitions ...

Deputy K.M. Wilson:

Well, I am more interested in if you can give us your view and whether you can clarify what the definition of consultant is?

Chief Executive Officer, Government of Jersey:

Sure. In my view it is where you take advice, strategic or otherwise, from outside your organisation and outside the business as usual environment. It is where you procure skills and expertise that you deem are not available to you inside your organisation. It is access to data and information not available to your organisation where you want to join in with other organisations. It is time-limited engagements, a specific piece of work again, and it is where you define, ideally, specific deliverables in a timeline and you work to that. That is how I would think about it in layman's terms. I think, of course, the great skill of consultants is that they are amorphous, immaterial and they do their best when they get into an organisation to make themselves indispensable. They shoot for longevity. They shoot for mission scope, so you have to manage them quite tightly and of course there is very big U.K. reviews of big 4 consultancy companies for this very point of them creeping from audit into consultancy and back again and it all being terribly complicated. That is the way I think about them, and they have to be watched very carefully and procured very carefully if you are going to get value and avoid a situation where you potentially find yourself in almost a recurring retainer relationship that becomes business as usual.

Deputy K.M. Wilson:

Okay, thank you. D you accept that there are different types of consultants in the public sector?

Chief Executive Officer, Government of Jersey:

In public service? Yes, of course, in any organisation.

Deputy K.M. Wilson:

How might they be different and categorised?

Chief Executive Officer, Government of Jersey:

Well, we have very specific technical consultancy for very defined pieces of work. We would not keep a whole team on hand to reclad the tunnel, for example. We would probably procure something like that. You have management consultancy where you want help with an aspect of your strategy. You can have technical accountant consultancy if you feel that you have a specific issue on your P. and L. (profit and loss) and balance sheet that meets it, so there is a whole category of them. I prefer to think about them in purchase order terms. At the end of the day, I have got to raise a

purchase order for a service and does that purchase order category capture what I regard as consultancy? That is the way I tend to think about it when I am running an organisation.

Deputy K.M. Wilson:

Okay, thank you. The consultants reporting on the use by Government of Jersey Law P.59/2019 requires the Chief Minister to present a report to the States on a 6-monthly basis on the use of consultants by the Government of Jersey. Can you tell us what steps you have taken in order to improve the overall reporting on the use of consultants to the States Assembly?

Chief Executive Officer, Government of Jersey:

I have not taken any specific steps vis-à-vis the States Assembly. Most of the steps I have taken have been to make sure that I, as the Chief Executive Officer, can get comfortable with what has been procured, why it has been procured and how much it is costing. I have been focusing much more on prioritisation, control and oversight and trying to align the work of the consultants in Government with the priorities of Government, which I think will help us all. In terms of the reporting oversight, I know that the regular reporting was in part disrupted by some of those changes in the team that I alluded to last year, which the Treasurer is working through. They were certainly impacted by systems changed over, S.A.P. and other things, but I would imagine that that report to the Assembly is imminent.

Deputy K.M. Wilson:

Okay, thank you. Could you also explain what guidance you have specifically given to departments on how to assess and determine the work of consultants and how does this relate to the outcomes that they are trying to achieve?

Chief Executive Officer, Government of Jersey: I have done a number of ... obviously, they already had a number of obligations under the Public Finance Law and so forth, but specifically what I have done is introduce ... I think set a general expectation that we have to be much more careful in our use of consultants. One of the things I think you all know that I did was recommend to Ministers in the last Government and this that they pare back their capital programme budget to what was a more realistic level in terms of what they could consume.

Deputy I. Gardiner:

Just a minute, because we are out of time, the question is: what is the guidance - sorry that I am interrupting - given to the department about the freeze of consultants? It was very clear that we are freezing on consultants and we received different feedback from the public. What freeze and what not freeze did departments receive as a clear guidance from you?

It was freezing on recruitment, not freezing on consultants. On consultants it has been much more about creator oversight, control around the use of consultancy spend. In the narrow, to answer your question, what we have done is in addition to the controls that were already there, we now have a system that is online and live. If you wish to procure any new consultancy arrangement, you have a decision tree about whether it is highly technical, in which case you do not need the approval of the chief executive, you can get the approval at your chief officer level, if it is very specialist. If it does not meet those criteria of highly technical, and therefore is in that broader category of consultancy, it needs to be signed off by me, digitally signed off by me. That is the only new ...

Deputy I. Gardiner:

So, everything can go, for example ...

Chief Executive Officer, Government of Jersey:

That is the only new control in addition to the controls that had already been there in Government.

Deputy I. Gardiner:

So, just to get it right, if there is a consultant that works in the capacity ... because we do not have expertise on the Island, they will not mention the area, but it was reported to us and the member of the public was told: "It is a freeze. We cannot engage with consultants because we cannot renew the contract." Would this particular person have an appeal, and would that appeal get to yourself to ask: "We do not have this expertise. It is essential skills to support individuals on the Island in specific areas"? Would it come to you or do they just get a blank "no" from the department?

