



Public Accounts Committee

Quarterly Review Hearing

Witness: (Chief Executive Officer - Government of Jersey)

Wednesday, 12th February 2025

Panel:

Deputy I. Gardiner of St. Helier North(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. Phipps

Mr. V. Khakhria

Ms. L. Pamment, Comptroller and Auditor General.

Witnesses:

Mr. A. McLaughlin, Chief Executive Officer

Mr. S. Perez, Head of Office of the Chief Executive Officer

[13:31]

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

Good afternoon and welcome to the public hearing of the Public Accounts Committee. Today is Wednesday, 12th February. This is a quarterly public hearing with the Chief Executive Officer of the Government of Jersey. We can begin with introductions. Deputy Inna Gardiner, Chair of the Public Accounts Committee.

Deputy R.S. Kovacs of St. Saviour:

Deputy Raluca Kovacs, member of the committee.

Mr. G. Phipps:

Graeme Phipps, independent member.

Mr. V. Khakhria:

Vijay Khakhria, independent member.

Deputy K.M. Wilson of St. Clement:

Deputy Karen Wilson, member.

Deputy D.J. Warr of St. Helier South:

Deputy David Warr, member.

Comptroller and Auditor General:

Lynn Pamment, Comptroller and Auditor General.

Head of Office of the Chief Executive Officer:

Sebastien Perez, Head of Office of the Chief Executive.

Chief Executive Officer:

Andrew McLaughlin, Chief Executive Officer.

Deputy I. Gardiner:

Thank you. Today the public hearing will focus on 4 main areas. The first area is performance management and questioning related to restructure, cost benefit and performance management. The second part will be around I.T. (information technology) and digital services. The third part is some questions follow our procurement review. The last part we will concentrate on arm's-length organisation's recent report and recommendations and the grants. The Public Accounts Committee will lodge a review in March and we would like to hear your views once we are finalising our terms of reference. We will have 2 hours for this hearing and there is a large number of questions to get through, please can I ask you to keep your answers short. I apologise in advance, I will interrupt you in order to keep to time. If any questions we are not able to ask, we will email to you in written form. Okay, so I will start with the first question and it is about performance management. Would you please let us know what changes you have made in 2024 for the structure of the Government?

Chief Executive Officer:

In 2024, last year. Let me see. I changed the reporting lines of the Treasury and people services ... sorry, changed the reporting lines of digital services and people services into Treasury, out of

Cabinet Office. I would not regard that as a restructure, more of a change in reporting lines because we have not fundamentally restructured there. You will have to jog my memory, but when did you ...

Deputy I. Gardiner:

If you already mentioned this, why did you decide to move this? What were your thoughts around it?

Chief Executive Officer:

Changing the reporting lines? The main one was as a team, when we had our offsites and looked at how things were running. It was not entirely clear to me the structure of the Cabinet Office, how having the policy making and functions effectively - central policy making, research functions and statutory functions of Government - alongside these 2 operational departments, how that combined structure ... the rationale for it. It was explained to me by colleagues that in part this came from a decision by the previous Government or the previous Government by one to dismantle what had been a chief operating officer's office. So there had been a sort around a few years ago and when I came in I ... well, I looked at it for a while, to be fair, but my feeling was that digital services and people services probably were better in the line of Treasury, because the 3 of them together have such a fundamental role in the running of Government corporately and that was a better home than sat in the Cabinet Office. Where I saw the value in the Cabinet Office is much more in the policy making sphere and, to a lesser extent, the political sphere, because the Ministerial support sits in there. So those were my observations and discussing it through with the team we felt that was a better home for those functions and we felt that was confirmed when we started to do the prioritisation exercises, which I have discussed previously.

Deputy I. Gardiner:

Yes, it would be interesting to know your thought process so what considerations have you given to the role of Treasurer? Because we know that the role of Treasurer is a very complex, busy role and to add to the Treasurer's responsibility oversight for the digital services and the people services ...

Chief Executive Officer:

Sorry, I understand the question now. Yes, I mean, I saw it the other way around. I felt that the Treasurer and his leadership team would benefit from having those 2 senior colleagues around the table, given the work that they had to do around the public finances, the running of the Government, areas like we are discussing today of procurement, for example, where a large part of the procurement is in digital services, for example. So I felt there was more synergy between those 3. I felt that those 3 senior leaders together would make a stronger team at the heart of running the

Government. So it was, hopefully, less about this being additional burden for the Treasurer but more actually strengthening the team around him.

Deputy I. Gardiner:

So the Treasurer will be the Accountable Officer for the digital services and for the people services now? From the structure, trying to understand what responsibilities.

Chief Executive Officer:

Well, the Treasurer also, of course, is an Assistant Chief Executive. He will have additional responsibilities but I think it is the right place to put them. As I say, these are ...

Deputy I. Gardiner:

What other changes have you done to the Cabinet Office? So this change has been done, what other changes?

Chief Executive Officer:

Yes, so this change happened at the tail end of the prioritisation. This is where I just need you to remind me what we did when. From the Cabinet Office, as it was when I came in in 2023, it also had a delivery unit and it also had various aspects still of the Chief Operating Officer. There was a Chief of Staff there. I removed those roles as well. I think I did that in 2023, but I will have to ...

Head of Office of the Chief Executive Officer:

Yes, 2023.

Chief Executive Officer:

Yes, so I did those in 2023, not 2024.

Deputy I. Gardiner:

So basically from the Cabinet Office, the function for digital services ... I am just checking digital services and people moved to the Treasurer.

Chief Executive Officer:

It became Treasury and Corporate Resources. The Chief of Staff role was removed altogether. I did not feel that was necessary, and I removed the delivery unit because, again, I did not think it was necessary, particularly in the context of the mandate for trying to curb the growth in the public sector.

Deputy I. Gardiner:

Are there any other changes in the Cabinet Office?

Chief Executive Officer:

Yes. As we discussed last time, we were around at the point where we moved Tom Walker to health. We also announced the intention - it might not formally have happened yet - to move public health from the Cabinet Office into health. So I discussed that with you last time I was here. But I do not think that would have happened until the year end so that will be live now.

Deputy I. Gardiner:

What are your plans for 2025 with a restructure and changes within the civil service?

Chief Executive Officer:

For 2025, there is no current plans for 2025 that I have. As I said last time round, I do not really have a mandate for significant reorganisation or restructures of the civil service. I think when I was last here I explained the mandate I had from the Council of Ministers for their 2 years of Government. What we have got, which you may be referring to, I do not know, is the exception to that position is where a reorganisation of the service would be required to deliver a major policy ambition for the Government. The only thing that I think falls into that category is health and that is obviously something that is out to consultation or is going through consultation.

Deputy I. Gardiner:

I will pick up on health in a minute, thank you.

Chief Executive Officer:

Have I missed any other restructures to use the Deputy's language rather than my language?

Head of Office of the Chief Executive Officer:

No.

Chief Executive Officer:

Not that I am aware.

Deputy I. Gardiner:

We are trying to go through the things. Now, what was the reason that the organisational structure was updated only yesterday? We did have, from September until yesterday, the old organisational structure. Why did it take so long to update it? Basically this is from Monday on the website and this is from yesterday on the website. If you are not reading what is inside, graphically it does look different, which we can discuss, but why did it take so long to update the data of who is the Chief Officer, what movements have been done? I am sure that you know this once you have seen it.

Chief Executive Officer:

Yes. I was aware at the end of the year, because of public health and other things, that we had to change it. So I know it has changed. I do not know the answer to your question of why it changed yesterday, unless something new ...

Deputy I. Gardiner:

No, it was published ... so probably changed earlier, but it was published yesterday.

Deputy R.S. Kovacs:

It was changed in the summer.

Deputy I. Gardiner:

Yes, this update was in September.

Chief Executive Officer:

So what is the one it has changed to, sorry, that you are showing me.

Deputy I. Gardiner:

The chart was from September, until Monday it was on the Government website. So, for example, if a member of the public would like to speak with the Chief Officer for Customer and Local Services, they would try to find Ian Burns, who was obviously not in post for the last 3 or 4 months. What I am trying to ask is how ...

Chief Executive Officer:

Why did this change yesterday, is what you asked.

Deputy I. Gardiner:

Yes, why it took so long to update this?

Chief Executive Officer:

I do not know why it changed yesterday but I do know, of course, that between the year end and now Sophie Le Sueur was formally appointed as the Chief Officer in Employment, Social Security and Housing. I do know that Public Health, even though we said that we would move it, we decided it would not move until after the year end, so that would be an update in that column. It might simply be that there is new information. Those 2 things needed to be updated. We made an appointment to the Customs and Immigration Service but you see that is not updated. So I think it might just be

that. But I would need to ask my colleague Paul Bradbury, because he would probably have had responsibility for publishing it.

Deputy I. Gardiner:

This is from the Government website.

Chief Executive Officer:

Yes, I know, but I need to speak to my colleague who would have uploaded that to know why it happened yesterday.

Deputy I. Gardiner:

No, no, the question was: why did it take so long to update the Government's structure on the Government website? How long do you think it needs to take? For example, if a chief officer is leaving the job and this job not continuing, how long does it need to take for the Government to put it on the website so the public will be aware?

Chief Executive Officer:

Well, what is your example? I am not quite sure that ... I have got to be honest, it is not something I have given any thought to but I will go away and think about it.

Deputy R.S. Kovacs:

If you have any structural changes that are happening, how long should it take to be updated on the public site?

Chief Executive Officer:

Well, I would imagine, between colleagues in people services, that there is a process between making an announcement ... if there is a change in structure, not that there has been many, that things go through the normal processes internally, particularly if it involves people before they go external.

[13:45]

Deputy I. Gardiner:

I apologise, probably I am asking the correct ... I will try to ask it again, Andrew. For example, the Chief Officer of C.L.S. (Customer and Local Services) left, you appointed an interim chief officer for C.L.S. and you started the process. How long should it take on the Government website to update the name, for example, for the chief officer that is not in post anymore?

Chief Executive Officer:

Oh, was he up there for a while, was he, I did not know? Ian Burns was on there until yesterday, was he?

Deputy I. Gardiner:

Yes, until yesterday.

Chief Executive Officer:

It should not take that long, sorry, yes.

Deputy I. Gardiner:

Sorry, I needed to explain myself.

Chief Executive Officer:

I will follow up on that.

Deputy I. Gardiner:

How long do you think it will be to do this type of update for the public perspective, so the public knows who is in charge of the department?

Chief Executive Officer:

Yes, obviously it should not take that long. I think even if it was not on here on the website, it probably was well communicated that Ian had left.

Deputy I. Gardiner:

Okay. But somebody going to gov.je and looking for the ...

Chief Executive Officer:

They want to get directly through to the Chief Officer ...

Deputy I. Gardiner:

To know who is the Chief Officer, who is in charge of the department, who is Accountable Officer. How long does it need to take until their name will be on the Government website saying ... even the people not from the Island, somebody from outside of Jersey might like to contact the Chief Officer of a department, and they can see it on the Government website.

