

STATES OF JERSEY

Economic Affairs Scrutiny Panel Transfer of Functions

TUESDAY, 24th NOVEMBER 2015

Panel:

Deputy S.M. Brée of St. Clement (Chairman)

Deputy D. Johnson of St. Mary (Vice-Chairman)

Connétable M.J. Paddock of St Ouen

Deputy J.M. Maçon of St. Saviour

Witnesses:

The Chief Minister

Assistant Chief Minister

Director of Constitutional Affairs

Director of Corporate Policy

[10:01]

Deputy S.M. Brée of St. Clement (Chairman):

Right, if we are all ready to start. Welcome, Chief Minister, gentlemen. Thank you very much for coming along to this public hearing by the Economic Affairs Scrutiny Panel relating to P.46/2015, the Draft States of Jersey (Transfer of Functions) legislation. Before we start if I may ask everybody for the benefit of the tape to introduce themselves. I also should draw to your attention the notice in front of you. This is a public hearing so obviously I am sure you are fully aware of the rules and regulations.

The Chief Minister:

Sorry, Andrew has not been before.

Deputy S.M. Brée:

Okay. Rules and regulations regarding it. To members of the public here, obviously if you can remain silent at all times that would be helpful and ensure that your mobile phones are switched off. So for the benefit of the tape my name is Deputy Simon Brée, Chairman of the Economic Affairs Scrutiny Panel.

Deputy J.M. Maçon of St. Saviour:

Good morning, Deputy Jeremy Maçon, co-opted member for this review.

Connétable M.J. Paddock of St. Ouen:

Connétable Michael Paddock of St. Ouen.

Deputy D. Johnson of St. Mary (Vice-Chairman):

David Johnson, Vice-Chairman of the panel

Director of Constitutional Affairs:

Andrew Metcalf, Director of Constitutional Affairs.

The Chief Minister:

Ian Gorst, Chief Minister.

Assistant Chief Minister:

Paul Routier, Assistant Chief Minister, but I should make it clear I am also the President of the Jersey Sports Council and Vice-President of the Tennis Association.

Director of Corporate Policy:

Paul Bradbury, Director of Corporate Policy.

Deputy S.M. Brée:

Thank you very much, gentlemen. Before we start, just a statement from the panel. The panel did ask for a submission from the department, sending a set of questions as a template for responses. However, for the record, to date we have only received a brief note from the Assistant Chief Minister. We are still hoping for a detailed written response covering the areas of Digital, Competition and Innovation but regrettably have no evidence to go on at present regarding these important areas. This is obviously not ideal from the panel's point of view but we will do the best

we can today by asking you for some background information. Moving on, if we may. Chief Minister ...

Assistant Chief Minister:

Sorry, for clarity, can you just identify which Assistant Chief Minister that was?

Deputy S.M. Brée:

That was Assistant Chief Minister Senator Ozouf.

Assistant Chief Minister:

Thank you.

Deputy S.M. Brée:

My apologies. We should have identified him more clearly. Chief Minister, could you explain to the panel your rationale for proposing the transfer of functions with some specific reasons for each of the areas put forward for transfer? Now obviously we wish to exclude anything relating to Property Holdings and Fisheries, as these areas have been addressed separately by the Corporate Services Scrutiny Panel.

The Chief Minister:

Okay, thank you very much indeed. Firstly, we will go away and just check the understanding of where the detailed or more detailed submission, if that is in hand or not, and provide you with an update in due course. The Assistant Minister that is not with us today is out of the Island on Government business so I am sure it is left with an officer who can hopefully deal with that for you. When I stood again to be Chief Minister I made it quite clear in my nomination paper that was submitted to the Greffe, and therefore to States Ministers and into the public, that I was proposing to make changes. I had some discussions with some individuals involved. I nominated the Ministers on the basis of the changes in the portfolio. They received a letter outlining what those changes would be and in my nomination for Ministers it was clear in that documentation I also submitted to the Greffe and to States Members that these changes were going to be proposed. The reason for that, these were purely political decisions, they were not decisions from an administrative or operational level driven by officers, as sometimes decisions are. These are looking at the strategic challenges that I think we face and trying to think about how we are going to deal with them. So when it comes to Education, members of the panel will be aware of the details of the performance of the Education Department and, with a new Minister coming in and a new Director coming in, a recognition that they needed to focus very firmly all their efforts on education and on improving skills so that where we were currently behind standards in the U.K. (United Kingdom) we were able to ... by focusing to improve those outcomes. Now those