Chief Executive Officer, Government of Jersey:

Are you talking about a colleague who has told a member of the public that they cannot ...

Deputy I. Gardiner:

No, no, a member of the public approached me personally.

Chief Executive Officer, Government of Jersey:

They have not had their consultancy contract renewed?

[15:00]

Deputy I. Gardiner:

There is a member of the public that received services from a consultant from outside of the Island because we do not have expertise on the Island, and they stopped receiving the services because the contract for the consultant has not been reviewed.

Chief Executive Officer, Government of Jersey:

There can be a number of things there. Bear in mind we have reduced the capital budget by about £14 million.

Deputy I. Gardiner:

No, no, my question is simple ...

Chief Executive Officer, Government of Jersey:

No, this is important. It is not just assessment that could have led to that. We have cut growth bids by 20 per cent; we have reduced the capital budget; we have put freezes in. The department might have looked at their budget and thought: "That service is not essential any more" and withdrawn it. Therefore, that is what the public could be referring to. It might not be that we stopped a consultant because of our consultancy policy. We probably stopped that consultancy service because of the budget. That is a different thing.

Deputy I. Gardiner:

No, no, when you have essential services that connect you to Health and Education, it is something that is connected to actual well-being of the people, that sometimes we do not have all expertise in health and education and social care.

Chief Executive Officer, Government of Jersey:

That is a chief officer decision about what they want to do there.

Deputy I. Gardiner:

Now, can the member of the public appeal and to go to yourself?

Chief Executive Officer, Government of Jersey:

To ask me what?

Deputy I. Gardiner:

I mean how the member of the public who feels that the service that has been stopped is essential service because basically they ... if I am going back, it was not one case, it was 2 or 3 cases they brought to our attention and all of them from different areas, but areas that are connected to health, mental health and general well-being because of general conditions. The expertise that we require

from out of the Island is not available on the Island and people were told: "We cannot continue and engage with the consultants because there is a freeze on the consultants." These are the words that were used. My question - not about a particular case - is when we hear about these cases, what is the process to appeal?

Chief Executive Officer, Government of Jersey:

It is difficult without knowing the example, but I think if a chief officer or a member of their team decide to withdraw a service - and they could have multiple reasons for withdrawing a service - in running the service they are a leader; that is their prerogative. They have to be accountable, withdrawing that service, and they have to explain it well to whoever the clients are on the end of that service. It does not follow that the service is being withdrawn because of the policy we have got in not hiring consultants. They might have withdrawn it for a range of reasons, but there is no appeal process. To me, if we decided not to renew a consultancy contract, we have decided not to renew a consultancy contract. It would be up to those providing the service to either provide it in a different way or to continue the service. That would not ...

Deputy K.L. Moore:

Shall we move on to complaints?

Chief Executive Officer, Government of Jersey:

Yes, so they would go on the website and put a complaint in that they were not getting a service and we would follow it up through the complaints process.

Deputy I. Gardiner:

Yes, one more question.

Deputy K.M. Wilson:

I just want to touch on the issue of resilience. The P.A.C. noted that the response to recommendation 4 of the *Use of Consultants* report was accepted, but it is limited in scope. Can you tell us what steps have been taken to ensure the actions outlined in the Strategic Workforce Planning - Skills and Succession strategy are being achieved and how you are monitoring that, bearing in mind having that operational and organisational resilience behind the drivers for some of these strategic intentions?

Chief Executive Officer, Government of Jersey:

Let me just familiarise myself with that particular recommendation, sorry. Oh right, yes. I think, in my view, that is superseded by what we put in place this year around consultants. There was a very clear view when we went through our C.O.M. (Council of Ministers) workshops and discussed the

goals and what we would want to have. There was a very clear view from the current C.O.M. that, wherever possible, they would like to see a reduction in the consultancy spend and the use of consultants within the organisation. One of the primary drivers of that was a concern that it was not the right thing for the workforce in many cases, in terms of not upskilling and developing the capability of the workforce. So we put in the controls I was just talking about there in a new system of control for the use of consultants, so I regard that as, to some extent, substantially superseded.

Deputy K.M. Wilson:

Where is that monitored?

Chief Executive Officer, Government of Jersey:

Where is what monitored?

Chief Executive Officer, Government of Jersey:

Where is that activity monitored in terms of the processes that you have put in place?

Chief Executive Officer, Government of Jersey:

The activity monitored? Obviously we are only 6 weeks in. We only introduced it on 1st August, so we are 6 weeks into it. It is built on one of our platforms. We get monthly M.I. (management information) and we look at it after 3 months, because almost certainly we will have to make adjustments in terms of - to the Chair's point - we might not have got the categorisation between technical and non-technical right and so forth. So it will be subject to a 3-month review in terms of whether we have to change anything, but I now see that data monthly. I can see it weekly if I want, but it does not make much sense weekly, so it is very tightly controlled.