Chief Executive Officer:

Well, leaving the name to one side, I think there is lots of ways to contact the department and to get to the person you need to get to. But I take your point. We might have been tardy in updating the names on here.

Deputy R.S. Kovacs:

In other words, how would you make sure that with any change it is promptly updated on the website with this kind of information?

Chief Executive Officer:

Well, I guess with this one I need to - because I was not aware of it, so thank you for pointing it out - to go back, speak with colleagues who look after this material on the website and see what is going on in the process. Obviously, it should not have taken this long.

Deputy I. Gardiner:

Do you think 2 weeks would be sufficient if it is a name or if someone moved from other department?

Chief Executive Officer:

I do not know. It was obviously updated internally so I need to see what the external links are.

Deputy I. Gardiner:

Thank you very much. It is helpful. I am going back to health because, as you can see, the structure of Health, at least on the current published structure of health care in Jersey has changed. Have you received a business case or baseline for this change?

Chief Executive Officer:

No. So what has changed on here is obviously public health, which we had flagged and now it has changed. What has changed on here is Tom Walker. Other than that, it is the structure as was. On the case of health, the Ministerial team - I think we discussed last time - have a policy under development, the organising concept of which is to try and create a unitary or integrated health service, effectively bringing what one could describe as the 4 reasonably discrete sectors of health into unitary governance. They have been consulting on that for most of the second half of last year. I think I wrote to you with ...

Deputy I. Gardiner:

I felt that the letter was really helpful.

Chief Executive Officer:

All the consultation that was going.

Deputy I. Gardiner:

Yes, on consultation. You pointed me to a very helpful document that in front of me, the integrated health and care system consultation process, which is really helpful. Now, I need to understand because when I read this document and when we had States questioning, it has been presented as a done deal. So we decided what structure we would like to have and we are progressing to do the changes. Now, if this is the case, this is why I am asking with the question, because people within the civil service, within the Government actually, raised the question around the cost. Some concerns were expressed about the cost of proposed arrangements, including cost of the partnership board plus costs associated with additional staffing. It is in the report. Now, if you have not been presented with the business case or some baseline, what is happening in health now because the consultation is published, the Minister was clear that he is not going into any public consultation and he progressed with the changes. How can you be reassured that the proposed changes are value for money?

Chief Executive Officer:

Okay. So the consultation is ongoing.

Deputy I. Gardiner:

Is it ongoing because we have been told it is finished?

Chief Executive Officer:

Well, I mean, I think that was published ... when was that published?

Deputy I. Gardiner:

In October.

Chief Executive Officer:

Was it published in October? I think he had a session with all elected Members after that.

Deputy I. Gardiner:

In December and this States sitting ...

Chief Executive Officer:

In December. So he is continuing to consult so I think this might be a misunderstanding. They obviously took an extensive consultation which you have there. They are continuing to consult on aspects of the proposals so we do not have the business case yet. The business case is obviously important because one of the things that works well in the Government of Jersey, in my experience,

is actually the business cases in terms of tracking benefits. We do not have that yet from the team, it is still policy under development and there is a lot of policy support for that. My understanding of the timetable - but the Minister, I am sure, would be happy to clarify this and come along and see you - is that they will continue that consultation right to the end of this quarter, right up until Easter. The intention is in the second quarter to then come to the Assembly, having first come to the C.O.M. (Council of Ministers), particularly in those areas where they would need Assembly approval for what they are proposing. It is still under consultation. I think this is really important because the organising concept is clear. It looks like from the consultation that the organising concept has had a fair hearing. It looks like from the consultation people do not believe the status quo is ideal.

Deputy I. Gardiner:

Apologies, I probably need to clarify my question. The Minister was very clear that he finished his consultation, including finishing consultation with States Members. To come back to the Assembly he needs to come back with a clear business case.

Chief Executive Officer:

I think he is aware of that.

Deputy I. Gardiner:

Now, what conversations have you had with the chief officer of Health, because if you are talking about Easter, it is in a month. The type of business case and this type of the restructure would require much more work to create this business case. Are you aware if your Chief Officer is creating a business case?

Chief Executive Officer:

Absolutely. We have had support from the off from dedicated policy resource in the Cabinet Office, per our model, which you would expect. The Chief Officer is involved. We get regular updates. We were updated again this week on the proposals. My understanding of the timescale is that they will continue to consult up to Q1, ideally to the end of March or Easter, and then be in a position in the second quarter to bring that business case through the Council of Ministers and ultimately bring whatever they need to bring to the Assembly in terms of debate and approval. So I would have to say that compared to other big decisions I have seen in Jersey, it looks like quite a lot of consultation to me, but you might tell me differently.

Deputy I. Gardiner:

It is actually where you did not have any consultation with the States Members but it is just ...

Chief Executive Officer:

How many States Members showed up on 5th December to the briefing?

Deputy I. Gardiner:

It was a briefing, that is a different question of how we do briefings. But it is okay, I want to go back to what we are doing. Let us leave the Minister there.

Chief Executive Officer:

Yes. He is happy to come along anytime and give ...

Deputy I. Gardiner:

I am not asking about the Minister, it is about your assurance as a principal accountable officer, that you know that this ...

Chief Executive Officer:

Yes, we have a full policy resource dedicated to it, it is going through the normal processes but the thing I think everyone has to keep in mind, which I feel is you are presenting something more definitively than it is. One of the things that is happening here is if you are going to bring that system together, which is the organising concept, it will require adjustments to your operating model and they are continuing to consult on that because these are all fine judgments, because everyone is interested in one thing which is trying to get better outcomes from that service. So I think this will be finessed through consultation right up to the end of this quarter. It may well be finessed after that, depending on the reaction that it gets at the Council of Ministers, ultimately, and at the Assembly and elsewhere. So I think you should see this as a dynamic situation rather than ... you know, I interpret you, maybe incorrectly, saying the Minister had made up his mind and closed the book in November after the consultation. That is emphatically not the case. Their minds are open and they are continuing to listen and finesse things, which includes, of course, thinking about the operating model and ultimately thinking about things like funding, which I know you will be concerned about.

Deputy I. Gardiner:

Okay. The last question from me. Do we have a health strategy for Jersey?

Chief Executive Officer:

For the whole system?

Deputy I. Gardiner:

Yes.

Chief Executive Officer:

I think that is a moot point. Different people would argue it differently. My view is that in every aspect ... this is the point that I made at the Chamber, at every aspect of strategic risk management and long-term thinking Jersey does not have yet a strategy which takes account of its historic policy choices and the stress test of receiving from the world we are now living in. I include health in that. As the Minister has made clear in various speeches, if we are talking about health, the starting position for that team in thinking about that strategy is, first of all, this organising concept of trying to bring the whole service together, trying to create governance forums and partnership forums where they can actually now think through the fuller strategy. So they very much see it as this is a big first step. If this new governance set of arrangements works well, that is a better forum to then debate out and finesse the rest of the strategy.

Deputy I. Gardiner:

Interestingly enough, you are coming from business and we both come from business ...

Chief Executive Officer:

Which, by the way, is a reasonable position.

Deputy I. Gardiner:

So what are your thoughts around that we are doing this major restructure for health without having a health strategy in place? I want to know what you think about it.

Chief Executive Officer:

I think about it the other way round. I do not think until you get the 4 sectors of health, as I call them - there might be 5 but we could argue that - into one place, one decent discussion and one shared understanding about all the available evidence of health, all the available options around public finance and the rest. So I think unless you can get them into that structure, I think it has historically proven very difficult to then craft a strategy. So I think whether one agrees with it or not, this Ministerial team have taken the view that they should put their back into what we are discussing, because that will then create the right forums and frameworks to develop the strategy that I think we all believe is needed. Only then can they properly get into the issues of the demography, only then can they properly get into the issues of on and off Island care and so forth. That is their feeling. Having seen us not getting into those issues sufficiently in the past - I mean, we could not even decide where to build a hospital for 10 or 15 years - having not been able to get that level of consensus in the past, I think it is a reasonable call for them to do that. If it works, hopefully we can then discuss these other issues.

Mr. G. Phipps:

Okay. Just one quick follow up. When do you anticipate we might have an all-encompassing health strategy that the people of Jersey could see and understand? I understand your logic. What would be a reasonable expectation roughly, of when this might be in place?

Chief Executive Officer:

I think major components around prevention and public health are in place, but in terms of it being comprehensive, if you can ever get to such a state, if we follow the timetable of what the Ministers are currently working on and it beds in and it clears the Assembly - these are all big ifs - but if that is operational then I think that you would hope that next year the focus will switch very much to the strategy and the delivery within this new integrated framework.

Mr. G. Phipps:

So we should see something by next year?

Chief Executive Officer:

The structure has to ... I do not want to pre-empt the structure because the consultation is ongoing.

Mr. G. Phipps:

It understand but I think the people of Jersey will be interested in that. It is very important and just to have an idea when they might see that is helpful. Thank you.

Deputy R.S. Kovacs:

So this is definitely a subject that would have a follow up because of the ongoing consultation which was not presented as an ongoing consultation, it was presented like it is something done that is going to be set in place.

So we are going to going to follow up with this. Regarding the C.Y.P.E.S. (Children, Young People, Education and Skills) restructuring, we are aware that the Director of Education's role is, uh, temporarily with the Interim Chief Officer for C.Y.P.E.S., with some delegation to the education leadership team.

[14:00]

There are 2 headteachers that started the 6 month secondment to assess the structure and improve services between the central team and schools. How do you think this will inform the future departmental structures and those of the senior leadership? When will this be completed for C.Y.P.E.S.?

Chief Executive Officer:

Sure. Again, I would not describe that as a restructuring. We made that role redundant in Q4 last year?

Head of Office of the Chief Executive Officer:

Yes.

Chief Executive Officer:

Q4 last year, the director of education role, obviously the role holder is working through notice. However, it is right to say that one of the diagnostics with the Ministerial team and with the Chief Officer was some concern that despite best efforts on all sides, we still did not have an optimal relationship between the central functions of education or the centres of excellence and the schools. We still did not have those relationships always right in terms of policy, communication, understanding. One of the things that we definitely want to explore, which is why we have seconded a headteacher from secondary and primary into work with the Interim Chief Officer is to explore if there are opportunities to improve the structure and the relationships between the central functions and the more operational functions in the school. That is the why, if you like. That is exactly where we are up to at the moment.

Deputy R.S. Kovacs:

With the way of analysing this restructuring and trying to centralise everything, when do you think you will have that optimal structure in place?

Chief Executive Officer:

We have, for good or ill, set deadline for this summer, for June. That is the sort of timescale. But I should say, and I will double check this, I think that the 2 headteachers only became available to us at the start of this month so they have only just become active in terms of the work.

Deputy R.S. Kovacs:

Thank you. As the general restructuring of the Cabinet Office, what benefits were expected from these changes and how are they being measured?

Chief Executive Officer:

In terms of the ...

Head of Office of the Chief Executive Officer:

You failed to mention comms earlier which would be part of it.

