

**MACHINERY OF GOVERNMENT: PROPOSED DEPARTMENTAL STRUCTURE AND TRANSITIONAL
ARRANGEMENTS**

**Lodged au Greffe on 30th April 2002
by the Policy and Resources Committee**



STATES OF JERSEY

STATES GREFFE

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PROPOSITION

THE STATES are asked to decide whether they are of opinion -

to refer to their Act dated 28th September 2001, in which they approved reforms to the machinery of government and agreed that not more than ten departments of government should be established, each headed by a minister, and -

(a) to agree that there should be ten departments of government in the ministerial system, with the responsibilities as described in Appendix 2 of the report of the Policy and Resources Committee, dated 25th April 2002, as follows -

- (i) Chief Minister's Department,
- (ii) Economic Development,
- (iii) Education, Sport, and Culture,
- (iv) Environment,
- (v) Health and Social Services,
- (vi) Home Affairs,
- (vii) Housing,
- (viii) Public Services,
- (ix) Social Security,
- (x) Treasury and Resources

(b) to agree that in the transitional period, from the appointment of Committees in December 2002 until the introduction of the ministerial system, the number of committees of the States should be reduced and appointed in the order as described in Appendix 3 of the report of the Policy and Resources Committee dated 25th April 2002, and to request the Privileges and Procedures Committee to bring forward for approval the necessary Transfer of Functions Acts and amendments to the Standing Orders of the States of Jersey to give effect to this decision.

POLICY AND RESOURCES COMMITTEE

- Notes:
1. The Finance and Economics Committee's comments are to follow.
 2. The Human Resources Committee's comments are to follow.

REPORT

1. Introduction

- 1.1 This report and proposition has been compiled after receipt of a wide range of valuable comments from committees and departments, and after a variety of discussions with those, both States members and Chief Officers, who have requested them. The Committee is grateful for all the responses made to its indicative proposals in the Implementation Plan; these have been of great benefit in enabling it to prepare the recommendations in this report, which represent the Policy and Resources Committee's considered view as to the best way forward. On one issue there has been widespread agreement: that existing departments must be combined, not only to give force to the decision taken by the States to move to a ministerial system of government, but also to offer a better service to all Islanders.
- 1.2 Some recommendations have been easier to reach than others, notwithstanding the expression sometimes of contrary views, which have been given due attention. Some of the amalgamations proposed have come together smoothly. The new Department of Education, Sport and Culture is a case in point and the Policy and Resources Committee is grateful to the members of the Education Committee, the Sport Leisure and Recreation Committee, the Arts Trust and the Jersey Heritage Trust for embracing change so readily.
- 1.3 Other changes have been more difficult, not because politicians or officers have been reluctant, but because the separation of operational and regulatory functions represents a culture change for Jersey, particularly given the present fragmentation of functions. Such a separation will have to take place in some cases simply to meet the obligations placed upon the Island by international conventions, but the notion of keeping the "poacher" and the "gamekeeper" apart, where otherwise a department would be responsible for regulating itself, was an issue being actively considered well before the review of the machinery of government.
- 1.4 So, in the case of the Planning and Environment Committee and the Public Services Committee, for example, there is much detail to be worked out by the committee that takes office at the end of 2002, before the introduction of a full ministerial system. Indeed, all committees will be expected to put considerable effort into working up detailed plans for the new arrangements so that the public's interests are best served and the Council of Ministers best supported as it takes on the demanding task of the Island's government.

2. Background

- 2.1 On 28th September 2001 the States adopted a proposition, as amended, of the Policy and Resources Committee ('Machinery of Government: Proposed Reforms', P.122/2001) and agreed that the Island's present committee system of government should be replaced by a ministerial system, combined with a system of scrutiny.

- 2.2 As a part of the proposition, it was agreed that -

"(iii) not more than ten departments of government will be established, each headed by a minister, with power to appoint up to two other members of the States to assist in his or her executive work...."

It was also agreed that -

"(viii) the Council of Ministers will be supported by a Chief Executive who will be the head of the civil service, which will be unified at a senior level; and heads of department will form a management board under the leadership of the Chief Executive."