outcomes are not just about results but they are ... importantly about results but they are also about a lot of other outcomes as well, and the thought that Education should be encouraging skills right across the community and not just for those who are of school age. Education for a number of years now has had, as part of its responsibility, also Sports and Culture, and I think the reality is that in times when back in 2014 we do the Budget 2015 we knew that we were going to be asking people to make a 2 per cent cut in their budgets. We knew that there were going to be pressures on budgets if we were going to meet our strategic aims. The extra money that we knew that we would need to put into Education to help to deliver those strategic aims I think there was a recognition that that would go to Education, and Sports and Culture would ultimately find it more difficult to secure their share of the budget. So I know lots of commentary about: "Oh, why are we putting Sport and Culture to E.D.D. (Economic Development Department)" and that is right, and I will come on and talk about that, but for me, fundamentally, the important thing was about allowing Education to focus solely on education and skills. So then thinking about those changes and asking ourselves where could Sport and Culture sit where there would be resource available, perhaps where there might be access to extra resource and where they would be protected into the future, and we did look around to see what other people do. We looked in the U.K. They have a virtually separate department for it, and other places in the world do that as well. In an area where we are trying not to create extra departments but trying to amalgamate them we looked at, in light of the changes that we would be making to E.D.D., and looking at the synergies between tourism, sport and culture I thought that ultimately, we have seen it happen elsewhere, there was potential to leverage private sector investment into sports and into culture and at the same time promote tourism, and therefore came to the view that it was a good home to move them to Economic Development. When Economic Development was set up - I think it was the start of ministerial government - there was a lot of concern expressed that it was a large unwieldy department doing and carrying out too many functions. I think it is fair to say, and Senator Routier has acted as an Assistant Minister in that department for some of that period, that it was a very vast portfolio. It spent a number of years focusing on, rightly, the incorporation of ports and harbours. That has taken up a lot of time and resource. It has perhaps been spread too thinly on other areas of its portfolio. If, again coming back to the strategic aims and my aims as Chief Minister, if I want and we want to see economic growth, Competition, Innovation and Digital are absolutely critical to that. During the last Government I moved Financial Services into the Chief Minister's Department to give it extra focus arising out of the work that McKinsey did and the Financial Services strategic framework. Looking at the synergies between Digital and Financial Services I think they are perfectly aligned because we are going to see changes in those arenas. We also knew that 10 years after we had set up the Competition Law it needed to be reviewed, and we are just starting to see the result of that competition review, and also we needed to and wanted to support innovation, therefore creating a much smaller section within my department to focus on those important areas seemed to me that it was going to bear better results than just

having one large amalgamated department which we have had in history. I could talk about T.T.S. (Transport and Technical Services) but you do not want me to, so I will not.

Deputy S.M. Brée:

Okay. Any points anybody wants to pick up or shall we move on? Okay.

Deputy J.M. Maçon:

So looking at the proposition, P.46, it would appear that the original intention was to create a new ministerial office comprising of Financial Services, Digital, Competition and Innovation functions. Just for the record, why was the decision taken not to go through with this, given the importance of the finance industry to the Island?

The Chief Minister:

Because when it comes to Financial Services it was felt that, yes, you needed the one point of contact, which the Assistant Minister provides and works hard in that particular sector. But ultimately they also wanted to be able from time to time, to feel that they have the ear of the Chief Minister. The actual decision around not creating a new ministry was that in the new world, looking at the new income forecast, looking at where we are wanting to reprioritise spending, it was felt that we should not be creating extra bureaucracy and extra institution but trying to get Ministers and Assistant Ministers to work together, removing the perceived differential in the public and sometimes in the States about their functions and enabling them to work more closely together. We are going to carry on doing that work by bringing together on the 7th floor of Cyril Le Marquand House now the External Relations, the Financial Services and the new extra functions there and Economic Development so the people are all sitting together so that they can work more effectively together because there are in some areas of those departments still considerable crossover. So it is bringing together the functions, moving them, making sure they are appropriately focused on, yet at the same time bringing people to sit together.

Deputy J.M. Maçon:

We will come to that a bit later on. I just wonder, following on from that, there is mention in P.46 of the intended administrative infrastructure that it might have been necessary for the new ministerial office, you referred to that as creating more bureaucracy. I wonder if you could explain to the panel what the difference is in creating an administrative infrastructure for a Minister as opposed to an Assistant Minister.

The Chief Minister:

That is a good question. It depends ... different departments have a different approach to it. I think it is more around questions, people to do that sort of administration, that the officials will probably have a better feel for the different ...

Director of Corporate Policy:

Each Minister requires naturally, because of a busier levels, support, P.A.s (personal assistants), questions, support around Scrutiny Panels.

[10:15]

You co-locate those Ministers and Assistant Ministers together and you get efficiencies in terms of the support that the Minister and Assistant Minister naturally require. For me it is as much about bringing politicians and the Executive together and that is what creates the efficiencies, i.e. physically together, and giving them a level of support that is integrated, so a policy officer, as I say, a P.A., people to do governance and all the rest. For me the move to the 7th floor is the critical aspect.

The Chief Minister:

I suppose what we are trying to say: it is a good question and in some departments there is no difference and in other departments there is quite a big difference and we are trying to make sure that rather than setting up a standalone silo - and I think it is sometimes about silo-thinking as much as anything else, putting people together - so that people can share the workload more where there is particular pressure.

Assistant Chief Minister:

I think that really is what it is about. It is about what the workload and the Assistant Minister is given to do and what is prepared to do. Everyone is different and so it is a matter of some ... I mean I have been an Assistant Minister for Economic Development, I have been Assistant Chief Minister for a number of years, and even with different Chief Ministers there has been a different requirement and different level of support that I have been able to give or been asked to give. It depends on the relationship you have with your Minister and what support the Assistant Minister is prepared to ... how much work they are prepared to do. Some are prepared to do a lot of work and some get their balance in a different way.

Deputy J.M. Maçon:

Very diplomatic.

Deputy S.M. Brée:

I would just like to pick up on that because the importance of the finance industry and the related industries, whether it be Digital, Innovation, that go with it, surely warrant having a Minister responsible for that area specifically. Part of the areas that we hear the Council of Ministers talking about regularly is economic growth and productivity. Looking at the way in which the industries - if you want to call it that - is split in the Island, the most important one at present is the finance industry. Why are you not willing to create a Minister responsible for that area if, as you say, there is little difference between creating an administrative infrastructure for a Minister and creating one for an Assistant Minister?

The Chief Minister:

I think that ultimately came down to I did not want to create another silo. I think departments should be working more closely together and ... have we got the right number of Ministers now or are we so focused on the title of a particular job rather than just getting somebody to get on and do the job? Do we not, and I do, want Ministers to be working more closely together and to know and understand what is happening across departments? So rather than focusing on the title we want to focus on bringing people together, and ultimately across this particular important area I accept what you are saying about the importance of it. We hopefully are going to achieve a better outcome through co-locating the bodies.