Chief Executive Officer:

Oh, yes, but I think I did that in 2023, did I? Within the Cabinet Office I did significantly reduce the size of the comms function, which I think we discussed before. I thought I had done that in 2023, but actually it went into 2024. I think I have explained that here before, why I took that step. Going back to your question ...

Deputy R.S. Kovacs:

Sorry, just because you mentioned comms now, in the way that you restructured it, have you reduced the number of comms or were you restructuring different departments?

Chief Executive Officer:

No, I reduced the number of colleagues working in the comms function, because it just felt that with the various priorities on us, we were doing more than we had to do and we had more people doing more things than we had to do. Which is not to say anyone was doing anything that was not worthwhile, it is just that we had other priorities. So that was significantly reduced in Q4 of last year and some of that will have fallen into the start of this year.

Deputy R.S. Kovacs:

How many people left the Government?

Chief Executive Officer:

From comms? I would need to follow up with you on that. We have got that data but I will come back to you on that.

Deputy R.S. Kovacs:

It would be useful to just provide it, thank you. From these changes, how are they being measured and how do you communicate these changes to staff, Ministers and the public?

Chief Executive Officer:

If you have a major change, there would be a business case. As I said, I do not really have a mandate for major change, for the reasons I mentioned the last time I was here, from this Council of Ministers. We did have a business case for communications because while it is a relatively small function, clearly the change was very major for that particular function. So there is a business case and benefits in a normal way you would expect in terms of the reduction in headcount and therefore any financial savings from that. Also, in terms of the operating model of effectively putting Minister and Ministerial portfolios in a situation where they had shared resource rather than dedicated resource. That was set out and, as I say, in my short time in Government your tracking of benefits where you put a business case up is very good. Where you have smaller changes, that would not

merit a full business case, so a change in the reporting line, for example, of 2 officers as opposed to a major restructure, which is what we have done with people services and with digital services. That is much more about ... less about quantitative savings because we are not reducing headcount in that scenario. It is much more about trying to achieve less tangible synergies, like I felt it would strengthen and actually help the Treasurer to have senior colleagues around the table with him, with their experiences of the organisation, to help the 3 of them, but would certainly help him having that bench strength alongside him. That is much more assessed around one to one and check-ins with the Treasurer, less financial benefits. In terms of communication, we do it in a normal way. We communicate with colleagues if they are affected by change and we do that very closely following ... in a business, if there a redundancy following the process it is agreed with the trade unions, if it is not a redundancy then we take the expert advice obviously of the chief officer and the comms team.

Deputy R.S. Kovacs:

Within those business cases and the changes that happen, how have you assessed the risk and capacity of increasing workloads for existing officers.

Chief Executive Officer:

In which one?

Deputy R.S. Kovacs:

So in any changes that happen, how will you assess the risk of ...

Chief Executive Officer:

Oh, for sure. I think very closely. If take the example of the removal of the delivery unit, it is a good example, who are doing a range of things on behalf of everyone. Then we would workshop that through with the Executive Leadership Team in terms of what if that work, however laudable we felt it was, just discontinues? We are just not going to do it anymore. What if that work continues but at a lower level of resource and who does it and what if that work needs to continue but be reabsorbed into the departments. So in that instance, for example, we were very clear that a significant number of the reporting and publications of the delivery unit would cease. We just would stop doing them, remove the work all together. Those that that we felt had to continue, departmental business plans being a case in point, it was very clear that as part of that change that that would become the responsibility of individual departments and they would have to absorb that resource into their existing work. We consider it with the leaders about whether it is tolerable, whether it is achievable, and then we make the decision.

Deputy R.S. Kovacs:

Okay. Talking about these business plans, departmental business plans and the changes and mitigating risk, is P.A.C. (Public Accounts Committee) able to have sight of those business plans?

Chief Executive Officer:

Yes, I think you have them.

Deputy R.S. Kovacs:

All the changes?

Head of Office of the Chief Executive Officer:

Departmental business plans should be published.

Chief Executive Officer:

Yes, they are published.

Deputy R.S. Kovacs:

In your opinion, what is the right structure for the civil service to deliver the Common Strategic Plan?

Chief Executive Officer:

To deliver the Common Strategic Plan? Well, that is a difficult question. The right structure. I have not really thought about it in that way, if I am being honest. I think it is a fair challenge. We are slightly conditioned by the nature in which the Government arrived in last January, the limited time that they had to craft a programme, publish a programme and then start delivering on the programme. That has created a certain amount of delivery focus, which is no bad thing, of course, but delivery focus tied to a couple of years and, almost by definition, it ruled out thinking great thoughts or having big plans for reorganisation. Because if you are reorganising, you will be distracted and you will not be delivering. So I do not think I am in a position to give you a ...

Deputy R.S. Kovacs:

It is more related to the value for money for the taxpayers on delivering this.

Chief Executive Officer:

Yes, but you asked what the right structure is. I cannot answer that. I need to think about it some more.

Mr. G. Phipps:

I think it is a good question. Let us leave it with you and maybe at some time you can come back.

Chief Executive Officer:

I am still thinking about it.

Mr. G. Phipps:

No, no, because all of these things are important, I understand what you are saying, but we also need to look at the big picture and at some point come back and say: "Okay, taking all this into account, either the structure is fine or here is some changes and why." So come back, we do not need the answer now, but just we ask you to come back later.

Chief Executive Officer:

I think I made it clear in the Chamber that the structure in my view, is not fine, but I do not know what the right structure is. That is a different question.

Deputy I. Gardiner:

Okay, we will continue to explore this together.

Chief Executive Officer:

The structure is workable for delivering what needs to be delivered at the moment.

Deputy R.S. Kovacs:

What specific cost savings have been achieved as a result of the restructuring?

Chief Executive Officer:

Which ones?

Deputy R.S. Kovacs:

As the general restructuring in the last year.

Chief Executive Officer:

Last year. So in the work that we did in the Cabinet Office, obviously, and the communications, there a reduction in, reduction in roles, so cashable savings.

Deputy I. Gardiner:

But the question is was there savings because some of the communication officers are now employed by the department? We are talking overall Government, regardless where people were moved, what was saving?

Chief Executive Officer:

Yes, this is an important point, which is one of the reasons why we shrunk it. There was always people in the department and people in the centre which did seem, you know ...

Deputy R.S. Kovacs:

In which areas ...

Chief Executive Officer:

Some of the people in the centre that lost their jobs would have filled jobs elsewhere. As you know, when we ... not just in communications, anywhere, if we do not have a job for someone then we have got responsibilities. One of the first ones is to make sure that they have got the skills and support to find another job within the service if one is available. Definitely, some of the those people in that restructure I hope have found work elsewhere in the service but that does not stop the fact that you have retired the role.

Deputy R.S. Kovacs:

But more exactly to understand exactly where the savings were. In either of the departments, was it in staffing, operations, overheads?

Chief Executive Officer:

In the case of the delivery unit, it was it was all the colleagues and all the overheads. For example, the delivery unit was producing ministerial plans, delivery plans, and what was the third thing?

Head of Office of the Chief Executive Officer:

Annual reports.

Chief Executive Officer:

Annual reports. They were producing multiple reports per department and those have all stopped.

Mr. G. Phipps:

So in the same line, it would be nice to understand at some stage the strategy we talked about earlier. Maybe you can come back. Looking at this, I think the people of Jersey would like to know overall, with all the puts and takes, what kind of a cost saving would we anticipate and hopefully see in the cost of running our business in the future based on these things. So maybe come back.

Deputy I. Gardiner:

Also how do you measure these benefits?

Chief Executive Officer:

Let me clarify something. If the Chief Minister wants me to do that as a matter of priority, I will do it, but I do not have a mandate to do that. Okay, I have a mandate to try and curb the growth in public spending. Curb the growth, not curb the spending ...

Deputy R.S. Kovacs:

Sorry to interrupt, but according to the Public Finance (Jersey) Law 2019, the Chief Executive has responsibility for ensuring the property and efficiency of government finances and ensuring they perform the functions.

Chief Executive Officer:

Exactly. That is why we have been doing what we are doing.

Mr. G. Phipps:

Maybe it was not clear. You mentioned earlier that you anticipate some savings, we would just like to have an idea through all this of how much. I am not looking for a detailed answer but just directionally, we have done some of these things for good reasons, we have groups working together.

Chief Executive Officer:

No, I understand you are saying now, of course.

Mr. G. Phipps:

Just a rough idea about it.

Chief Executive Officer:

You will see that whenever it is we publish on consultancy spend, for example, which is twice a year. You will see it through that.

Mr. G. Phipps:

So we should start to see these things.

Deputy I. Gardiner:

By the way, when will the consultancy spend be published, because we did not have publications for a long time?

Chief Executive Officer:

I thought we published it twice a year, but we are certainly intending to publish it. I thought it was at the end of April but I will check with the Treasurer.

Head of Office of the Chief Executive Officer:

There is a draft in preparation. I think it is going through the approvals process for release.

Chief Executive Officer:

I am pretty sure it has been published before.

Deputy R.S. Kovacs:

How does the move to the new headquarters impact the efficiency and value for money?

Chief Executive Officer:

In what regard?

Deputy R.S. Kovacs:

Are there any efficiencies for having a one headquarter and the move.

Chief Executive Officer:

Oh, yes, I have got you. I think this is a great example of the fact that you are quite good at putting business cases together that you can track, especially, like me, if you come in halfway through. It is also a good example of why ... in areas like procurement, benefits realisation, in my experience, even though there are commercial disciplines in the business case process, those commercial disciplines are odd bedfellows alongside politics and politicians. So in the benefits realisation case for 1 Union Street, for example, one of the things that will have impacted the value for money in that case is that I think it was signed off in 2021 at officer and project board level.

[14:15]

Post that sign off there have been a number of interventions - Ministerial interventions, I think, rather than officer interventions - to remodel floors in the building, to add in offices, to change the design. Now, of course, this happens with public procurement. It happened to the Scottish Parliament, I am sure it sure it happened with Portcullis House, but when people get very apostolic about business cases and benefits realisation in the public sector as if it is rubbish compared to the private sector, they do conveniently forget that. In my old place, I would not have been able to intervene 2 years into a project and say: "I want you to change all the offices because I have changed my mind." I could ask but I know what the answer would be. Whereas that is not the case here, is it? So I think in this ...

Deputy R.S. Kovacs:

Do you see value for money in these efficiencies?

Chief Executive Officer:

So the value for money will have been affected by changes in the design post construction or mid construction and I think everyone has to take accountability for that, who requested those changes. The value for money could also be changed if we do not realise the sale and release of all the other buildings that we have come out of. Again, this is an important point. That business case rests on us exiting and in some cases selling certain buildings and La Motte Street being an example. It requires us to exit leases and other buildings and get those savings. So the value for money has already been affected, as I said, by significant changes in the design, particularly the sixth floor of the building. It was affected by the decision fairly late in the day for some services not to go into the building. What do we call our colleagues there? Registrar in New Street. So in New Street, we have got a new building for the registrar, the original business case envisaged that that those colleagues in those facilities would be in the ground floor of 1 Union Street. When you take them out of there and you then lease a new building in a smart part of town, you affect the value for money. My point is the original business case was pretty stunning in terms of its benefits realisation. Some of those benefits have already gone following Ministerial decisions on the way through. Now, what we are focused on to try and maximize what is left is the tail of the building is around exiting other places and selling them or getting the leases.