- 2.3 In its report accompanying the proposition, the Committee emphasized that individual ministers should be held responsible for a particular area or department of government. It also emphasised that the new structure would lead to a more co-ordinated and integrated approach to policy making and to the delivery of public services within available resources.
- 2.4 Following the States' decision on 28th September 2001, the Committee developed draft proposals for inclusion in its Implementation Plan for 'Machinery of Government: Proposed Reforms', which was published on 27th November 2001. Section 7.1 of this document described proposals for an eight department structure. It also set out three key principles to underpin the new system of government.

- clear accountability, at Ministerial level, for defined functions and areas of public service as perceived by the community at large;

- an appropriate separation of regulatory and operational functions;
- an appropriate separation of 'client' and 'contractor' functions within the public service.

2.5 Pursuit of these key principles will, at all times, need to be handled pragmatically and, of course, be accompanied by the recognition that change in all organisations is a constant. The Council of Ministers, advised by the Chief Executive and the Corporate Management Board, will need to keep under regular review not only departmental structures and ministerial responsibilities, but also the manner in which public services are delivered - in order to ensure responsiveness to the needs of those receiving or seeking services, to take account of likely resource constraints, to meet the demands of new problems, and, indeed, to ensure that the interests of the Island as a whole are kept to the forefront.

2.6 In bringing forward draft proposals for a new departmental structure, the Committee invited comments and suggestions by 31st January 2002. Many constructive comments were received, including comments from States Committees, States members, and Chief Officers both individually and collectively. A list of those who commented is **attached** at Appendix 1.

2.7 These comments were carefully considered by the Policy and Resources Committee and by its Machinery of Government Sub-Committee. Revised proposals were then submitted by the Sub-Committee to the Policy and Resources Committee. After careful deliberation, the Committee endorsed these proposals and it is now recommending them to the States for approval. These proposals are different in certain respects from those which were outlined in draft in the Implementation Plan, and they reflect developing thinking as the debate about the machinery of government has moved forward, as well as taking into account comments received.

3. Government reform

3.1 Before the Committee's recommendations are set out in detail, it is worth restating the wider context of government reform in which they need to be placed, and it is useful to recall the informal discussions that took place between States members and others early in 2001 following the publication of the "Report of the Review Panel on the Machinery of Government in Jersey" (the 'Clothier' Report). At that time the opportunity was taken to go back to first principles and to consider what was actually meant by 'good government'. States members discussed the criteria by which good government could be evaluated, and agreement was reached on a set of 29 criteria, classified under five main headings of 'Democratic Government', 'Coherent Government', 'Decisive Government', 'Effective Scrutiny', and 'Public Acceptability'. (Note: A more detailed account of this exercise may be found in Section 4 of the Committee's report and proposition 'Machinery of Government: Proposed Reforms', P.122/2001.) Several of the criteria related specifically to the States Assembly, but others can also be applied to the States as an organisation and to States departments. These latter criteria include 'Accountability', 'Clear Parameters', and 'Co-ordinated/ Joined-Up Government'.

3.2 It is self-evident that States departments should be 'accountable' to the public. Indeed, in recent years, there has been a tendency for this accountability to become more transparent through, for example, the widespread publication of annual business plans and performance indicators, and debate in the media.

3.3 The notion of 'clear parameters' needs a little more explanation, and yet it is central to the proposals for a new departmental structure. In essence it means that, to the extent practicable in a small administration such as Jersey, the services provided by the States should have clearly-defined boundaries and responsibility for them should be readily identifiable according to function. Thus, all issues directly related to 'health' should come under the umbrella of a single department, which will report to a minister with specific responsibility for this area of government. In this way accountability will be best ensured.

3.4 The need for 'co-ordinated' or 'joined-up' government is a concept that has gained increased currency in the last few years, and it is certainly relevant in the Jersey context. One of the main criticisms of the present committee system of government is that it lacks co-ordination and is not 'joined-up'. The present committee and departmental structure has been accused of encouraging a 'silo' mentality in which different departments do not always work co-operatively, even though they may have related areas of work. The Committee believes that this 'silo' mentality must be overcome, and that this can best be done partly through changes at the political level, partly through changes to the departmental structure, and partly also through the development of modern ICT systems and new modes of working. At the political level each department will be represented by a minister, who will be a member of the Council of Ministers. The Council will provide an effective forum for discussion and decision-making, with ministers around the council table representing and being responsible for, collectively and individually, all areas of

government. The Council of Ministers will ultimately be collectively responsible for the good conduct of government.