Deputy S.M. Brée:

So you do not see that there may be a perception from outside of the Island that the person responsible for the financial services industry within the Island is an Assistant Minister rather than a Minister?

The Chief Minister:

Ultimately of course, in the structure that we have, the Chief Minister is responsible for Financial Services and I think that gives it the credence externally that people would be looking for.

The Deputy of St. Mary:

Just to follow that up. I mean at the time the office of the Minister for External Relations was formed a similar question was asked. One of your replies was given the importance of Jersey international's stature, et cetera, it was important to have a Minister designated to show the wide world how important it was. I would have thought the same arguments would apply to a Minister for what is effectively our chief industry.

The Chief Minister:

Let us just look at the U.K. as an example. They have the Prime Minister, not equivalent but roughly sort of equivalent. They have the Chancellor of the Exchequer, Treasury and Resources

again not exactly but roughly currently equivalent. Then they have a City Minister, which is not a Cabinet Minister but is a Minister in the Treasury Department, a relatively junior Minister, so even by us having an Assistant Minister, and it is an Assistant Chief Minister, and that gives it credence in the international arena, and then you have part of BIS, you also have junior Ministers there responsible for Financial Services. So I do not think what we are ... and of course going back to the U.K. with regards to the Minister for External Relations, which is I think the point you were trying to ask about, you have got the Foreign Secretary. So you have got some functions which are seen and important to be seen at Cabinet level and then other functions, which can be undertaken by an Assistant Minister in our case, or a non-Cabinet Minister looking to the U.K. and how they work. But my point still comes back that ultimately in Jersey the Chief Minister is responsible for Financial Services.

The Deputy of St. Mary:

These questions are going to cross quite a bit but P.46 states that: "The Council of Ministers needs to prioritise its resources in terms of manpower and finances into delivering savings and efficiencies as well as reinvigorating economic growth." In many ways it was seen that these 3 core functions are already located appropriately in Economic Development for this purpose. Could you therefore sum up the benefits of the proposed transfer, the responsibility for the Digital sector, Competition and Innovation to your department?

The Chief Minister:

I think I probably did that at the start looking at the breadth of the previous Economic Development Department focus that they would need to give, given that they had had to give to various functions. The current Minister for Economic Development was very clear when he came into office that he wanted to focus on tourism and on events in Jersey, and that is exactly what he is doing. Now sport and culture fit into that in many ways and I think you probably had the 2 Assistant Ministers before you yesterday explaining to you how that would work. But if we are equally going to deliver economic growth and we do not want to put Financial Services in a totally separate category, we want Financial Services to be innovative and we want it to be working with Digital Jersey even though it is not just Digital Jersey, and we also wanted, as we started to do, to renew the Competition Law, to look at the way that the competition regulator was working and to deliver a framework for them for the future.

The Deputy of St. Mary:

But if those functions were carried out by an Assistant Minister could it not equally be done by an Assistant Minister to Economic Development?

The Chief Minister:

You could make that argument but if you are bringing them together and wanting to work with what are going to be the economic drivers into the future it would seem to me that it would sit better with Financial Services, which sit in my department.

The Deputy of St. Mary:

Leading on from that, are there any identified disadvantages in that other than those to which I have alluded?

The Chief Minister:

I cannot see any but no doubt you might ask me about some.

The Connétable of St. Ouen:

On P.46, and we have already touched on this, but can you just confirm ... it states that: "The transfers would be assisted with allowing important policy synergies across all sectors of the economy to be realised." Could you just identify the policy synergies for us?

The Chief Minister:

I think if you take Digital, for example, you have got the idea of FinTech and how that is going to ... how the digital world is going to transform and affect all of our lives, but particularly in a labour intensive industry like financial services.

The Connétable of St. Ouen:

Also P.46 states that: "The transfers will support the regulatory environment which encourages Innovation and Competition." What impact will the transfers have on the current obligatory framework?

The Chief Minister:

We have seen the work that Oxera and Sir John Vickers have done and just published. We have seen the work that Tera Allas has done and recently published that on Innovation, and now published an action plan for Innovation. Because we are allowing a narrower ... an individual, Assistant Minister in this case, with a small group of officers who are focused on this, and being able to more narrowly define the areas that they are focusing on, we are already seeing action take place to the benefit of those policy aims and outcomes.

Deputy J.M. Maçon:

Are you saying there was inaction previously?

The Chief Minister:

You have heard what I have said about when you have got a really large department covering lots and lots of areas and that particular department has rightly focused on one large project over the last number of years, they cannot give the direct focus to some of the ... or have not had the ability to give the direct focus to some of those areas that I think we all agree need addressing.

Assistant Chief Minister:

Can I just pick up on the synergies? I think there is one area that is going to be very useful, is sports tourism. I think the linking of the skills in the Economic Development Department and the sports community is going to be really important for improving sports opportunities even for our local community. A lot of people are going to ... if it can encourage as many people to come to our Island for sporting tourism it is going to raise the standard of local sport as well. So I think it is a real win-win in that circumstance. I mean it is a good synergy.

Deputy S.M. Brée:

On that point, if I can just ask, what evidence do you have to back up that statement?

Assistant Chief Minister:

It is very evident the times when we have had visiting teams come over to Jersey, and if we can get more and more of that, which we have been. I suppose for the Island Games recently, for instance. The enthusiasm for sport within the Island has just gone through the roof. If we can continue that I think it is going to be a real benefit for our own sporting community in Jersey because they are going to have the opportunity to play at different levels, different competition and give that a real boost. I am convinced that it is really an opportunity we should not miss.

The Connétable of St. Ouen:

What evidence have you got that sport has gone through the roof after the Island Games? What feedback are you getting? Where do you get this information from?