Deputy I. Gardiner:

Speaking about Ministerial decisions, it is important to emphasise, if you are not agreeing with Ministerial decisions or you are thinking there is no value for money or effective spending of the public money in a Ministerial decision, what would you do?

Chief Executive Officer:

Well, I cannot speak looking back, but obviously we would make that clear. But Ministers might still make the decision, so I am sure there would have been a healthy debate about changing the building once it was up. I am sure there would have been a healthy debate ...

Mr. G. Phipps:

Well, this is a general discussion; a general question, not specific.

Chief Executive Officer:

Yes, absolutely. Any decision like that, you would present all the evidence, facts and figures. If you had a business case, you would show how it would affect the business case.

Deputy I. Gardiner:

In your answer, I heard - and it is right - you said the Ministers made a decision in the middle of this, it did incur extra spending. Maybe I interpreted it right or wrong, please correct me, that what you are saying it was ... there was nothing that we as officers can do, it was a Ministerial decision to do these changes.

Chief Executive Officer:

No. What I am saying is that when you ask me about value for money, you need to think about it in that way. You need to think that the value for money in the original business case, the original benefits, has been reduced by those decisions. That is democracy. Also what I am saying to you is ...

Deputy I. Gardiner:

But my question is different, I will rephrase.

Deputy R.S. Kovacs:

I was I was answering Deputy Kovacs's question that that business case rests now, because those are sunk costs, those changes that have been made, on releasing the property estate to the market that we have exited. Again, you know this because it happens regularly in the Assembly. We can say we are going to release a building but we can get a proposition that says: "Do not release that building." We can get a proposition that says: "No, use that building for something else."

Deputy I. Gardiner:

It would not be a decision of the Assembly. If a Minister has made the decision, it was a Ministerial decision, not the decision of the Assembly, and you were concerned about public money spent ...

Chief Executive Officer:

Of course, we would say that and hopefully colleagues did back then, because it would have been counter to the business case.

Deputy R.S. Kovacs:

Okay. So then you will continue to measure these savings?

Chief Executive Officer:

Absolutely.

Deputy R.S. Kovacs:

My colleague said to make it transparent for the public to know.

Chief Executive Officer:

Again, I have to repeat, coming in fresh, seeing the original business case, seeing how it has been tracked, seeing how colleagues pursue those benefits is very, very encouraging from a taxpayer perspective.

Deputy R.S. Kovacs:

Across the board. So what additional costs would you say were incurred during the restructuring and were there any unanticipated costs or consequences?

Chief Executive Officer:

Which restructuring, sorry?

Deputy R.S. Kovacs:

The general restructuring of the Cabinet Office, were additional costs ...

Mr. G. Phipps:

In the responsibilities, reporting and other changes you made.

Chief Executive Officer:

Any unintended consequences, was the question, or costs?

Deputy R.S. Kovacs:

Yes.

Chief Executive Officer:

No, I cannot think of any.

Deputy R.S. Kovacs:

Were there any consultancy fees?

Chief Executive Officer:

In the Cabinet Office? No.

Deputy R.S. Kovacs:

Any exit payments? Like I said, redundancies or legal administrative fees.

Chief Executive Officer:

Oh, I mean, when we make people redundant, we always - if we cannot find another job for them and they have to leave - respect the contractual conditions. So we would almost certainly have done that with the Chief of Staff and with the Head of Delivery Unit role. Yes, absolutely.

Deputy R.S. Kovacs:

These 2 examples were in 2024?

Chief Executive Officer:

Those are always disclosed. I think we always disclose that. So those will be disclosed probably at the same time as the consultancy spend.

Deputy R.S. Kovacs:

Okay. What would you say are the expected long-term financial savings from this restructuring? What were you aiming to save the most or in what way you see efficiencies then?

Chief Executive Officer:

Because of the relatively small scale, very little. I keep going back to this. I do not have a mandate for large scale restructuring. One.gov was large scale restructuring. What you are talking about here is fairly small scale in line with that remit to curb the growth in public spending to try and, where you can, save money and we did not. Large scale restructuring is one that affects many people and many departments all at the same time. We have got nothing like that planned. So these are much more discrete.

Deputy R.S. Kovacs:

It is not necessarily planned, but how would you compare the savings or projected savings with what was the initial plan?

Chief Executive Officer:

Pretty straightforwardly. If we have got a business case with financial savings in it, we will track it to delivery, absolutely. We will track it to delivery. So if you have a redundancy and you do not replace that person, for example, you will have a period over which those benefits are realised and we will track that. The business case will be very clear about that upfront, whether it is an 18-month, a 2 year or 2 ½ year period before it pays back. We track that.

Deputy R.S. Kovacs:

We just talked about the savings financial aspect, but with all these changes and savings, how would you say the end user experience would improve where the changes have been made?

Chief Executive Officer:

In the case of communications and, say, those who are using the delivery unit, I would be pretty confident people would say that they get less. Hopefully they get less but better, because one of the things we are trying to do there is do less. So, you know, we have got to be very clear that - and I have been clear with this committee before - in some areas the service catalogue was rather too big and we had to slim it back, we had to we had to cut back. In those areas, we were really trying to engage in a discussion, particularly with departments - if you look at communications - to say: "Look, we are not going to run a studio with that number people and with that availability of service, because we just do not think it is good value for money. I think I gave you before how many videos we were making, it was an awful lot of videos. If you have got a studio and it is staffed and it is there, people are going to use it. If they have to then have their budget and say: "Should we commission a video? Should we not commission a video? Should we go out to the market and get someone to do it?" it is going to make you think differently. We are trying to introduce some of those disciplines where we can across the service but it is very much where we see opportunity to do so. It is not part of a major exercise to restructure or find the right structure. It is much more tactical than that.

Deputy I. Gardiner:

Andrew, when you look on these 2 graphs, without reading the numbers, without reading anything, the structure is completely different. We can continue to say there is no restructure but there are different numbers of people, different numbers of groups. I am not saying the restructure is right or wrong, I am not judging it, it is probably the right way forward but I think that these things needs to be assessed. Comparing these 2 pages that were published as a structure of Government within the 2 days we cannot tell what restructure has been done. It is very difficult to continue to talk about it but it would be really helpful to understand what the change in the structure will save in real terms now.

Deputy R.S. Kovacs:

Besides the saving, I would like some clear examples where this drive for efficiency will improve public services.

Chief Executive Officer:

Yes, I do not ... are meant to be the same thing? Is this an update of that?

Deputy R.S. Kovacs:

Yes.

Chief Executive Officer:

Yes. Respectfully, I do not regard that as a major restructuring, sorry. I have moved a couple of things from one reporting line to another.

Mr. G. Phipps:

Maybe we can simplify this and you can come back to us later rather than trying to sort it out now.

Deputy I. Gardiner:

Yes.

Mr. G. Phipps:

If you could just look at the 2, say: "Here are the actual changes that were made. Here are the kind of obvious cost savings you anticipate" and maybe you could come back on if there any implications for the customer and the other stakeholders through these that might be anticipated. Maybe just a summary like that.

Chief Executive Officer:

Okay.

Mr. G. Phipps:

I will just carry on now that I jumped in. So that addresses one of the questions of these changes or whether we call it restructuring or reporting whatever. Maybe just give us a summary of what has actually happened, what your benefits are, any implications towards customers, stakeholders who we can anticipate and how that looks. Okay. Now I would like to go to some quick questions on consultants, on use of consultants' reports. You mentioned that it is coming for 2024. The last one was 2023 so we are looking forward to seeing that. I think it is important that this report gets out because that gives us a basis for understanding and assessing the value from the use of consultants. So the question I would have is how are you ensuring that the consultants engaged bring distinct time limited value and is there appropriate stewardship of the results in place so that you are testing and assessing the use of consultants? Also what kind of processes do you have in place on an ongoing basis to revisit some of these ongoing consultant roles and try and shift them into permanent roles in the Government. So, in general, questions of how do you manage the consulting process?

Chief Executive Officer:

There are a few questions in there. I think at the simplest level, if obviously we identify a need for a consultant, which of course we needed to build a new building, for example, or that we might need, for example, in building the new I.T. system for social security - or E.S.S.H. (Employment, Social Security and Housing) as it is now called - we will obviously have a detailed business case for those major changes. If that includes bringing in consultants that will be enumerated and detailed in the

business case and then we will track that. I think for the big things like that, it is pretty straightforward in terms of how we look at benefits realisation and value for money. As I say, coming in fresh, I have been pleasantly surprised about how well for those big projects that works. Where I think it I was worried it was working less well was - which I alluded to first time I was before you - I was very surprised by the sheer number of relatively small projects that were on the go across Government, which was often necessitating - I mean, it was literally hundreds of projects - consultancy spend in the form of project management or discrete support. Often these were revenue based projects rather than capital based projects and in those areas I was concerned that the organisation was overtrading quite badly. One aspect of that overtrading is that when you looked at the resource that we had within Treasury to keep an eye on those arrangements, it clearly was insufficient for the large number ... in my view, it was insufficient for the large number of projects that were running.

[58:30]

So in that area, the first port of call, obviously, was to significantly rationalise the number of projects and to focus that small resource that we have, the C.P.M.O. (Corporate Portfolio Management Office) and procurement, on our biggest priorities. That was the second part of it. I think the third part of it, which I think we might go back to Deputy Kovacs's point is that in those revenue projects or in some of those smaller scale changes within departments, they did not obviously have a post change review process in place or a strong enough process in place, not so much where they were doing technical pieces of work with the work of the consultant but often when they were making changes, like we were just discussing, in the structure of the department or in the staffing of the department. In that area, we have asked our colleagues to effectively enhance the post-project review phase for those smaller projects. For the bigger projects I could evidence that it worked very well. For the smaller ones, there were too many of them, which made it difficult to track. Now that we have rationalised them down by pretty much two-thirds of them so there is a third left, now we can be much more focused on that post-project review. I think that will tighten up both the procuring of consultants but also the evaluation of the consultants.

Mr. G. Phipps:

When that is all done, what is the process for you to relook at and make sure you are comfortable with where you are at or ...

Chief Executive Officer:

Yes, so we are tracking that ... now, as part of that reorganisation rationalisation, which is related to the I.T. strategy, we are now tracking that very carefully through software that we invested in a few years ago. We are now getting regular internal reporting of that to managers and colleagues to help them manage it better. There is better M.I. (management information) and that M.I. will partly inform

what is published in April and whenever it comes out, the consultant's report. We are powering up that C.P.M.O. team, as it is called, and procurement team. We have improved the M.I. back out to the people who are procuring or who want to procure and then we, as I say, are introducing this post-project evaluation mechanism. Again, I want to be clear, it is very good for the big stuff.