Deputy K.M. Wilson:

Okay, thank you.

Deputy K.L. Moore:

As you know, we are conducting a review into the handling and learning from complaints. Could you just describe to us briefly what you think about the current handling and learning from the complaints process and how Government are performing in this area?

Chief Executive Officer, Government of Jersey:

Yes. I mean, what to say about this? Again, this is something I looked at. I have looked after complaints in another place early in my career, so some familiarisation with it. I think in terms of the system that I have come into, in terms of the policy we have, in terms of the system we are using to deal with complaints and in terms of responsiveness, I would say in the first 2 it is what I expected.

There is nothing in the policy you can look at and think that is out of whack with other organisations. In terms of the system, of course everyone would like the very latest piece of software kit on complaints with closed-loop feedback and all of the rest of it built into it, but what has been built within the organisation, for the organisation, which is a system for colleagues to use in resolving and responding to complaints - it is not a system for the public to use, it is a system for colleagues to use - I think it is good enough for us to have a decent service and to make continual improvements in the service. We have improvements planned for that system, but I do not think I could use the policy or the system as any kind of reason not to have a decent level of performance in terms of complaint handling and how we address this issue. So I am happy enough with those in terms of what I have inherited. Probably where we have work to do is across the board - there are pockets of good practice - on how we use that system and those policies to be as responsive as we possibly can be and to be as good as we can be at resolving things quickly if we cannot obviously resolve them at the first point of contact. So, pleased in the first 2, work to do on the third.

Deputy K.L. Moore:

Thank you. I think Deputy Warr was to ask the next question, which is 28.

Deputy D.J. Warr:

Question 28. Sorry, I did not realise I was in on that one. Sorry, you have caught me short here. The P.A.C. noted that the Government rejected recommendation 3 from the handling and learning from complaints follow-up, which was: "To develop an overarching, coherent, prioritised and resourced action plan to deliver on the stated duty to ensure all customers can easily provide feedback on publicly funded services." In its response the committee stated: "Whilst this is noted by the P.A.C., it has not seen evidence of these methods in practice through the response to the recommendation. Furthermore, it is not clear to the reader of this response how these processes are undertaken to ensure they are being tracked and monitored effectively. Please advise P.A.C. on what these processes are and how they are being tracked and monitored effectively." It is a very long question, sorry.

Chief Executive Officer, Government of Jersey:

I think if we are talking about the same ones, I do not think colleagues accepted that recommendation, did they? I think they rejected that recommendation. They rejected that recommendation because they thought it was a description of B.A.U. in the large and that what else would they be doing from one day to the next other than what is described there. They are engaged in a process of continuous improvement, they are engaged in a process of trying to figure out what enhancements they can make to the systems, how they can be better with customers. So I think they felt that that recommendation would not cause them to make any material change in strategy

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or approach; it would not cause any material change in resources available to them. Therefore, as a set of actions, it was not delineated enough from B.A.U. so it was rejected.

Mr. P. Taylor:

How do you get a sense across the piece that complaints are being properly dealt with in a holistic approach, including all departments, Health and Education sites?

Chief Executive Officer, Government of Jersey:

It is a great question, I think. Obviously I have a specialist team who are based in one department at C.L.S. (Customer and Local Services) who are responsible enterprise-wide and are functional leaders on this. We get monthly data from them obviously on what is happening. We hardwire that into the E.L.T.'s objectives. They have got very specific objectives around their complaints performance and complaints resolution performance and are held to account guarterly through that objective. In our quarterly sort of operating rhythm or in our operating rhythm for the Executive Leadership Team, we will have a deep dive update with the complaints and Customer Experience Team every quarter. That will happen in the same agenda as we look at risk so that we can look at the read-across between the 2. So we get a report - it is basically this report - which gives us detail in every area, all the stats you would expect and their recommendations for when we need to do something. To give you an example of that in action, that is why at the start of this year we decided that ... I mean, the 2 biggest complaints that we get into Government are financial regulation, which is not directly our bailiwick, and planning. Based on the information we receive from this team and from what we could see across our systems, that is why we decided to have a deep dive in planning and regulation, send in the specialist team with that team for 2 to 6 weeks, for instance, to try and raise our level of performance. So hopefully that gives you a feeling of how the Executive Leadership Team gets the information and then decides to do something about it.

Mr. P. Taylor:

That relates to Health, Education?

Chief Executive Officer, Government of Jersey:

Education is ... in fact, going back to the last government, there was a real concern about getting Education and schools in particular on to the system and they are now on the system, I am delighted to say. That is now up and running. That is in training mode. I think in the case of Health we are not there yet. Obviously within Health there are other systems. It is a complicated environment, obviously the clinical environment. So we are there in schools, we are not there on Health. That is not to say that they do not do anything, that the health board and others do not see the information, but for the rest of the organisation, yes, we are aiming for that consistent approach. One of the things that maybe was not happening enough is having that Customer Experience Team at the top

table presenting quarterly their concerns and where they felt we had to take action. That is what is now happening. It is pretty much alongside the risk discussion, which I am sure we will talk about later.