Assistant Chief Minister:

As I mentioned at the outset, I introduced myself as the President of the Sports Council, and the feedback we are getting is that sport is really high on the agenda at the present time. Not only among Government as well because we helped to fund the Island Games and put in a lot of effort into doing that. Within the community itself sport is on a high. There is a different feel around the place with the emphasis, and I have to say the Assistant Minister, Constable Pallett, has really put in so much effort into sport. He has really given a lot of support to the sporting community and I think he should be really congratulated for it. I know these things ... you might think that they revolve around personalities but this is the case. It is important to have the right person in the right job.

Deputy S.M. Brée:

Talking about the right person in the right job, obviously with the transfer of functions it is going to affect a reasonably large number of staff. What changes are going to be made to the roles of the current staff, if you like, that are going to be transferred between departments? Are you intending to develop their roles? We would like to know what the impact is on staff.

The Chief Minister:

I think I have been quite clear that this was a political decision to transfer between departments but in these proposals there are no changes to staff jobs or what they are currently doing.

[10:30]

That will be then for each department and Minister to go away and look at where there might be synergies and changes that they want to develop. I think you had Constable Pallett yesterday and no doubt he was talking about Fit for the Future. He will be working on changes in light of that particular policy. But he will be doing that with the support of the Economic Development Department and we hope access that they might have to private sector funding as well as government funding and support there. So it is not that people are wholesale having a different job or change of job descriptions, it is that the reporting line in those functions is changing from one department to another.

Deputy S.M. Brée:

So as a result of the transfer of functions do you envisage any job losses once it has taken place?

The Chief Minister:

As a result of the transfer of functions? Well, as a direct result of the transfer, no. But the whole point is that in some areas they will be giving renewed focus and that might have policy decisions that you might say you need to put more resource in this particular area. You need more staffing. In others, there might be efficiencies of administrative functions that could deliver a reduction in the number of employees. But departments will be working on that and thinking about the areas that the remit of the panel, rather than some of the other changes, I think that any early changes in that regard will be around administrative functions that we can see reduced.

Deputy S.M. Brée:

Within your own department, Chief Minister, are you intending to provide new manpower and finances to stimulate those areas of responsibility?

The Chief Minister:

We are not at that point of saying ... you know we set aside the £20 million fund but to get money out of that fund to deliver economic growth and productivity robust cases have got to be made and I am not in a position of having seen any of those robust cases as we sit here. But I do know that ultimately we have set that money aside and there is no point setting it aside if we are not going to spend it on trying to deliver a future economic growth and improvements in productivity. The policy is there.

Deputy S.M. Brée:

That was not actually the question.

The Chief Minister:

Well, it is because you are asking me whether I foresee any growth in funding and manpower and I was trying to say ...

Deputy S.M. Brée:

In your own department?

The Chief Minister:

Yes, and I was trying to answer that by saying I am not in a position to say that but the only area that that could come from, and it needs to be temporary by its nature, would be along the lines of delivering economic growth and productivity improvements using money from that fund.

Deputy S.M. Brée:

So you would look to fund any additional manpower or resources out of the economic growth and productivity allocation?

The Chief Minister:

No. I think you know what I am saying.

Deputy S.M. Brée:

I actually do not, no.

The Chief Minister:

I am trying to give you a straight answer to a question which is I have got no plans currently to increase manpower or funding in my department but I cannot simply say that to you. I have to be open with you and say, but we all have to know because the States has agreed it, that there is a £20 million pot for delivering economic growth and productivity and cases will have to be made to

use that funding, and it is only temporary funding. So it has to be made very carefully and I have got to say to you, some of those cases might be made from within my department, bearing in mind that we are moving ... we have got not only Financial Services now but we will have Competition, Innovation and Digital, and we would expect that those areas are going to help support economic growth and improvements in productivity.

Deputy S.M. Brée:

To clarify: the £20 million is over the whole of the life of the Medium Term Financial Plan?

The Chief Minister:

It is, yes.

Deputy S.M. Brée:

As opposed to in one year?

The Chief Minister:

Absolutely it is, yes.

Deputy S.M. Brée:

So it is £5 million per year available?

The Chief Minister:

That is right, yes.

Deputy S.M. Brée:

Okay. Sorry, do you want to ask?

The Deputy of St. Mary:

Can I go back to the comments made by the Assistant Chief Minister before on sport? Personally I accept the synergy on sports tourism with the E.D.D. I do not want to go back to yesterday's hearing but one of the concerns of the panel of course was that sport insofar as it was to the benefit of school children should not be adversely affected and we are told that will not be so affected. But I think we were comforted to a certain extent by the fact that there is to be put in place a strong M.O.U. (memorandum of understanding) which firmly puts sport in the schools in its present position, and I just wanted confirmation that you would support that.

Assistant Chief Minister:

Yes, certainly. Having read the Fit for the Future document it is very clear that the focus on the schools is important. I would not be supporting the Fit for the Future project unless they were putting that effort into the schools and I understand, from having meetings with Constable Pallett and with the officers, that the intention is to really put in extra effort into getting children within our community fit and into sport. I think it is vitally important that they do that and, as I say, put extra effort into it and I am convinced that that is what they are going to do.

The Deputy of St. Mary:

Yes, and get clarification that we will be happy with an M.O.U. in place, we have not yet seen the draft of it, I do not think, but you support that?

Assistant Chief Minister:

Definitely.

Deputy J.M. Maçon:

I put this question to the E.D. team yesterday: why was the decision not to put it in Health?