Mr. G. Phipps:

We understand.

Chief Executive Officer:

There is no mystery in SAP, there is no mystery in 1 Union Street. There can be mystery on what a small ...

Mr. G. Phipps:

Before I go on, the area of concern or questioning is around the overall management of the use of consultants versus converting to ... I think you have answered it but just to get our heads around this and making sure that we can feel more comfortable with this.

Chief Executive Officer:

Sorry, Graeme, the third part of your question, which is, can you take the work out altogether and use F.T.E. (full-time equivalent) or convert it to F.T.E. or whatever?

Mr. G. Phipps:

Well, whatever.

Chief Executive Officer:

I think the best example of that, which we discussed before that I was concerned about was health, in that when you look at areas of consultancy, our biggest contracts are for agency health workers effectively. It is locums, very significant contracts, very big reliance on consultancy staff to run this service, never mind to change the service. Normally you have consultants to change the service, rather than run it. In health in particular that is where we are really focusing in on, can we change that situation? Can we convert from extensive use of consultants to F.T.E. or can we change the nature of the service so that we are less reliant on consultants? They are making appreciable progress in that, particularly nursing, probably need to make more progress when it comes to doctors.

Mr. G. Phipps:

Okay. We welcome that effort and I guess we encourage you also to make sure you have a system in place for customer feedback to make sure when you make these changes and they may show up

on the bottom line, but may negatively impact the customers, you keep your eye on that as well. Let us encourage that side of it but that is enough.

Chief Executive Officer:

It is a trade-off, is it not? It is a trade-off.

Mr. G. Phipps:

That is why you have to look at both. I will pass it on though.

Deputy I. Gardiner:

I think we are going into the I.T. now.

Chief Executive Officer:

I.T., jeppers, right.

Deputy I. Gardiner:

Deputy Wilson.

Deputy K.M. Wilson:

Okay. Mr. McLaughlin, you mentioned just there that the reorganisation is linked to the I.T. strategy.

Chief Executive Officer:

Which reorganisation, sorry?

Deputy K.M. Wilson:

That is a statement you have just made: "Reorganisation is linked to the I.T. strategy." I just wrote that down verbatim.

Chief Executive Officer:

Which reorganisation was I talking about?

Deputy I. Gardiner:

You were answering Graeme's question.

Deputy R.S. Kovacs:

The structure of reorganisation ...

Deputy I. Gardiner:

Yes, the structure of reorganisation is linked to the I.T. strategy.

Deputy R.S. Kovacs:

All departments.

Mr. G. Phipps:

The kinds of things you are talking about, we can call it whatever we want to call it but there are changes that are happening.

Chief Executive Officer:

Yes, the prioritisation was linked to the I.T. strategy.

Deputy K.M. Wilson:

That is okay, I am playing back ...

Chief Executive Officer:

Sorry, yes, I think I said prioritisation. It is my accent, not reorganisation.

Deputy K.M. Wilson:

Okay, so reorganisation, prioritisation linked to I.T. strategy. I think what we are interested in was, do we have an I.T. strategy?

Chief Executive Officer:

Yes.

Deputy R.S. Kovacs:

Can we see it?

Chief Executive Officer:

Let me explain to you, we have different views on what strategy is, I guess, but in terms of the strategic intent on I.T., really we have got 4 parts to that. The first part, I think, we discussed last time. Certainly our assessment of that, which would have taken place in summer and second half of last year, particularly when we brought on board the incumbent and got a fresh look at things. The first part of that strategy is a focus on resilience. We undertook a health check across all the systems, a fundamental health check across all the systems, looked at the resilience of the systems and absolute number one priority was to improve strategic priorities, to improve resilience; that is why there was a health check. That is why I mentioned to you I was alarmed at the reduction in the

budget for I.T. resilience that happened in 2023-2024 and requested that in this Government Plan that be changed.

Deputy K.M. Wilson:

Can I just interrupt you for a minute? I think what you are describing to us is the processes that you have gone through and I accept that there may well be a difference in people's understanding the strategy. Do we have a document that we can look at that tells us how things are organised, what things are going to be delivered, who is going to be responsible, by when and in what department?

Chief Executive Officer:

I think this is where we probably disagree. The coming-in situation is getting on for 1,000 I.T. systems, which points to historic legacy of proliferation, departmentalism, no strong technology architect in the organisation. The situation we are coming into is to understand that disparate estate and the operational risks in it, therefore, the areas where resilience has to be stepped up. The second part of that strategy was to prioritise down 300-odd live projects in the old I.T. strategy, if you can call it that, down to roundabout 100 because it was just an unmanageable and unfathomable list which was spreading us too thin. The third thing that we are doing as part of that strategy is - and this is a very important cultural point for the organisation - whether it likes it or not it has largely spent its money, it has spent its budget. It has put in SAP, it is going big on Microsoft and SAP. Whether you agree with that or not it is almost academic; we are there. A big part of it is understanding how to optimise what we have already bought to the benefit of the service and to make sure that colleagues understand the resources available to us and what we have bought. So that when we get use cases coming forward, and use cases will start to come forward now and are starting to come forward around data, around A.I. (artificial intelligence) and all the rest of it, that they are properly informed by the actual potential of the organisation. Those are our strategic pillars and the team are working through each of those ...

Deputy K.M. Wilson:

Okay, I am going to stop you there if I can. Because we are just conscious of time and we really do need to get through some of these things. I think it is really clear in terms of the plan and the process that you are following.

Chief Executive Officer:

Yes.

Deputy K.M. Wilson:

The question is, where does the public go to when it looks at a document to find out how Government is spending money? It seems to me, based on your answers, that we do not have one that is written

for the public benefit. It leads me to a question - and you have answered this in part - which is, how do you prioritise technology projects across departments to ensure alignment? I guess what you have just described in terms of your 4 pillars is an approach to that. Does that mean that in terms of the programmes that have been cancelled as a result of the prioritisation, that there is an impact across Government as a result of those cancellations?

Chief Executive Officer:

Yes, that those 4 things are.

Deputy K.M. Wilson:

Tell us why.

Chief Executive Officer:

But, secondly, in thinking about the prioritisation we were also guided by the C.S.P. (Common Strategic Policy) obviously, which is there to be delivered and by our assessment of our tier 1 risks or big risks that we had to pay attention to. Once you had ensured that you could deliver those policy priorities and that you could do your best to mitigate or manage those tier 1 risks, those were the things that guided the prioritisation of projects. You are then into almost, if you like, a third layer, which is departmental priorities which are not tier 1 risks, not C.S.P., whatever those are, you are then into that list. What we asked each department to do - because we had never gone through an exercise like this really in recent times and it was almost as important for the culture as it was for the proper gearing of your resources or your priorities to your resources - was we went through an exercise with each department asking them to look at all their existing live projects or project bids to rank them. They ranked them. We had an understanding from that ranking of what was most important to them. We then of course brought that into an E.L.T. (Executive Leadership Team) workshop format to see how important that is for you. Is it important in the overall list, given the C.S.P., given the risk and so forth? We prioritised it down in that way so that we could absolutely get the team and the resources of the team focused on the things that we felt mattered most. The same exercise we did with the Law Officers and legislative time and everything else.

Deputy K.M. Wilson:

On that basis, did that result in any disinvestment in particular departments? Have you ...

Chief Executive Officer:

Obviously it will result in us stopping some things or pausing some things and refocusing on other things.

Deputy K.M. Wilson:

Can you tell us where they are?

Chief Executive Officer:

To be perfectly frank, my preference is not because I want to retain commercial leverage with my suppliers for those things that we do intend to do. Some of that stuff of course will be in departmental business plans. It will be obvious, like the new system in E.S.S.H. Some of it in cyber security would be less obvious and you would understand why we would not make it obvious. I want to retain commercial leverage with those people that we are procuring from. I also want to maintain good relations with those people who, unfortunately, we are not going to continue to work with because grass does not grow on a busy street and we will need these people again and we need to maintain relations. I am not persuaded at this juncture of the benefits of me publishing a list of the 102 I.T. projects that our digital services team are working through and the ones which, unfortunately, we do not have the time or the resource to work through, which were previously in there.

Deputy K.M. Wilson:

I think that is understood and thank you for saying that. I think what we are trying to just get an understanding of, given some statements that you have made about overtrading, improving productivity, where do you think that that prioritisation has resulted in areas where investment is going to be more targeted perhaps to get the value out of the investment that is currently there? Similarly, what are you going to do with the money that you might have spent in those areas? Are you going to reinvest that back in I.T. or is that part of your efficiency drive as well?

Chief Executive Officer:

Not all of these things were funded, sadly, so there is no cash saving but they were in there as bids. I would say that as a result of the prioritisation - and it is a great question - that then proportionately more is going to the tier 1 and the community risks than would have gone previously. Proportionately more is going into the modernising and upgrading of essential infrastructure, such as the social security system, which was not a tier 1 risk but clearly was an aged system. It is going into these areas and less is going into what were much more discretionary type business cases where people said: "I would really like to do this" as opposed to: "I really need to do this."

[1:13:20]

Deputy K.M. Wilson:

What you are saying is, as a result of the process that you have been through, you have got a consensus about where each department has come to an agreement or a consensus about what its priorities are for its own department. My question would be then, how and who is the decision-maker as to how that serves Government across departments?

Chief Executive Officer:

Yes, that is a good point. Obviously the E.L.T. workshop that through ... we had input from risk and others, we then shared that with Ministers. Ministers were consulted post-prioritisation pre-workshop to say this is your prioritised list, post-workshop this is what is left and given an opportunity obviously to have their say. That prioritisation list is now really my advice to the Council of Ministers to say: "This has been a rigorous exercise, I recommend that you go with this." Obviously there can always be exceptions to the rule if something happens but that is the approach we are going down. It is exactly the same thing we did on money for the budget and on legislative time where we had the same thing; 300-odd asked but only about 60 opportunities to change legislation.

Deputy K.M. Wilson:

Okay, that is noted, thank you. You have outlined a whole host of issues where you see that Government historically has got into trouble or had difficulties or not delivered on its value for money promises as a result of I.T investment, what are you going to do to make sure that what you are recommending and what advice you are giving to Government is going to deliver on that value for money outcome?

Chief Executive Officer:

Yes, I do not know if I said that they had historically not delivered an I.T. investment. Definitely I would say if you look at the business case for ... let us take SAP, it is before my time obviously but it obviously worked. Because at some point you de-scoped a significant part of the programme. At some point someone has come to someone in Government and said: "It is costing more or it is taking longer" or whatever and you have de-scoped. Sadly, for me one of the things you de-scoped was the module on procurement, which would have been enormously helpful. But things have been de-scoped and I am assuming that is because Ministers got advice at some point to say that a certain budget or the value for money case is changed. I am not sure I would be qualified to say that the money has been wasted in the past. I think much more my point was I just felt that in project terms in I.T. but not just I.T., we literally had too many aircraft in the sky and we were not landing any. Because the culture is one of initiation, rather than completion.