Mr. P. Taylor:

Okay, thank you.

Chief Executive Officer, Government of Jersey:

I am happy to let you see one of those reports if it helps you to see what we see, if you see what I mean.

Mr. P. Taylor:

Yes, please.

Deputy I. Gardiner:

We will continue really to look into the handling of complaints and the feedback. It is interesting that you mentioned we know that - and thank you for recognising it and being completely open - we need to do more work around Health and C.Y.P.E.S. (Children, Young People, Education and Skills) for handling complaints. If we are looking into Health and C.Y.P.E.S., their budget is more than half of the overall budget over the organisation, if we are thinking about it, and the number of people that they are touching, the families and engagement day to day, it is probably one of the highest from other departments. Obviously C.L.S. have lots of engagement, but Health and C.Y.P.E.S. are the biggest departments, so I think that is the focus that we will continue to explore together as we are going through the review, what will be done in that area. I am moving to the recommendation tracker. As the chief executive, what is your assessment of the current state of the nation in regard to your key themes to be addressed within the recommendation tracker?

Chief Executive Officer, Government of Jersey:

First of all to say that is one of many useful inputs to try and figure out where to prioritise as you run the organisation. I think it is obviously not the only input, but it is a very useful input, particularly if you are sat right at the top like me, so it is very important to us. That is why we have put how the Executive Leadership Team interact with and follow up on the tracker directly into their quarterly objectives, alongside complaints, to recognise the importance of it. In terms of thematics, I would not pick out a theme necessarily in terms of a recurring theme across the many actions, but there is a situation where I am not sure that we had a mature risk rating of actions on the tracker previously.

[15:15]

I think one of the read-across from our work on risk management and strategic risk management in the risk register is making sure that we are properly having a risk-rated approach to what is on the tracker. So, in terms of proper risk assessments on recommendations from the C. & A.G. in our executive responses, that is something I am keen is an area that we improve and that we are consistent in how we think about that and our risk registers. For example, if you decide, as a senior officer, to reject a recommendation or to delay taking action on it for a material period of time, we want to be sure that you are not running an operational risk that you should not be, or that if you do want to run that operational risk, it is properly assessed and, if needs be, it is reflected in the risk register. I would say from coming into it fresh, that is one of the main things that I am looking at as a theme. The other thing I am looking at, which is consistent with the answer I gave at the top, is it is one thing to have these things, but let us look at: can it be prioritised; have you got the cash; have you got the systems resource; have you got the people? If it requires a change in the law, have you got access to that resource and legislative time to do it? So really be thoughtful in accepting an action that you are going to put yourself in a position where you can follow through and do it. My focus is much more about the team taking full ownership of the feedback they are getting from the C. & A.G. in that way. I am not suggesting that previously they were sticking things on there and not paying enough attention to them, but for the avoidance of doubt, I want them to be really thoughtful in accepting a recommendation that they have the resources, plans and the appetite to follow it through.

Deputy I. Gardiner:

I completely agree, because it is important that we have resources and prioritisation. You mentioned also the risk and I would say one of the recommendations or a couple of the recommendations that were done 2 years ago were around long-term care. We all know that long-term care is funded through the benefits system paid by C.L.S., with H.C.S. paying the cost above the top-up level, so it is across 2 departments. In quarter 1 this year you closed recommendation 15, which said that we need to review and update the existing framework and agreements with all care providers. Again, you are in the process. It still has not been finished, but the recommendation has been closed. So it is not clear what action was taken in the response and where we are generally with the long-term healthcare providers and what we do have on the Island because there were several reports done in 2022.

Chief Executive Officer, Government of Jersey:

Is this one that we wrote to you about separately, where we had a colleague here where it had been closed and they had not notified it properly? Remind me, Seb.

Private Secretary to Chief Executive Officer, Government of Jersey:

Yes, that is correct. It was one of the questions that came from your committee officer in advance. When we went back to look at the tracker, there was nothing, there was no update, which I can quite understand why the P.A.C. wanted to know more about that. They put something into the tracker in the wrong field; it was a colleague error. We can get you a proper update from that colleague.

Deputy I. Gardiner:

But is this recommendation closed or open and all other recommendations around the long-term care providers?

Chief Executive Officer, Government of Jersey:

I think at the moment, in terms of an approved provider framework - if that is what you are asking today - it is draft, but I think the team feel that a domiciliary care market review needs to be finalised before that new framework can be agreed and implemented with providers. So that is where it is at at the moment.