- 3.5 Once the structure of the Council of Ministers has been settled, the next step is to create a departmental structure to reflect this structure. Change at the political level obviously needs to be mirrored by changes to the departmental structure.
- 3.6 Deciding upon and defining the new departmental structure has not been easy. There are arguments both for and against particular combinations of departments, and even the most cursory study of other jurisdictions will demonstrate that there is no 'right answer'. The Committee has thought long and hard about the number of departments. In its report and proposition on 'Machinery of Government: Proposed Reforms' (P.122/2001) the Committee proposed that there should be 'not more than ten departments of government'. In the Implementation Plan it was proposed that there should be eight departments, but after further careful consideration the Committee is now recommending that there should be ten.
- 3.7 The Policy and Resources Committee readily acknowledges that there are differing views, and it has had careful regard to these when drawing up its proposals for a structure that it believes to be the most appropriate for Jersey. It must be emphasised again that the Chief Minister will need to keep the departmental structure and the scope of ministerial portfolios under regular review, not least to meet new challenges and problems. The new structure will, however, be intrinsically easier to adjust, if necessary, as circumstances require compared with the current system. There will also be a good number of details about precise 'boundaries' to be finalised during the transitional period.
- 3.8 One of the Committee's guiding principles has been the extent to which its proposals will maintain and enhance the current level of service to the public. Indeed, this could be said to be a guiding principle for all the machinery of government reforms. The introduction of an executive system of government, combined with a system of scrutiny, will result in a system that is more responsive, more decisive, and more effective in serving the public of Jersey. The system should introduce levels of economy, efficiency and effectiveness that hitherto have been unachievable, and the introduction of a simpler, more rational, departmental structure should lead to a States organisation that is better able to deliver services and respond to change.

4. The proposed departmental structure

4.1 The Committee's proposals for a ten department structure are as follows -

- Chief Minister's Department;
- Economic Development;
- Education, Sport and Culture;
- Environment;
- Health and Social Services;
- Home Affairs;
- Housing;
- Public Services;
- Social Security;
- Treasury and Resources.

The proposed division of responsibilities is set out in paragraphs 4.2 - 4.11, and a summary of these proposals is given in Appendix 2.

4.2 Chief Minister's Department

4.2.1 The Committee is maintaining, in general terms, the proposals that were set out in the Implementation Plan. The Chief Minister's Department will provide support and advice to the Chief Minister and Council of Ministers,

enabling them to fulfil their duties and responsibilities for the executive government of the Island. The wider responsibilities of the Department will include the following -

- corporate strategy and policy coordination;
- corporate E-Government and ICT strategy;
- corporate human resources policy and casework, and senior staff management;
- pensions policy, and overall relations with the PECRS Committee of Management;
- responsibility for the Law Draftsman's Office and the Law Commission;
- Jersey's statistics (including responsibility for the Census);
- international relations, as well as relations with Her Majesty's Government;
- the Emergencies Council and emergency planning;
- liaison and consultation with the Connétables and the Parishes;
- relevant procedural and ceremonial functions, in consultation as appropriate with the Bailiff.

4.2.2 With regard to pensions policy, it is acknowledged that this is a matter that will need to be the subject of regular consultation with the Treasury and Resources Department in order to ensure that the financial dimension is properly accounted for.

4.2.3 As indicated in the Implementation Plan, it is also proposed that the Overseas Aid function should rest with the Chief Minister's Department. Overseas Aid is an important issue, not least in respect of Jersey's standing internationally, and it is therefore entirely appropriate that it should be based in this Department. Having discussed this matter with the President and certain members of the Overseas Aid Committee, the Committee accepts that it is important that there should be a mechanism for ensuring that there is wider involvement in discussions about the overseas aid programme. To this end the Committee is recommending that an Advisory Board should be established under the political responsibility of the Chief Minister and the Council of Ministers.