Deputy K.M. Wilson:

Are you saying that the number of projects being reduced is the way that you are going to assure value for money or do you have another way of measuring that?

Chief Executive Officer:

I think it will help value for money. I think it will help delivery. I think, ultimately, it was about ... and this is a general issue for Government and a general issue for Jersey, is that usually cash is not our

problem. Usually having the resources to deploy the cash well is our problem. In other words, we have more money than we have other resources to deliver the things.

Deputy K.M. Wilson:

What are you going to do?

Chief Executive Officer:

Reduce the number of things that we are doing was the first thing so that we could get visibility and almost stop losing the run of ourselves, which I just think was what happened. Now that we have got reduced visibility, be absolutely rigorous around those business cases. Again, I am going to be fair to colleagues, they have been rigorous around 1 Union Street, they have been rigorous around other things. I am not saying that there has not been rigour but I think they were just overtrading and rigour might have suffered in the act of overtrade.

Deputy K.M. Wilson:

Would you change anything?

Chief Executive Officer:

In I.T. or in ...

Deputy K.M. Wilson:

In terms of how you would provide that assurance around the value for money dimension of this.

Chief Executive Officer:

One thing I would change, I would like to at least engage in a discussion about changing and I have not yet or certainly not enough and, again, it is a point I have made publicly. For whatever reason I think in the last 10 or 15 years it might be the era of Ministerial Government, I do not know, but in recent times Jersey has been very aspirational around the standards it wishes to adopt, the standards it wishes to achieve and the way in which it wishes to do things. It has been very aspirational about identifying what it thinks is best practice in bringing it into the Island, usually from bigger places, not usually from smaller places. I do not think it has ever really matched its resources to deliver against those standards. In other words, its risk appetite is lower than its standards.

Deputy K.M. Wilson:

What is your intervention then?

Chief Executive Officer:

My intervention there is, I think - and it transcends governments, it transcends everything - to say change of resources or change your risk appetite ... you know what your risk appetite is because you are willing to tolerate things, even though your standards say you should not; you know this from health. Either change your standards or keep your standards and aspiration but change your risk appetite so that the people, not least my colleague second on my left, does not audit against a standard that realistically you could know you have not committed to meeting in practice.

Deputy K.M. Wilson:

Would you say that might be something that we might see in an I.T. strategy if it is to be public?

Chief Executive Officer:

Definitely, and not just in an I.T. strategy, across all aspects of Government and it is why I have made the points I made about regulation. I think we need to really just be clear with ourselves, what is our risk appetite? Not get into this culture, which I think I have seen in other places. It happened in banking, you get this culture of saying: "I want to be defined as an adopter of best practice but I do not put in place the budgets and resources to sustainably deliver that best practice. My risk appetite says I am happy to be here." Then what you have is this constant gap between the audit almost of your aspiration and the actual practice of your service. I think that is a gap that needs to close and it would help us all.

Deputy R.S. Kovacs:

Just because we need to move on but I want to clarify this aspect. I think everything that you pointed out, it is still reverting back to the lack of an existing written strategy to refer to. I will give a bit of a background, this was a C. & A.G. (Comptroller and Auditor General) report recommendation, which was accepted by the Government in 2021 to be done by 2022. Then in April 2023 it still was not, it was delayed. By September, it still was not. At the end of 2024, still was not. It seems like the Government committed to developing a technology investment strategy but delays have continued and there is no comprehensive digital strategy. We are undertaking digital modernisation without the clear vision for digital services or a supporting I.T. strategy. By when can we see a clear document?

Mr. G. Phipps:

Just to build on that, just like with health you had to get some things to come together. We are hoping now you are close enough with I.T. that it would be good to have an overarching strategy that can drive the organisations so they can look to help them improve their performance, something ...

Deputy R.S. Kovacs:

That was a prior commitment, which is in draft since 2023 but has not been completed.

Chief Executive Officer:

Yes, so you just made my point. A Government in 2021 agreed with an auditor to do something when it did not really have the de facto risk appetite to do it because if it did they would have done it, correct? We need to decide why that is the case. I am saying to you today that until I finish fully understanding the resiliency issues, until I absolutely understand the learnings from prioritisation, until I am absolutely understanding and engage more with the I.T. team around how we maximise the benefits of our historic investments, until these things are better understood, I could write you a strategy like a management consultant.

Deputy I. Gardiner:

No, no, no, just a minute, please.

Deputy R.S. Kovacs:

In April 2023 it was still yourself, right?

Chief Executive Officer:

I know but this is important, I am answering your question. I can write you something that looks good and means nothing or I can wait until we have done the work. I am telling you that whatever was adopted in 2021 they clearly, again, adopted ...

Deputy R.S. Kovacs:

You also agreed to it in 2023.

Chief Executive Officer:

Yes, but again the same point, the same point. Was that me in 2023 or was it ...

Deputy I. Gardiner:

You were already in the job in 2023, in September 2023 if I am correct.

Deputy R.S. Kovacs:

Yes.

Chief Executive Officer:

I started in September 2023.

Deputy I. Gardiner:

September 2023. Last year in 2024 when the C. & A.G. report was discussed and our report was published as well, we had commitment from the Government, under your leadership, to deliver to the Public Accounts Committee a prioritisation list in September 2024. We are already not talking about the strategy, the prioritisation list, in writing, was promised to the Public Accounts Committee in September 2024. We understand the things that happened but what it leads to is that during the budget debate, because we did not have this prioritisation list, each department needed to cut 20 per cent from their I.T. spending, which is fair enough. I am not discussing it and say this is one of the ways to do it when you do not have a prioritisation list of the strategy. The only question that we have is when will we have a prioritisation list or a strategy?

Chief Executive Officer:

Yes, I am sorry I did not get that to you sooner. I think you, hopefully, had a session with Jason and his team and he explained why.

Deputy I. Gardiner:

But it was in private, so it is important for us for the public benefit to know when it will be.

Chief Executive Officer:

I will say in public, clearly in the early autumn we had to do a number of things with that team to reprioritise within that team, because of a number of I.T.-related incidents that had to be managed intensively. That included, for example, taking them off the prioritisation work so that they could focus on those tier 1 risks, which I think they discussed with you in private. It also included, for example, and you can see that in the performance data, giving them extensions to doing some of the business-as-usual work so that they could focus on the issues that we were facing, not just us but many organisations that were facing in the autumn. That, unfortunately, was why that was delayed. On the strategy, I go back to saying we need to work through those things I mentioned ...

Mr. G. Phipps:

We understand that, understand what your criteria is and it makes sense.

Chief Executive Officer:

I am not going to give you a point estimate date until I have ...

Mr. G. Phipps:

Is it going to be a year or within one year?

Deputy I. Gardiner:

It is already 5 years ongoing, yes.

Deputy R.S. Kovacs:

There is a commitment to it ... I am sorry.

Mr. G. Phipps:

I understand your basis and have made the same arguments where you are coming from is the same with health. We are just trying to get a rough idea, when do you think you are going to ... not like you are going to be committed to but when you get your hands around these elements you pointed at and you have got a rough idea when you do that, maybe a commitment that at that time and it is not going to be 5 years but maybe within the time you are here you should have something.

Chief Executive Officer:

Yes, that time, yes.

Mr. G. Phipps:

It is not like it is perfect but we should have something in place that can guide our organisations and our people so we can look for a start, something like that.

Chief Executive Officer:

Yes, that is perfectly fair, that is perfectly fair. I am happy to do that.

Deputy I. Gardiner:

We will move onto procurement because it is a really long time.

Mr. G. Phipps:

It is no different than what you are saying with health.

Deputy I. Gardiner:

Yes, thank you. Vijay.

Mr. V. Khakhria:

Thank you. I would make the observation just to wrap up the last point, which is that you mentioned that the initial statement you made as far back as 2021 and then your contract has been recently extended until the end of next year, how do you reassure the public then that we are not going to find ourselves in exactly the same situation in, say, early 2027 where you have published a strategy and your successor, should you have a successor at that point, comes in and say: "This was not agreed during my tenure"? Are we not then back to exactly square one? Should the Government not maybe commit to an ideal strategy at the very least, or the principles of the strategy?

Chief Executive Officer:

Yes, I do not know what an ideal strategy would be but certainly all I can tell you is that we are working through it diligently so that we get some of these decisions right. I take your point, you want something written down that is not currently written down.

Mr. V. Khakhria:

Something written down.

Chief Executive Officer:

I will think that through. I just think just be realistic that you have made all your big investments.

Mr. V. Khakhria:

I understand that.

Chief Executive Officer:

This is an optimisation strategy, it is not a...

Mr. G. Phipps:

Fair enough, fair enough, that in itself is helpful because then we know what it is not.

Mr. V. Khakhria:

Great, thank you.

Chief Executive Officer:

Which is important.

Mr. G. Phipps:

Yes, yes.

Mr. V. Khakhria:

It is important. Turning to ...

Chief Executive Officer:

Yes, procurement.

Mr. V. Khakhria:

... procurement, when you were last here we discussed some feedback from the Jersey Construction Council, the Jersey Chamber of Commerce, from the Jersey branch of the Institute of Directors. Taken together they represent overwhelmingly the majority of business conducted on this Island outside of Government. They represent the overwhelming majority of employment on this Island. Therefore, you must understand - and I am sure you agree - that they add valuable insight into what happens in business on this Island, that are simply not available to people who are inside Government because you are, in a sense, on opposing sides in many cases, at the forefront of which is of course procurement. We all have many common desires which include, most importantly, the desire to see that money is spent effectively and we get value for our tax pounds.

[1:28:11]

You committed in our last meeting to meet and discuss with various of these organisations your viewpoints on procurement and I wonder whether you could update us on your progress, please.

Chief Executive Officer:

Sure. As is well known, I was at the Chamber but I do not really see us as on opposing sides, as it happens. But in terms of reaching out to industry, I think the most significant thing that we have done since October or whenever I was here was the event with the I.T. and digital suppliers actual and prospective in January where we had a good turnout of key suppliers, those who wished to contract with us. In terms of me personally I have yet to get round all that is in the diary, these organisations, I have got a lot more to discuss with them than procurement; the fact it is definitely not number one on the list to discuss with them but it is on there. I think our engagement with them, we are committed to it. As I said to you back then in October, I was pleasantly surprised about how much of our spend is with on-Island suppliers. I thought more of it would be with off-Island suppliers, so that in itself was very instructive. They, in my view, achieve a lot in terms of winning contracts from Government. They get more support from this Government than I think is imagined. I made that point at the Chamber, how much money we had got out to the industry in terms of contracts and in terms of loans. But, yes, we are definitely, in terms of procurement, absolutely committed to continuous engagement with them and stepping that up. It is one of the objectives for the team and for the Treasury team within it, which it sets to step up that engagement this year. I just want people to be realistic about how high the number it can go in terms of how much we spend locally because it is already, I think, very high and I gave you those statistics the last time I was here.