The Chief Minister:

That is a very good question because when we looked at sport and various parts of the world have got it sat with different departments. The reality is, if we have put another bit of important government policy into Health their focus is going to be on redesigning the health service and the new hospital and, importantly, they are having to refocus and put more money into social services. Again, it is such a big department, is it right just to move another function over there where they, with the best will in the world, would not have I do not think the bandwidth to focus appropriately on it? We also know that again - I hope I am not speaking out of turn - but we know that health departments will eat up money. Are they going to prioritise money on hospital provision, as in the services, children services, or will sport funding be an easy target for them?

Deputy J.M. Maçon:

It depends on the policy. To a degree part of the role that has to be within sport is about tapping preventable disease. There might be a concern that with the way that it goes to E.D.D. there may be possibly a change of focus in perhaps developing star athlete performers with perhaps the economic entity behind it. How will the broad spectrum of ensuring that the whole population is engaged within sport under this new focus which perhaps a health perspective might take?

The Chief Minister:

No doubt you asked this question to Constable Pallett yesterday and no doubt he gave you a far better answer than I would be able to.

Assistant Chief Minister:

I am letting you answer it.

The Chief Minister:

Yes, I know, I do not know why when it comes to sport. But you have also ... David asked about the M.O.U. with Education, which I think is going to satisfy any concerns that might be there. I am not sure it is a bad thing if there is a bit more focus on - I think you used the word "elite" athletes - because at the current time, probably just thinking about one or 2 conversations I have had with people in Jersey that would fall into that category - and you are going to correct me - I think they feel that possibly there is not sufficient focus on them and their needs and just the sheer cost of performing at that level and what it entails. Now Economic Development I think are ideally placed to help find sponsors and to help deal with some of those issues as well, but I do not see that is to the detriment of the general sporting provision.

Assistant Chief Minister:

The schools programme, from what we have been told, and with the backup of the M.O.U. is ... I am really encouraged by what is in there. I do not think we are going to lose the focus on getting people fit and healthy from ... if we manage to get the strategy support of the whole of the community I am really encouraged by that. But the Chief Minister is right about the elite sports. There is a need to support them a bit more as well because they are struggling to get off the Island and to fund their travel outside the Island. So there is a big piece of work to be done but I do not think one would be to the detriment of the other. We have got to do both. We have got to, I would say firstly, put a lot of effort into ensuring that the children, among our school-age children, are given the right environment to participate in sport but then when it comes to ... when they progress through the stages and become elite athletes we have got to find the mechanism and E.D.D. are probably going to have all the links with the business community to find that sponsorship for them because that is what we require.

Deputy J.M. Maçon:

But that caters for people who are already engaging in sporting behaviour. The thrust I would imagine with the health policy is what you want to do is convert those who are not active; that is what you want to use the sports policy for, to convert those who are not, like myself, necessarily partaking in as much sport as they should be into doing it. Therefore my question is while I appreciate that the school age might be dealt with you have got that bracket of after school upwards which seems to be perhaps not getting the focus that, if we listen to the Health Department, it should be. How will that change under this transfer?

Director of Corporate Policy:

Which Minister is responsible for which portfolio is obviously tremendously important but we cannot forget the context that the Council of Ministers work together, so the Minister for Health and the Minister for Economic Development can work together. Just stepping back to the question of economic portfolios, there is an economic policy group that has been formed by the Youth Council where the relevant Ministers can co-ordinate their portfolios. So not only are the Economic Ministers going to be on the same floor, they have got a policy group to co-ordinate their functions, I would fully expect that to be the case with Health and E.D.D. as well, and Sport.

Assistant Chief Minister:

I mean the Fit for the Future documents, there is an elderly gentleman there which is taking part in gym activities and ... he is probably younger than me. No, seriously, it is a very broad strategy which covers all age groups, and so I am very confident that they are going to progress with that.

Deputy J.M. Maçon:

Thank you.

Deputy S.M. Brée:

Any other questions so far? Okay. With the transfer into your department, Chief Minister, of the various areas that the Economic Development Department were looking after, could you explain to us what you see the role of Economic Development is going forward other than just basically tourism related?

The Chief Minister:

I think that is an important focus for them. I think the Minister stood at the last election and said that he wanted to be the Minister for Tourism, and I do not really see that there are synergies, and you are rightly questioning how sport and culture will fit there, but I think you are more questioning you want to protect it currently and you want to see more being done to it and more support being given. I am in no doubt that if that is the case, and I share that, they sit best in that department.

[10:45]

They have also got some other regulatory functions that they still continue to be responsible for - eGaming and the lottery - and I have got to say, on their behalf, I think they are doing a lot of good work there. They have got policy responsibilities as well around the new incorporated ports and harbours. They are doing all the work with Visit Jersey. They are responsible for Jersey Business and Locate Jersey, so I think the ability to try and help Ministers get on and start delivering on some of these changes, while it has not been ideal in its current format, is showing improved focus

right across that portfolio, which is exactly what I wanted to see. So they are focusing on those core competencies and the Assistant Chief Minister is focusing on those competencies that will be brought into the Chief Minister's Department. We have got 2 fantastic Assistant Ministers in Economic Development who are transforming the bits of their portfolio as well.

Deputy S.M. Brée:

Okay, on that front, obviously we had a public hearing yesterday with the Minister for Economic Development and the 2 Assistant Ministers. Chief Minister, do you support the establishment of arm's-length independent bodies based on the non-profitable charitable trust model that the Minister for Economic Development seems so keen on?

The Chief Minister:

With appropriate safeguards.

Deputy S.M. Brée:

What are those appropriate safeguards and how will you ensure that they are included in a trust structure?