Deputy I. Gardiner:

We are having this conversation on how we prioritise a recommendation and what are the risks. If I am looking back and the recommendation was done by C. & A.G. in February 2022 and by the Care Commission, I think it was in November 2022, we are talking about 2 years ago, which very clearly stated that the long-term care is not supported by an overarching commissioning model. Individual health and social care professionals take the responsibility for sourcing residential and other care. I am really trying to keep it short. While many individuals are free to make their own choice of a residential care setting, in reality the choice is limited and the market is stretched. So back 2 years ago we were told we do not have enough care provision, we do not have somebody who is co-ordinating this and making it future proof and we have been told we need to create a new framework.

Chief Executive Officer, Government of Jersey:

By the C. & A.G.?

Deputy I. Gardiner:

By the C. & A.G. and also the Care Commission. I can find the report. So, basically, 2 years ago we have been told we do have a problem, we need to start to create a system that will meet the demand, and today we know that we have again 32 people in the hospital because they do not have care provision in the community. How has this risk been identified, because if these recommendations had been acted on in a timely fashion, we might not be facing 32 people in the hospital today?

Yes. All I can tell you is that the relevant department are where they are. Is it a tier 1 risk on the Community Risk Register?

Deputy I. Gardiner:

It is a very good question, because it is between 2 departments and how these 2 departments work and ...

Chief Executive Officer, Government of Jersey:

I will check for you.

Deputy I. Gardiner:

The outcome is very clear today in the public domain, but when we are looking back about a recommendation that was closed/not closed, not sure where it is, we are trying to make ... and by the way, I really welcome our work. I need to say that the work that has happened with yourself, we started to look into the recommendation and try to implement a risk approach, and I completely understand it will take time and it is something that we will work together, and I am welcoming this work. I am just raising this point that we will continue to challenge how the risk is assessed and how recommendations will be implemented in the ...

Chief Executive Officer, Government of Jersey:

Yes. I think with that one, to answer your question, the important thing for me is I do not think it will be a tier 1 risk in the Community Risk Register, but I will check. It is therefore a risk within the portfolio of the chief officer and by extension that Minister. I know it is an area that they do focus on and think about a lot because you are right to say that we are concerned that one should only spend as much time in hospital as one needs. The longer you spend in there when you do not need treatment, all the research shows that is not a good outcome for anyone in the system, not least the patient. So I know it is an important issue for them and it will be featuring in the work they are doing as they contemplate their whole health system and make sure that the money that is available within that system moves around that system in a way that optimises things for the patient. Obviously this Government have been around since January/February. This issue has been around for longer, so I think it must be one that is under consideration, but it will not have been risk categorised at such a level that it will move up for immediate action. I will double-check that in writing, but I would imagine that is the case and that is how it has been assessed by the chief officer.

Deputy I. Gardiner:

But the immediate action, it is about how we are moving 2 years past, and within 2 years the action could be taken. It is not immediate action, it is action that could be done and ...

It could have been done last year, yes.

Deputy I. Gardiner:

Last year or 2 years ago when it was done, so put in place, absolutely.

Chief Executive Officer, Government of Jersey:

It was not, so that means that a number of Ministers now have, for whatever reason, not prioritised it to the point where it has been done.

Deputy I. Gardiner:

But it is the chief officers who are delivering these recommendations from C. & A.G. as well. So we are moving towards the risks. It is a really good transition to the risk.

Mr. P. Taylor:

You talked about prioritisation a lot. How would you assess the risk appetite across the States generally?

Chief Executive Officer, Government of Jersey:

That is a great question. The organisation is competent on the whole issue of risk registers. There is a process for identifying risk, for horizon scanning, for gateways to get them on to the risk register, for getting on to the top register, so the sort of enterprise-wide risk management approach you would expect to see in a big organisation is there. The bit of the organisation that is less mature, in my view and experience - it might not be shared by all colleagues - is in risk appetite. We do not really have a good faculty at the moment, I think, for discussing and expressing our risk appetite and then seeing that risk appetite reflected not just in the risk, the management programme, but also in the budget and in the plan of the government of the day. So this is something that we discussed with the chair of the Risk and Audit Committee. When we had our last quarterly risk update, she came along and presented from their perspective as well to E.L.T. This is something that we are working up to take to Ministers, that we do feel that the work around arriving at risk appetite and expressing it in tangible terms is less mature than the risk identification work.

Mr. P. Taylor:

I looked at the States accounts last year and there is quite a good summary of the high-level risks, where there is extreme risk around well-being and also quite a good summary of the other risks that are being looked at. Could you describe how you use risk, how you assess risk in terms of prioritisation, given the immaturity of the system?