Mr. V. Khakhria:

Thank you. I suppose that the level of spend that takes place on the Island for the delivery of Island services is something that we could all discuss in a little bit more detail. You have your views and your considered opinion on that. But I believe that these other organisations have a somewhat

different view. One of the principal pieces of feedback we received, having met them at the end of last month, other than of course the fact that they universally told us that you had not had an opportunity to discuss procurement with any of those 3 organisations, there is a very real perception of fear within the small and medium-sized businesses on the Island. They are only prepared to discuss with their trade organisations their feedback on the basis of strict anonymity, which I guess is why you described some of the feedback as anecdotal. When all 3 organisations, which taken together, as I mentioned earlier, represent the vast majority of business that takes place on this Island, all unilaterally offer us the same piece of information and all agree with one another. I am sure that we have passed the threshold from merely anecdotal into factual. My question for you would be, what advice would you give to businesses that fear retribution if, having lost a procurement process, they feel threatened if they create too much of a fuss or request too much by way of feedback? What advice would you give?

Chief Executive Officer:

I am very sorry to hear they feel that way. We are out and about a lot, Ministers are out and about a lot. I have been in business in this Island for a long, long time now in various guises and just have not picked up the strength of that feeling the way that you describe it. But we have got 2,500 suppliers on this Island into Government; that is a lot. Yes, I am aware of the Chamber survey they sent and the detail of it and in some detail and obviously they had 37 respondents who said they were not happy at all with us. If you think about it people are going to be disappointed if they do not win our business. They are going to be disappointed if they win it at a point of time and then lost it. Because procurement is just us buying stuff. We are buying stuff from 2,500 local suppliers. The majority of our spend, notwithstanding the major investments with SAP and with Microsoft and others, of the Jersey pound goes into the economy and multiplies round the economy. I am sorry, I do not recognise the characterisation that you are giving but I will sit down with them and go through it with them. What I am concerned about is if they feel that there is retribution if they complain because they have lost a contract. We will definitely look into that because that is not part of our culture. But I would gently suggest to you that the statistics from our own register in terms of who gets business and how much they get do not easily align with some of what you are saying to me.

Mr. V. Khakhria:

Just to be clear, this is not what I am telling you, this is what these 3 organisations are telling us.

Chief Executive Officer:

Yes, or, sorry, what they are saying but I will ...

Mr. V. Khakhria:

The data that they are relying upon is not merely a survey with 37 items of feedback, as I have made clear. They have spoken to multiple of, in fact exclusively pretty much all of their members. It is a case of their members coming forward to them, plus them reaching out to their members, so it is a 2-way process. They have told us and it is available because it is a matter of public record ...

Chief Executive Officer:

Yes. No, I have seen that.

Mr. V. Khakhria:

... they have not had a single positive piece of feedback concerning procurement. Each 3 of these organisations have all experienced the fear of retribution from their members. They have all expressed this very clearly with great concern. They have said to us that they do not know what to advise their members and that they have had no constructive dialogue with you on the question of procurement whatsoever. My question ...

Chief Executive Officer:

Maybe not with me but there has been plenty of outreach, number one. Number 2, when we have had discussions with them because we do see these people in other forums all the time, there has been a lot of discussion about the clunkiness of our systems, which we have discussed before, accepted. It is a real shame that procurement got de-scoped from the investment exercise a few years ago. Certainly one of the things that I am keen to try and do in my time here is see if we can get back into scope because that would help enormously. We have got a lot of detailed feedback, which the team are acting on, around how easy we are to deal with, how easy our systems are to deal with and we are working our way through that. On the points about retribution, yes, I will speak to Murray and I will speak to Alex about that, yes.

Mr. V. Khakhria:

Can I make a positive suggestion, please? Which would be that you committed to meeting with them on a regular basis, maybe quarterly. Because I think, as you say, in Government - I could not even begin to imagine how to carry out your job - you have a vast portfolio of responsibilities and I am fully aware of that. You mentioned that you have a very large number of suppliers on the Island already, it is inconceivable that Government could be all over the job that these organisations have already undertaken, which is to understand the views of their members to be in a position to represent them. It seems fairly close-ended if their representation only goes as far as those organisations and those organisations do not have a regular forum with Government.

Chief Executive Officer:

Those organisations have weekly interaction with this Government.

Mr. V. Khakhria:

On the question of procurement.

Chief Executive Officer:

With Ministers, with officials, on the question of procurement maybe less so but there is definitely ...

Mr. V. Khakhria:

This is the issue that we are talking about.

Chief Executive Officer:

Yes, there is many other issues we talk to them about as well.

Deputy R.S. Kovacs:

Can I mention something that was made very clear as a general aspect from the submissions? Besides the fear aspect, all of them said that the communication, feedback and flexibility coming back from the results now applying to this procurement process has not happened. That is when the fear came up, when they wanted to find out how close they were to being successful, what was that flexible element that would have made them successful or have that communication and see how they can improve more local participation in that with those aspects? That communication did not happen and when they tried to probe the fear came because we were silent.

Mr. G. Phipps:

I think you are hearing, whether rightfully or wrong, there is a concern out there.

Chief Executive Officer:

Yes, yes. No, I know that.

Mr. G. Phipps:

We found this, we are sharing it with you and we are asking you to please, right or wrong, dig into it and try and address these organisations in a way that, hopefully, a year from now that they get ...

Chief Executive Officer:

Yes, and I think one of ...

Mr. G. Phipps:

Who knows why, miscommunication, whatever?

Chief Executive Officer:

Yes, well we have only got a handful of people of course in procurement. Engaging, as well as doing the job we are asking them to do, is proving tricky. It is another area where we need to look at it structurally and the Treasurer does have this objective in the first half of the year. Because I think there is a risk-acceptance issue as well. When you have got so many suppliers and so many contracts you have to decide what your approach is to things like auto-renewal, what your approach is to due diligence at certain price points and how you gear your resources to the areas that matter most from a value for money perspective. We have got a lot of work, I think, to be done across procurement with that team. But I will follow up specifically on this point of retribution.

Deputy K.M. Wilson:

I think, very briefly, it is not just about suppliers that are on Island as well. I think, given the recent issues associated with the ferry tender and the relationships with external providers, with the reputation of the Island in terms of procurement arrangements, we went through 2 or 3 exercises to get a preferred provider around that. I think what we are saying to you is that there seems to be an issue around the way in which procurement processes and relationships around providers and their connection with Government is at the moment. We are flagging this up because we consider it is going to be quite a significant strategic risk going forward if it is not dealt with accordingly. The relationship with the sustainability agenda around the economy, if what you are saying is ...

Chief Executive Officer:

Yes, and the hospital is a good example of something that damages our reputation for procurement, the ins and outs. The ferry, just to be clear, we did not buy anything. It was a concession, yes, it is not a procurement.

Deputy I. Gardiner:

Yes, it is a different type of procurement, yes. Thank you. We will move to our last part, which is arm's length organisations and I will hand to Deputy Warr.

Deputy D.J. Warr:

Thank you. My first question is, we are referencing some actions on updates on A.L.B.O.B. (Arm's Length Bodies Oversight Board). The C. & A.G. report talked about refreshing the terms of reference in light of the C. & A.G. recommendations by the end of December 2024. We have financial governance by the end of January 2025 and remuneration issues 2024. Can you confirm the Arm's Length Bodies Oversight Board terms of references have been updated in line with the December 2024 target?

Chief Executive Officer:

Yes.

Deputy D.J. Warr:

That sounds like a Deputy Mézec answer. Okay, so in simple terms, yes, okay. If they updated, what have been the key changes?

Chief Executive Officer:

I think there are so many different terms here. You mean A.L.B.O.B.s, not the bigger A.L.O.s (arm's length organisations) and not the State-owned enterprises.

Deputy D.J. Warr:

I mean A.L.B.O.B.s, yes, A.L.B.O.B.s.

Chief Executive Officer:

Yes, the A.L.B.O.B.s. Do you also mean effectively of all those organisations that are receiving grants from us are published on the list?

Deputy I. Gardiner:

No, no, what we are talking about is the Arm's Length Bodies Oversight Board terms of reference.

Head of Office of the Chief Executive Officer:

The terms of reference are being updated. The key changes are that the A.L.B.O.B. will continue to meet in relation to the C. & A.G.'s recommendations and assist with any systemic issues that are identified externally or internally. The responsibilities for the management of the individual A.L.O.s sits with the Accountable Officers.

Chief Executive Officer:

Yes.

Deputy I. Gardiner:

This was the key change in the terms of reference?

Head of Office of the Chief Executive Officer:

Yes, that we used to meet regularly in terms of looking to create a framework in which to monitor the overall landscape. But it is more specific around identifying and trying to work out the tricky issues.

Deputy D.J. Warr:

Okay. I was going to carry on with another question but I think you have answered my ...

Deputy I. Gardiner:

What are the plans for implementations? What are the targets? When will it be implemented? When will it be the end of the completion? Basically they are going to do this, what are their plans for 2025? What outcomes are you going to get from them?

Head of Office of the Chief Executive Officer:

From the arm's length bodies?

Deputy I. Gardiner:

Yes, the board.

Head of Office of the Chief Executive Officer:

The board, the key part of the board, the board has not met this year. The board intends to maintain oversight of those delivery of those recommendations of which 2 of the 3 are already done and anything else that arises in the meantime.

[1:43:13]

Understanding that the committee are likely to do a review later in the year, any findings will be identified by the board and work through to see if any thorny issues can be worked through.

Deputy D.J. Warr:

Okay, yes. Next question and a completely, like I say, different subject matter, P.A.C. notes that there have been updates to the Public Finance Manual in line with the action plan and the action plan has a whole list of ... I do not know if you have an awareness of what that is.

Chief Executive Officer:

Yes.

Deputy D.J. Warr:

How are you implementing these changes in practice?

Chief Executive Officer:

We are placing a lot of emphasis in the Accountable Officers for those changes and obviously we will not go through it but you have got a checklist of responsibilities for the Accountable Officers and oversight of that. Certainly for the major ones where a lot of those Accountable Officers will be my

direct reports, they are the subject of a lot of discussion that are one-to-one performance reviews in terms of their oversight of those bodies. Yes, we are putting the responsibility firmly on the A.O.s (Accountable Officers).

Deputy D.J. Warr:

Okay. You feel like it is happening at a reasonable pace?

Chief Executive Officer:

Yes. Again, as I said in my public remarks, I am genuinely concerned with all these bodies about the absence of a guiding framework historically to deal with their introduction, their creation, how they are funded and so forth. It has obviously grown up very organically over many, many years. I do think that it is adding complexity to the governance of the Island, that I am not entirely sure is value for money or is always helpful to us. I do not underestimate the difficulty for A.O.s in working through that complexity. But I do hold them to account for the Public Finance Manual and in the bigger ones where we check in on it, I do find them being very clear on the status of strategic priorities. I do find them being very clear in those ones who have to produce business plans, for example, holding them to account for that. It is a very active part of the role of the A.O.s. Yes, so I am content with it.