The Chief Minister:

Well I have not seen the proposed setup but what have we learnt from some other pieces of work that we have done? Let us just simply turn to the competition review. We provided a Competition Law, we have set up a competition regulator and we have come back to have a look at it 10 years later and the review says what I think a lot of us were feeling, that you cannot just set up an independent body at arm's-length without an appropriate political framework and dialogue to make sure it is delivering on the policies of the Government, and hopefully for the benefit of the community, and I think it is around those safeguards. We have done the same in Financial Services. Some of these areas are incredibly important to all of our futures. We cannot just set up an independent body and expect to have no involvement, oversight, or framework around them. That has been quite difficult because then on another review where you have raised some issues about shareholder function, which is a totally different model again, even there we are having to look at how that works and deliver extra resources to manage that better.

Deputy S.M. Brée:

Do you favour a non-profitable charitable trust status above an incorporated body status where you have a shareholding?

The Chief Minister:

You are asking me a question and I am not fully briefed on the alternative structures to be able to give you an informed answer other than a technical one from my past history, and I would not want to do it on that basis.

Deputy S.M. Brée:

Well if we use the example of Visit Jersey. Visit Jersey has been set up as a non-charitable purpose trust ... sorry, non-profit charitable purpose trust. There are trustees, there are protectors to the trust but there is no direct linkage to States ownership of that body. It is a totally independent arm's-length trust. Funds are granted to the trust for the purpose of marketing Jersey as a tourist destination overseas. It all sounds great except for the fact that the States of Jersey, and therefore the public of Jersey, have no ownership or direct control over that trust other than a business plan which is agreed in advance of the grant being given.

The Chief Minister:

I think the core of the question is, as I would see it, or the core question I would want to ask in that regard is: are we sufficiently good at understanding the business plan, making sure the business plan is aligned with the core Government and States Assembly policy and then after the event reviewing to make sure that they have delivered on the business plan that was agreed.

Deputy S.M. Brée:

The question was not ...

The Chief Minister:

If we look at some of the Comptroller and Auditor General's previous recommendations, as we sit here we cannot be certain of the answer to that question, and that is one reason why in Treasury we are putting more money into that.

Deputy S.M. Brée:

Indeed, but the shareholder function does not apply in the instance of a trust.

The Chief Minister:

No, but it is about the expertise to be able to ensure the organisation is accountable and spending the money in the way and in line with the policies that the Minister and the department are following.

Deputy S.M. Brée:

I agree with that entirely. However, it surprised us to see that the idea was to set up trust bodies as opposed to incorporated bodies where shareholder ownership remains within the States of

Jersey. I was merely asking a question: do you favour the trust model above the incorporated model?

The Chief Minister:

I answered the question the best that I could.

Deputy S.M. Brée:

Okay. Any other questions on that particular area, David?

The Deputy of St. Mary:

Not really. I will just say ... no, I will say no.

Deputy S.M. Brée:

No? Yes, we will move on then. Mike, do you want to move on to the next area?

The Connétable of St. Ouen:

Yes, the panel was told by E.S.C. (Education, Sport and Culture) and E.D.D. in a hearing yesterday that the decision to proceed with the transfer of functions in and out of their areas was purely political and as a result no background work study reports were carried out by those departments. Do you consider it was wise to pursue a fairly major restructuring exercise such as this, involving the transfer of a considerable amount of staff and some major responsibilities and sizeable budgets, without asking for any background feasibility or studies or analysis to be done?

The Chief Minister:

Yes. Some centralised administrative functions are moving in Cyril Le Marquand House but it is about reporting line and delivering of qualities and focuses within that department. You have got to remember that elsewhere in the world, governments change bits of departments when a new government comes in. If you take the Isle of Man, they change those departments on the basis of a Ministerial Decision. We have a situation where the States have got to approve legislative changes. The fact that we are having to go through this process to me speaks volumes about the bureaucracy of the Government that we have to follow. I was clear when I stood for Chief Minister that I wanted to change these roles for all the reasons that I have given to you. I was clear to Ministers in their letter of acceptance of me nominating them and I had between ... the other thing about this process is I was - Andrew will give me the details - on 24th October nominated for the position of Chief Minister. It was only on that afternoon at ... I remember driving somewhere in the car, having lodged my thing with the Greffier, and I do not know if it was 5.00 or 6.00 p.m., it was only once that time had got past in the day did I know that I was not going to be contested. So between the night of 24th October, knowing that it was not being contested at that point, to the day

of the 3rd when the actual States vote should have been - but obviously there was no vote in this instance - on the 4th I had to lodge with the States who my proposed Ministers were going to be. So I had been thinking about it and in that time period I had some meetings with Ministers, some meetings with representatives of these various bodies that might be affected like farmers, like fishing, like culture, to say this was what I was thinking, any 1s or 2s, did they have any objections, et cetera, et cetera, and then I had this less than 10 days to lodge it and say that is what I was going to do. So that is why it had to be a political decision and not a big, long, independent expert-led review process. I know there have been lots of questions about that but that is what the system allows for. The system does not allow for any other approach to be taken.

Assistant Chief Minister:

It reminds me of back in 2002 when I was on the Sports, Leisure and Recreation Committee and it was politically decided that it was going to be moved into Education. I can recall the unease at the time because Sports, Leisure and Recreation was going to lose its focus because it was going to be subsumed into Education. It has happened and we have gone through that period and to a certain extent it has lost its focus; it did lose its focus. I think moving to what is being suggested now is the right thing to do again. I mean, things need to move on and change. It was S.L.R. (Sports, Leisure and Recreation) years ago, then it became Education, Sport and Culture and I think it is time to move on again. I think everything goes through its period of time and things need to change. It has lost its focus within Education.

Deputy J.M. Maçon:

Yes, can I just ask a question? On a comment made by the Chief Minister how he said he was frustrated about the bureaucracy of having to go through this, why do you not see that as a democratic safeguard?