Certainly immaturity of the expression of risk appetite. I think within the system we get good data. In compiling the C.S.P., we would cross-check that with the big risks, we would cross-check it with the big risks in the community register to make sure that the programme of the government of the day was not blind to a risk that really had to be dealt with in the next 18 months. For example, we use that risk register in prioritising the budget reductions in capital spend, so when we looked at capital spend and tried to take that number from what we thought was an unrealistic number, for all sorts of reasons, to a more credible number, one of the drivers of that was to ring-fence tier 1 risks from the Community Risk Register. In other words, if it was judged a high risk on that register to inform budget decisions, spending decisions. We use it to inform delivery of departmental and ministerial portfolios, so the register and what it tells us about risk in the organisation is a live document which informs our decision-making. The bit that is missing is the risk appetite, or the bit that is not as well defined is the risk appetite, and I think that is one of the points that the F.P.P. made yesterday as well.

Mr. P. Taylor:

You used the expression a couple of times, "tier 1 risks". What is a tier 1 risk? I should know, but do not.

Chief Executive Officer, Government of Jersey:

Tier 1 risks. That is just our term for those biggest risks in our Community Risk Register, those biggest risks to the Island and to its sustainability. Those are looked at. That register is looked at in the Emergency Planning Council, it is looked at in the officer group that tracks the Emergency Planning Council, so that is where we are looking at the big things that could knock us off course or that we would find difficult to deal with, should they arise. Day-to-day risks you have seen in our risk strategies. We have published how we assess risks day to day. That is a published document.

Mr. P. Taylor:

How often does your leadership team review risk and assess progress on risk?

Chief Executive Officer, Government of Jersey:

We do the exact same thing as complaints, a deep dive quarterly. We also ... although it is not part formally of risk management, in our other quarters the C. & A.G. will come along; the chair of the Risk and Audit Committee will come along in one of those quarters. So in every meeting we keep it at the forefront of our attention, but quarterly we will dive into it. I think that is sensible because you have probably got something wrong on your risk register if it changes every week. It should not. That would suggest that you have not done the exercise properly, so that is how we do it. We also, of course, look at the Community Risk Register in the Emergency Planning Council and in all the supporting groups for that.

Mr. P. Taylor:

There is just a question of detail here arising out of the resilience, so the *Critical Infrastructure Resilience* report that was done by C. & A.G. was talking about the need for emergency planning arrangements at La Collette and the fact that that was urgent, but it seems to be taking 18 months to address an urgent issue. I am wondering why it would take 18 months to prepare an emergency planning plan for La Collette, given the critical nature of that facility to the Island.

Chief Executive Officer, Government of Jersey:

Yes. I am not sure on the detail of that, where we are with it. I will have to write back to the committee. Have we got detail on La Collette?

Private Secretary to Chief Executive Officer, Government of Jersey:

No, not specifically why.

Chief Executive Officer, Government of Jersey:

Yes, I am happy to come back to you on that.

Mr. G. Phipps:

I have just one comment. You mentioned that the biggest concern is the risk appetite, so what actual steps can you take to improve that and how will you know when you have got your organisation in a place where you are comfortable?

Chief Executive Officer, Government of Jersey:

On the expression of risk appetite, not the biggest concern, but I felt it was less mature than all the work that has been done to identify the risk registers.

Mr. G. Phipps:

Well, you raised that as a concern.

[15:30]

Chief Executive Officer, Government of Jersey:

It can be done in a number of ways. Quite often with strategic risk appetite, which I guess is what we are talking about, it will be done through discourse, both at an executive level and Council of

Ministers level. I would expect us to assimilate the strategic information we have got from the risk registers, the strategic information we got yesterday, for example, from the report that was published by the F.P.P. We really want to have more considered debates about our understanding of what risks we are running and what our appetite is that for that risk. To give you a live example, yes, we have got an F.P.P. ... I have got that right, have I not?

Private Secretary to Chief Executive Officer, Government of Jersey:

Yes.

Chief Executive Officer, Government of Jersey:

Yes, we have got an F.P.P. report essentially saying to us: "Your Strategic Reserve should be about 5 times the size it is." Why are they saying the Strategic Reserve should be 5 times the size it is? They are saying that because we have got a very successful offshore financial centre that pays for half of Government every year in terms of direct taxation, probably way more in indirect taxation in multipliers. That is variable income. That income is now potentially more vulnerable post Pillar 2; it is potentially vulnerable to a number of factors. That is variable income. Against it you have got rising health costs, rising social security costs. The 2 things almost identically match in the P. and L. on the balance sheet at the moment and they are really saying to us: "If something happens to that money from that offshore financial centre, you can very quickly have a big income gain problem in your business model. You could be in trouble." Now, when you have that kind of risk you do everything you can to make sure that does not happen. The Minister has announced a competitive review and things, but really what they are saying is you are going to give everyone outside of Jersey more confidence if you have got 6 years' money on the sideboard so that if it does happen, you can say: "Let us just settle our way down. We can finance the transition out of this. We have got time to reorganise our expenditure if we have to." That is a big strategic risk they have identified on the balance sheet and P. and L. of this Island. That is where I think we have to take that now and have a really good strategic discussion about it and decide whether that means we want to change our actions today, our policies today and reflect that. It is probably one for the next government, to be fair: do they want to reflect that in a future budget; do they want to take actions to ... have they got a risk appetite for that risk? If they do not like that risk, if the risk appetite is ... based on that advice, that is too big of a risk, then we have to take actions in the business plan to fix it.