Deputy D.J. Warr:

It is interesting because obviously from your Chamber lunch you listed, I think, 140 organisations who you defined as A.L.O.s and just going through that, some are grant-funded, some are contracted services. It is not quite as simple as it is ...

Chief Executive Officer:

Yes. No, many of them are linked to Government in some way, shape or form. Yes, I was asking the open question, you were there, which is ...

Deputy D.J. Warr:

Yes, yes, yes.

Chief Executive Officer:

... is this the right way to do things? To your point I am not so sure. For a 9 by 5 Island we seem to be very convoluted in how we try and deliver some of these services. You see it in health, you see it in other areas and you think, is this right? And it does bother me that £60 million or £70 million is distributed to 60-odd organisations in this way. Because it is really just an extension of the Government and the public service.

Deputy D.J. Warr:

To be brutal about this, do you feel that is why the Opera House, Battle of Flowers, we have issues around the air display, are these management issues? Is this the historic structure you referred to that has caused these issues? How would you look to improve that and make sure that we deliver it? Is it something looking 5 years out? How do we resolve some of these funding issues?

Chief Executive Officer:

Yes, I have thrown my pebble into the pond and I am now living with the consequences of that.

Deputy D.J. Warr:

Yes, absolutely, yes, yes.

Deputy R.S. Kovacs:

Waiting for the ripples, yes.

Chief Executive Officer:

Maybe that is one of the reasons I have not got to the Chamber yet. A lot of A.L.O.s want to come and see me. The examples you mention, I am not sure those are good examples because the Opera House, effectively, is a Government building, it has no tenant as such. We had responsibilities for health and safety, for all sorts of things to bring that building up to standard. I do not think ...

Deputy D.J. Warr:

Do you think there is a lack of outcome focus?

Chief Executive Officer:

In that case or in general?

Deputy D.J. Warr:

In general on all of these. Do you think that is the core issue?

Chief Executive Officer:

I just worry, not for this Government, for all Governments, that if you are in Government and you are trying to deliver something, if you then have to try and deliver it by agreeing M.o.U.s (Memorandums of Understanding) and all this stuff with lots of different organisations and with boards and Chief Executives and all this stuff, part of me feels that one of the tricks that Jersey constantly plays in your brain as it is so small you think the advantage of working here is it must be easy to get stuff done. Then you find it is a Byzantine structure all around you and you think, why do we have to

have 5 organisations and give them money to do this stuff for us? Why could we not in some cases cut to the chase, is this good value for money? I know it has grown up organically and all the rest of it but it is quite a complex environment I feel and I am not sure that we are well served by it. When you look at the ...

Deputy K.M. Wilson:

Do you not think that some of them are part of a value chain?

Chief Executive Officer:

In some cases it can be but we are in a situation where - and you know this from your time in Government - in areas like health, in areas like Children's Services, in those areas that everyone say are critical essential functions of the State, we are in very tight budget situations. A lot of organisations are in the discretionary part of the State. It would be lovely to have that, it would be lovely to have this. I am just not sure that we have not arrived at the time of saying let us just take a step back here and think this is an awful lot of money that is going out the door at a time when we are really finding it difficult to find the funds for the essential services of the State.

Deputy K.M. Wilson:

Is this another way of maybe funding innovation if you are giving them to arm's length organisations that might have more flexibility or agility than Government to do something different to Government?

Chief Executive Officer:

There is different rationale to creation. I am sure part of the rationale was freed from whatever we think the confines of Government are we will somehow get different or better returns. My worry with it is it is a very small Island. There is very little resources, so careful husbandry of the resources is important. My other worry is people believe they have transferred risk by creating these organisations; you are now doing that for me. But they have not because some of the risk cannot be transferred from the State. What we end up with is we end up in discussions with us saying we need a lot of resources to monitor these organisations. The State ends up thinking it has transferred activity but having to keep the cost to oversee that activity and before you know it you get into quite a convoluted set of relationships. I am just not sure in a 9 by 5 Island that that is always necessary. Frankly here one of my observations and it is mine, not C. & A.G.'s, when I read through the body of audits over the period before I came into the job and since came into the job, there are these recurring themes of, have you really got it right with these organisations? Even going into issues of paying stuff ...

Deputy D.J. Warr:

Yes, so it leads on to this question which is, do you believe that that structured review of A.L.O.s would be beneficial and at what intervals to ensure ...

Chief Executive Officer:

What is the first part of the question?

Deputy D.J. Warr:

Do you believe a structured review of A.L.O.s ...

Chief Executive Officer:

Yes.

Deputy D.J. Warr:

... would be beneficial and at what intervals to ensure Government is not, as you have described, overtrading - it seems to be your phrase of the month at the moment - as you note in your speech for the Chamber of Commerce? That is not derogatory, it is an interesting turn of phrase.

Chief Executive Officer:

Having looked through the audit reports and we have got more coming, which we are discussing just now, I definitely feel that we do need to pay more attention to this. I definitely feel that we need a guiding framework for the introduction of regulation on the Island which we do not have, which is why it is multifaceted, let us say. I definitely feel that we need a better framework for this massive grant-giving set of activities. I appreciate some of them come from leftfield from the Assembly and so forth. But, generally speaking, it has all grown up organically and it has now added up to rather a lot of money and rather a lot of organisations and that. I am very worried in this sector, in the charity sector and in the business sector, as I mentioned, at the Chamber we have got £300 million out to business in loans and so forth, I am very worried about moral hazard. I am very worried that there are organisations out there whose business model is if this does not work I will ask the Government for money. I am very worried about that.

Deputy I. Gardiner:

It is interesting and I absolutely agree. I think we agree with you that we cannot create a structure in the Government to ongoing monitoring of the A.L.O.s because this is we have structured the Government who went to another structure. In this case, if we have a structured periodic review which can review and say: "Does this A.L.O. deliver and contribute to the outcome of the Island? Is it still relevant? Does it do the job that needs to be done?" This type of thing. It is not every year, do it every 5 years or 10 years to go back and see what is happening. C.& A.G. did suggest the structured review, it does sound right and created the structure ongoing. I am not sure, what was

the reason that the structured review did not make its way into the Public Finance Manual amendments?

Head of Office of the Chief Executive Officer:

I think it is in there. It is not a requirement and I think that ...

Deputy I. Gardiner:

Why did we not put it as a requirement? Why have we not said every 5 or 10 years? I do not mind but I do not have a specific time to have a periodic review as a requirement to see if they deliver what we need them to deliver.

Head of Office of the Chief Executive Officer:

I think the thought process of not making it a must is what we hear regularly, if you make it a must and you do not do it, then we end up in a load of breaches and there may be circumstances ...

Deputy I. Gardiner:

If you do not do it, might as well not do it at all.

Head of Office of the Chief Executive Officer:

But if there are maybe circumstances where it is quite clear that they are delivering what they have said to deliver and then it becomes an administrative exercise. It is back to Andrew's point about the A.O., if they have any concerns then the provision for that review is in the Public Finance Manual.

Deputy I. Gardiner:

But do you realise that we are going through these loops all the time? Because they are not required we have a feeling that they are delivering but they might not be delivering and we do not have any evidence. If I am looking at the States of Jersey Development Company and I pick up on them because it was a 2011 States decision. From 2011 so many things have changed until today and it is an ongoing requirement to do proper periodic strategic review. What has changed? Does it work? It might work, I am not saying if it works or not but because it is not a requirement for almost 14 years nobody has done any assessment to see if it still delivers what it was set to deliver. It is raising lots of questions in the States when the job was given to S.o.J.D.C. (States of Jersey Development Company) because it feels in the right place but there is nothing to back up.

Mr. G. Phipps:

It looks like this area is a classic of keep doing what we have done and we will get what we have got. Yes, it is an area we are bringing forward ...

Deputy I. Gardiner:

But this is for consideration, it is not ...

Chief Executive Officer:

It used to be a Ministerial priority to some extent as well because the Ministers will have different views on the effectiveness of the A.L.O.s in their particular department.

Deputy I. Gardiner:

I think it is very important to emphasise here I am not talking about the Ministerial priority. I think that as a principal accountable officer according to the law you need to ensure that the public money spent delivers value for money and is spent efficiently and effectively. In law this is your job, it is not the Minister's job. How do you assure that if you are not happy what a Minister decided then you ask instruction from the Minister: "Minister, this is not delivering value for money for Island people. If you would like me to deliver you need to sign me instructions" and I did not see any instructions signed in 2024, which is probably the Minister did not make wrong decisions. It is all right, you agreed with the decisions. What I am trying to say is there any way that you think the lead managing ALO relationship in the ... you know what I will take out this question. My question, I agree with your statement, what are your plans to do with it?

Chief Executive Officer:

I think in the narrow through the Public Finance Manual and with A.O.s we do look at are we getting what we think we should be getting from these organisations, per the M.o.U. if it has got one or per their business plan. I would not worry about that in the narrow. The broader question I was posing and this is, ultimately, for others to answer is, in a 9 by 5 Island is this the right way to run the Island with this level of complexity of trying to, if you like, deliver policy through this multitude of organisations of integrating so many different organisations into the public service or linking them to the public service in this way?

[1:58:20]

It does feel quite convoluted for an Island our size. It is more convoluted than you would find in a larger country.

Deputy I. Gardiner:

But what are you going to do with it? Because I agree that it is really complex, it is very complex.

Chief Executive Officer:

One of my objectives was to raise long-term measures. I am raising it as an issue not just with Ministers but everyone to say: "Is it just me or is this right? Is this the right way to do things? Is this the right way to run the Island?" We will let the debate begin.

Deputy D.J. Warr:

Sorry, can I ask my last question?

Mr. G. Phipps:

The next step would be to get a debate going, get a group together. But for you to lead that and to say, okay, let us get them together, let us have a group, let us start something. Because if somebody does not take the ball it may not happen.

Chief Executive Officer:

The Chief Minister has announced that a number of conversations will take place, not least about public finances and this is part of it.

Deputy D.J. Warr:

A slightly different question at the very end here because I am conscious that time is up here. Have the States Employment Board taken forward any work in relation to the remuneration of A.L.O. directors and non-executive directors in respect of pay and terms and conditions? If you could give me examples on that.

Chief Executive Officer:

Yes. This is related not to the State-owned enterprises where I think the arrangements are already accepted and clear. But, yes, this was one of the recommendations from the C. & A.G. that there is a lot of sympathy with and the S.E.B. (States Employment Board) have commissioned a review in a paper for them for his year on that very subject, the remuneration, effectively, of the A.L.B.s (arm's length bodies).

Deputy D.J. Warr:

Okay, thank you. Thanks.

Deputy I. Gardiner:

Okay, I am reminded of the time and we have some questions but we will give them in writing.

Chief Executive Officer:

Okay.

Deputy I. Gardiner:

I am checking with the committee if there are any other burning questions. Okay.

[1:59:58]