The Chief Minister:

Because if I have quite clearly said before I was going to be standing for Chief Minister that is what I was going to do, and my Ministers stood up and said this was what their new portfolios were going to be, I think those 2 are democratic safeguards.

Deputy J.M. Maçon:

Okay. Any further points?

Deputy S.M. Brée:

Yes, just one point. You obviously mentioned that you had little time, in your opinion, to make anything other than a political decision; however, on 17th November you lodged R.160/2014 which indicated your intention to lodge the transfer of functions regulations. You did not lodge the draft

transfer of functions regulations until 6th May 2015. Are you telling us that you did no considered studies or analysis between 17th November 2014 and 6th May 2015?

The Chief Minister:

Jeremy refers to it as a democratic safeguard; the system is the system. Why would I want to do and spend a lot of extra money doing all the work that you are now questioning if the States decide they are not going to approve it? Now we know, do we not, that initially a previous Scrutiny Panel were going to and I think took the decision that they wanted to review the regulations before they were lodged. That is why they took a long time to lodge and then we had the little bit of an argument about whether I was going to lodge them or let the Scrutiny Panel know in advance. That caused a bit of frustration I think between us both, did it not?

Deputy S.M. Brée:

If I may correct you there, Chief Minister. Obviously it relates to another Scrutiny Panel, which is not the basis of this public hearing. There was an undertaking by yourself to provide details to that Scrutiny Panel prior to lodging, which you unfortunately failed to do. But, as I said, that relates to another Scrutiny Panel which is not the subject of today's public hearing.

[11:00]

The Chief Minister:

But it also relates to why there was a gap in time which is what you were asking me about.

Deputy S.M. Brée:

For the sake of clarity and the avoidance of doubt that gap in time was not created by any action taken by that other Scrutiny Panel; however, let us move on. I think we have covered that.

The Chief Minister:

Well I think we agreed together that they would not be lodged because Scrutiny did not want them to be lodged at that point.

Deputy S.M. Brée:

That is not my recollection of events but, as I said, that is not the subject of this public hearing today. Shall we move on? Jeremy, would you like to ...?

Deputy J.M. Maçon:

Yes, looking at the report of P.46, looking at page 6 and noting that it was lodged on 6th May, in point 18 you started to touch on this. It says that there was going to be a review commissioned

looking at different functions of the structure, so: "It has also become clear to all the external facing Ministers that it would be helpful for a review of structures of the 3 functions to be carried out. Such a review has been commissioned and the results may result in further recommendations." I was just wondering, given that this was lodged in May, and we are now in November, 6 months on, whether that review has been done and whether that report is available.

The Chief Minister:

That is a good question.

Deputy J.M. Maçon:

A hat trick today.

The Chief Minister:

It is, yes. The work was started and, of course, it is all part of the reform. It was undertaken by one of the external advisers. I am not sure if we have permission to ultimately release that final report or not. I do not think we have, but I think there might be something that could be released. I will just go away and check that for you.

Deputy J.M. Maçon:

Have you completed that?

The Chief Minister:

Yes. That is what has led us to say we are going to co-locate those departments on to the 7th floor of Cyril Le Marquand House.

Deputy J.M. Maçon:

Presumably that information will not be available then for the debate when it resumes?

The Chief Minister:

It is unlikely, but I will check that.

Deputy J.M. Maçon:

Thank you. Noted.

The Deputy of St. Mary:

Thank you. In response to an earlier question about the rationale for the transfer of functions you said that E.D. was carrying out too many functions. Against that background, do you believe that with all the other functions coming into your own department your role as Chief Minister could

become too demanding and perhaps lead to over-centralisation of functions in that one department?

The Chief Minister:

There is always a possibility of any department losing focus when they have got a broad breadth of portfolio. I, and I know some other Ministers do it as well, personally do not differentiate between what I do and what my Assistant Ministers do. I have to be careful what I say, because I have one sitting right next to me. But when I have delegated a function to them I expect them to take responsibility for them and I have trust in their ability to do that well. We have a weekly meeting. We are in and out of each other's offices throughout the week, discussing various issues. So in that regard I do not think that these other functions being transferred in are creating too greater work load, because I have got 2 fantastic Assistant Ministers that do the work and eat the work up, as it were. I think it is going to create better focus on those particular areas that will be transferred.

The Deputy of St. Mary:

Going back to the delegation of those functions to your Assistant Ministers, is your delegation such that you will be able to continue to field questions in the Assembly, for instance, if one of them should be away?

The Chief Minister:

The Standing Orders say that an individual Member can ask that the question is taken by the Minister rather than the person with delegated responsibility. So I always have to be in a position to be able to answer the questions.

The Deputy of St. Mary:

You are content with the role that is now being floated?

The Chief Minister:

Yes. Of course, it is far better always for the Assistant Minister with the delegated responsibility to be allowed to answer the question, but Standing Orders allow for some other provision as well. So all Ministers have to be prepared for it.

The Deputy of St. Mary:

Thank you.

Deputy S.M. Brée:

An awful lot of functions and responsibility is being centralised into the Chief Minister's Department. You described earlier Economic Development as becoming large and unwieldy.

The Chief Minister:

It did at the creation of ministerial government, yes. It was not me that said that. Others have said it and I simply reiterated what they said.

Deputy S.M. Brée:

Yes, you reiterated it. I think that raises 2 concerns. The first one is: should the Chief Minister's Department be responsible for so many areas, in the sense that it could be looked upon that there is too much responsibility centralised into one department? Two, are you going to be able to have the time to perform the role of Chief Minister in all other areas? It seems to me as if you are creating a department that could - I say could - become almost a bit of a monster for future Chief Ministers to deal with.