Mr. G. Phipps:

The issue that you are raising with risk appetite, is it identification or is it following up and implementation? Why did you raise this concern about risk appetite? I am trying to understand better what the problem is.

Chief Executive Officer, Government of Jersey:

Risk identification is one thing, sizing it, working out what it is, deciding whether you are prepared to live with it. What the risks of living with it are is another one and if you are not prepared to live with it at the level you have identified it at, you need to express a different appetite.

Mr. G. Phipps:

How will you know that this is in place in the organisation so next time around you come back and you say: "I am comfortable with how we are dealing with this"?

Chief Executive Officer, Government of Jersey:

Well, look, this is a strategic issue in all organisations; that is the same thing between execs and boards in other places. I am not saying everyone is going to agree on the risk appetite, but if we get to the point where we have got an implicit risk appetite to have a much smaller reserve, yes, relative to the size of our economy, we need to then show on the risk register the risks of running with that appetite. I just want the 2 things to match up.

Mr. G. Phipps:

So you are looking for a better balance?

Chief Executive Officer, Government of Jersey:

Yes.

Mr. G. Phipps:

I am just trying to understand what you said.

Chief Executive Officer, Government of Jersey:

A more explicit recognition that you are running that risk, yes.

Mr. G. Phipps:

What is the risk and how it has been dealt with ... and makes it explicit and visible. Thank you.

Chief Executive Officer, Government of Jersey:

Yes, precisely.

Deputy I. Gardiner:

As you indicated that you have an extra 10 minutes, we are moving to the last small section. It is mainly around your position.

Deputy D.J. Warr:

So this is around C.O. (chief officer) recruitment, you will be pleased to hear. It was stated by the Chief Minister in the States Assembly on 25th June that you are on a contract for 6 months with an option to extend for a further 2 years, should both parties agree. Are you able to advise the P.A.C. on the nature and extent of your current contract?

Chief Executive Officer, Government of Jersey:

I believe it has been published. Has it?

Deputy I. Gardiner: No, your contract would not be published.

Chief Executive Officer, Government of Jersey:

No, it has not been published?

Deputy I. Gardiner:

No.

Chief Executive Officer, Government of Jersey:

There is not much more to it than what you have described. It is a contract for 6 months with an option to extend at the salary, which I think has been disclosed, and on the terms, which I think have been disclosed, so there is not much more to add.

Mr. P. Taylor:

Is that 3 months away?

Chief Executive Officer, Government of Jersey:

Where are we now? Almost, yes.

Mr. P. Taylor:

So given that situation - and you may well not have decided what it is that you want to do - is there, in the background, a support plan just in case you decide you do not want to extend it?

Chief Executive Officer, Government of Jersey:

That is much more a matter for the chairman of the S.E.B. (States Employment Board), I would say, rather than me. I mean, I do not award myself contracts.

Mr. P. Taylor:

But it does deal with the effectiveness of the way the organisation is run.

There is definitely an understanding that we will have a discussion at the end of the quarter, which is coming up now, about the extension. I would imagine that the Chairman of S.E.B. and the Chief People Officer and others have thought about all eventualities.

Deputy D.J. Warr:

Okay, thanks. Based on your current contract, do you feel you are able to implement the strategic vision you have for the civil service?

Chief Executive Officer, Government of Jersey:

When you are on a 6-month contract, I think it would take a healthy dose of self-conceit to have a strategic vision for the civil service.

Mr. G. Phipps:

Loaded question, yes.

Chief Executive Officer, Government of Jersey:

I would observe that the Government of Jersey already have a strategic vision and set of values that they spent a fair bit of money developing a number a years ago, so those are still in existence. My approach is to work with the best of what is around me, but obviously given my timescales - frankly, given the timescales for the Government - there is an element of this which is much more pragmatic, in trying to focus on getting things done in accordance with the priorities that have been expressed by the elected Members.

Deputy D.J. Warr:

Okay, thank you. So what specific advice and thoughts can you advise the P.A.C. on how you feel that the C.E.O. role should be developed or revised going forward?

Chief Executive Officer, Government of Jersey:

Oh, jeepers. I have not really given that much thought, therefore I am afraid I do not have any big thoughts on it at the moment. I am too busy doing the job to think about how the job could or should be different. The only thing I would say is I know there has been much debate on this in the past, but whatever job you have got, whatever it says in the job description, you have got a job to do and you have to get stuff done, so a lot of my focus has been trying to get this very large and multifaceted organisation to gather around a smaller set of priorities and, frankly, try and get some stuff done. I think there is a real risk to the reputation of the Government in Jersey that it becomes famous for what it does not do. You start becoming famous for saying: "I am going to do something and I have

done it" and trying to get the organisation into that operating rhythm of thinking: "Yes, let us do that." People might not agree with the things that have been chosen to be done, but let us at least start to get a track record of doing things in the meantime. So it is very much that pragmatic approach I have taken because of the context I have come into.

