

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY DEPUTY R.J. WARD OF ST. HELIER CENTRAL
QUESTION SUBMITTED ON MONDAY 22nd MAY 2023
ANSWER TO BE TABLED ON TUESDAY 30th MAY 2023**

Question

“Will the Minister advise what criteria or Key Performance Indicators, if any, are used to determine bonus payments for Chief Executives of the Government owned arm’s length organisations States of Jersey Development Company and Ports of Jersey?”

Answer

Each of the wholly owned States-owned Entities (“SOEs”) operate in accordance with the Principles of the 2018 UK Corporate Governance code, especially in the area of remuneration. The remuneration of the Executive Directors of these SOEs is also a subject addressed in the respective Memoranda of Understanding (“MoUs”).

In practice, each SOE has a Remuneration Committee (“RemCom”), comprised of independent non-executive directors, that set the KPIs and objectives on which Executive Director performance will be measured for the ensuing year, effectively the framework of an incentive plan. The KPIs are specific to each individual executive, are based on company objectives and targets, albeit that they often also include personal objectives. That same Committee will be responsible for the assessment of performance during and following the end of the company’s financial year-end.

The Minister approves incentive plans and their KPIs as and when these are revised, in accordance with the terms of the MoUs. The Minister further monitors the robustness of the assessment of Executive Directors through discussions on a regular basis with the RemComs and wider Boards during the year and then finally at the year-end when the RemComs have completed their assessments of the previous year.

I am however conducting a review of the incentive plans for the Executives of each SOE to ensure the underlying objectives are sufficiently stretching.

Turning to the specific organisations, the broad headline objectives for 2022 were as follows: -

States of Jersey Development Company

- Strategy & Organisational Development
- Project development
- Strategic Stakeholder Management
- Environmental, Social & Governance

Ports of Jersey

- Profitability target
- Service target
- Outreach target
- A series of Strategic actions