The Chief Minister:

I think it was the Assistant Chief Minister who said that each individual in post deals with things differently. This model works for me. But I have been quite clear that the next Chief Minister might look at what has happened throughout these years and say: "Well no, we have listened to what Deputy Maçon said during the Transfer of Functions Hearing and we are now going to make a change and put Sport into Health." So it will be with the role of Chief Minister. Some people think that there should be very little responsibility in the Chief Minister's Department. They should be just there chairing the Council of Ministers and dealing with altercations between departments. I have found that more and more people want to know what the Chief Minister thinks about something, want to know what the Chief Minister is responsible for and I think that the work that has been undertaken throughout the last year shows that with the transfer of functions. It can work very well within the Chief Minister's Department, but that is not to say that in the future others may think differently and change accordingly.

Deputy S.M. Brée:

You have mentioned a number of times during this public hearing the comparison with the U.K. Government structure. Is it your intention to model Jersey's ministerial government on solely the U.K. Government structure?

The Chief Minister:

No.

Deputy S.M. Brée:

Then, is this draft transfer of functions a first step towards redesigning and rationalising ministerial government, i.e. is there more to come?

The Chief Minister:

Yes.

Deputy S.M. Brée:

Would you like to share with us your views at this time?

The Chief Minister:

The whole thing about changing the way we do government is to try and cut out the duplication that we see across departments, getting people to work together and bringing them together into one place. That is why we are doing the office modernisation, so that will bring people even more closely together than what we are proposing as a result of these changes. All that is a work in progress. We will be seeing more and more of it.

Deputy J.M. Maçon:

I think the question, not necessarily is reflecting sub-service, but is more explicitly talking about the Assembly and how the posts and roles of Members might be rationalised.

Deputy S.M. Brée:

The question was specifically about ministerial government, not about the support provided by, shall we call it, the Civil Service, to Ministers.

The Chief Minister:

It said: "Will we have fewer Ministers, more Ministers, more Assistant Ministers?" Well the difficulty we have there is the in Troy Rule and the total number of people in the Assembly now.

Deputy S.M. Brée:

You call it a difficulty. Would you prefer to see the Troy Rule removed?

The Chief Minister:

Okay. Perhaps I will have to choose my words more carefully. Personally I would and I have said that. The States have not agreed with that. I have gone with the States' decision and that is why we proposed the changes that we did to ministerial government last time round. You are aware that the P.P.C. (Privileges and Procedures Committee) together with officers from my department are looking again at electoral reform. So we may see changes in that regard again.

Deputy S.M. Brée:

So there is more to come, so to speak, on ministerial government?

The Chief Minister:

There may be. On the one hand you are saying to me: "Oh I think you might be in charge of too much, Chief Minister." On the other hand you are trying to ask me about things I am not in charge of, as if I were. It is P.P.C. who are working on that, so I do not know, as we sit here, what those changes will be or whether there will be any changes recommended. I expect there will be. I have been to the workshop, as all other States Members have been to the workshop, so I know no more than all the others round this table.

The Deputy of St. Mary:

Those workshops concentrated on not only ministerial government but really on the basic representatives of the Island. Are you saying that that is a first step, once that has been established, towards the ministerial ...?

The Chief Minister:

Well, of course, because if the States decide to reduce the number of States Members and the Troy Rule remains, by very nature you have to think about the set of ministerial government, how many Ministers you have, how many Assistant Ministers you have. You cannot take them in isolation, in my view. If we are going to make changes there then ultimately that will affect the number of Ministers and Assistant Ministers.

The Deputy of St. Mary:

The Troy Rule only binds the Assistant Minister to the vote of his own Minister ...

The Chief Minister:

No, the Troy Rule is the ultimate number of executive in relation to the ...

The Deputy of St. Mary:

Oh sorry, point taken. I withdraw the comment. Yes. Yes.

Director of Corporate Policy:

I think I am right, that is not what this is about. This is about aligning individual ministerial portfolios to the Strategic Plan.

The Chief Minister:

No, the Chairman is asking a supplementary question about something else altogether, are you not?

Deputy S.M. Brée:

It was more a question, obviously, looking at the draft transfer of functions. One does get the feeling that this is, if you like, the first step in a number of steps to reorganise, redesign overall ministerial responsibilities departments. We were merely asking the question: are we correct in that assumption that this is, if you like, a first step in a plan to redesign under your leadership ministerial government, Chief Minister? That is all we are asking. Will there be more to come?

The Chief Minister:

I thought you were asking something else, because I answered that question straight off by saying: "Of course, we are reforming the way that we do business and we are wanting people to work more closely together." Then you asked me and said: "Well forget the civil servants, what about the Ministers?" I said: "Well, part of that co-location means they will work closely together." Then I started talking about the work of the electoral reform, because it is that that might force changes on the numbers of Ministers and number of Assistant Ministers and therefore we would need to respond to that appropriately. I think that is how we got to where we were.

Deputy S.M. Brée:

Okay. Merely to clarify a point here, P.46, as lodged, is driven out of political considerations as opposed to any analysis or studies that may have been carried out to show and provide evidence to States Members as to why it is a good idea. It is your vision, as Chief Minister, as to the best way in which you believe things can be redesigned and reorganised to meet the aims of your Strategic Plan. Is that summing up reasonably well?

The Chief Minister:

Yes, it is very good summing up.

Deputy S.M. Brée:

Okay. Do we have any other questions, gentlemen? Well, I would like to thank you very much for coming in. We will bring this public hearing to a close. Thank you very much, Chief Minister, Assistant Minister and gentlemen.

The Chief Minister:

Thank you very much indeed, Chairman.

Deputy S.M. Brée:

Thank you.

The Chief Minister:

Thank you.

[11.15]