Deputy D.J. Warr:

I am sorry, I am conscious time is running out. Last question then: can you advise the P.A.C. on what is currently the plan in relation to the recruitment of a permanent C.E.O.?

Chief Executive Officer, Government of Jersey:

No, I cannot. I do not have any ... I am not included in any discussions like that. It is S.E.B. or elsewhere.

Deputy I. Gardiner:

Another question: did you start your process for recruitment for the permanent chief officer for C.L.S.?

Chief Executive Officer, Government of Jersey:

I do not know for sure that. Obviously we made an interim appointment when the incumbent stood down, but I am not sure if they have started the process yet. I need to come back to you on that, but we are very happy with the interim arrangement. We do not feel at risk at the moment. I think the interim has only been in office for 3 weeks or 4 weeks, something like that, but I am sure they will follow the normal processes in due course.

Deputy I. Gardiner:

But the question is if I am looking now at your Executive Leadership Team, we have an interim chief officer for Customer and Local Services, now we have an interim chief officer for Health and Community Services, you are recruiting now an interim for the position for the Cabinet Office. Yourself, we do not know if you will continue - we hope you would, for some stability - beyond December, and it is every time 6 months to consider would you continue, you would not continue. How can you reassure the public that we do have stability within the civil service? In the top civil service, we have now 4 positions, including yourself, that are interim.

Chief Executive Officer, Government of Jersey:

Yes, I am happy to give that reassurance. One of the things that is a great credit to my colleagues and no credit to me at all is there are very strong succession plans in place for the Government. We have got a clear idea of who might be able to do what job when situations like this arise. We have obviously got situations in each department where we have someone that we know would step in if someone took ill or if they left suddenly and we are trying to invest in our leadership cadre below the E.L.T. So in risk register terms I am not concerned about the risk to the organisation or the public service from the interim employments that we have made. That would be my answer.

Deputy K.L. Moore:

If we took Health and Community Services, which we have already talked about today, could you describe to us or give us assurance that what has happened in practice, what was announced yesterday, was part of the succession plan?

Chief Executive Officer, Government of Jersey:

In that particular instance, of course we did not know that we would lose the incumbent in the specific time period we did, and I emphasise lose them for hopefully 3 months, not any longer duration, but these things are uncertain. So in that instance we had envisaged that that person would finish up their contract in, I think it is, March of next year and that recruitment process would begin ahead of that this winter. I think one of the things you have to recognise in that situation is that would have been fine if we had stuck with the existing structure, but we now have a ministerial policy, which is to look at the concept of a whole health system. That whole health system will have a number of different roles within it. It is quite hard to recruit well into a system until you have finished the consultation and said: "This is what I am recruiting into." So Health is a little bit of a funny one in that at the point where the incumbent has had to go, is having to go off, we are also at that delicate stage where the new structure is going through consultation. As I said at the start of my answer, that is one of the reasons I thought the deputy chief executive would be the right person to hold that portfolio while we go through that transition. So that is a fairly neat situation. The C.L.S. situation is very standard, good succession plans, good internal candidates to step up into that role and we have triggered that process, but of course we will then go to a full process in the winter for the permanent replacement.

Deputy I. Gardiner:

Is the stability within the top civil service team registered on the risk register?

Chief Executive Officer, Government of Jersey:

No. I do not see it as an issue. In an executive team, you are an executive. If you do well, you get 5 years in the top job. In exceptional circumstances you might get extended, like COVID and so forth, but when you are a senior executive, you go into a job thinking: "If I cannot make a difference in 5 years, I should not be here."

Deputy I. Gardiner:

I think that 5 years is completely ... I mean, it is agreeable. But the discussion, when I am saying on the top, currently on ...

Chief Executive Officer, Government of Jersey:

So therefore, when you have a team of 11, you can expect in any one year there will be a bit of turnover. In any 2 or 3-year period, it would be usual in big organisations for the senior leadership to turn over at that kind of rate. I accept in Jersey that has not been usual.

Deputy I. Gardiner:

No. We did have lots of changes recently.

Chief Executive Officer, Government of Jersey:

You have gone from feast to famine, it looks like, over the years, but it is normal to see this kind of turnover. If someone has done 10, 11 years in the job, they have put their stamp on the job, and if they decide that they do not want to do another job in the organisation, then obviously most times people leave in that situation and it gives a new person a chance to put their stamp on it. So I am not worried about continuity or about the talent we have got around the table, even if they are there on an interim basis.

Deputy I. Gardiner:

Thank you.

Chief Executive Officer, Government of Jersey:

You are welcome.

Deputy I. Gardiner:

Thank you very much. Thank you for your questions and your answers and time. Thank you. The public hearing is closed.

[15:44]