4.2.4 In relation to law drafting, it will be necessary for the Council of Ministers to draw up a mechanism for the allocation of law drafting time for legislation that is not being sponsored by the executive, for example legislation relating to States-approved propositions that have been brought by private members.

4.3 Economic Development

4.3.1 As indicated in the Implementation Plan, it is proposed that the department for Economic Development (provisionally then called 'Trade, Industry and Employment') should assume the current responsibilities of the Department for Economic and Commercial Development. To these responsibilities will be added the following -

- Agriculture and Fisheries (save marine environmental responsibilities);
- Tourism;
- policy oversight of the Harbours and the Airport;
- policy towards the finance industry and relations with the Financial Services Commission;
- policy responsibility under the Telecommunications (Jersey) Law 2002 and the draft Postal Services Law 200-
- transport policy (save for environmental issues) and the functions of the Jersey Transport Authority;
- employment policy, legislation, and training (including responsibility for the Training and Employment

Partnership).

4.3.2 The Committee accepts that it is important that both the tourism and agriculture and fisheries sectors should be represented at the highest political level, and they will receive this representation through the Minister for Economic Development. It is likely that two assistant ministers will be appointed to provide support and advice in these important areas.

4.3.3 With regard to Jersey Harbours, it is noted that progress is being made towards more independent status and that this may eventually have an impact on its relationship with the States. It is recognised that whatever arrangements are put in place, for the foreseeable future the Harbour Master will retain responsibility for the safe and efficient movement of vessels in Jersey waters and will need to advise the minister on maritime safety and regulatory matters. Until the States may decide otherwise, it is proposed that Jersey Harbours should be part of the department for Economic Development, which will be best placed to oversee future developments in this area.

4.3.4 It is also proposed that Jersey Airport should be in the department for Economic Development, and here too it is envisaged that discussions will continue about the future role and status of the Airport. This is not an issue that needs to be resolved prior to the introduction of a ministerial system, and in the meantime it is considered that the department is the appropriate place for Jersey Airport in the new structure.

4.4 Education, Sport and Culture

4.4.1 In the Implementation Plan it was recommended that the main functions of the Education Department should remain unchanged, and should be supplemented by the present functions of the Sport, Leisure and Recreation Department. It was also recommended that the new department should have responsibility for the arts.

4.4.2 The Committee is pleased to report that these proposals have received full support from all the main interested parties, including the Education Committee, the Sport, Leisure and Recreation Committee, the Jersey Heritage Trust, and the Jersey Arts Trust.

4.4.3 The Education Committee is of the view that a ministry with these responsibilities will offer major opportunities for the development of community education and lifelong learning and would provide political leadership for culture, heritage and the Arts. The Education Committee has also commented that combining the education service with the sport, leisure and recreation services would help to 'create an integrated and balanced lifelong learning experience in the broadest sense'.

4.4.4 The Sport, Leisure and Recreation Committee has also expressed support for the proposal on the grounds that it will 'provide the level of influence and resources necessary to enable (the Committee) to meet its Strategic aims'. The Sport, Leisure and Recreation Committee has indicated that the new arrangement should facilitate wider community access, for example through the incorporation of school facilities in the new department.

4.4.5 The Committee does not believe that there is any need to change the current status of the Jersey Heritage Trust and the Jersey Arts Trust. These bodies will continue to maintain their independent status under the sponsorship of the department of Education, Sport, and Culture. The Trusts will continue to have lead responsibilities for the delivery of services in their respective areas. In relation to public records and records management policy generally, which are corporate responsibilities, the Jersey Heritage Trust will report to the Chief Minister's Department.

4.5 Environment

4.5.1 In the Implementation Plan it was proposed that there should be a department with responsibility for 'Environment, Planning and Public Services' and a description was given of the range of functions to be carried out by this department. It was emphasised in the Implementation Plan that operational functions should be run on an arm's length basis with significant managerial freedom (the 'contractor'). It was also stated that the precise arrangements for this, especially in areas such as water resources management and waste management, would need to be worked out carefully in the coming period.

4.5.2 The Policy and Resources Committee received several representations expressing concern that this might create a department with too wide a span and that it would not adequately address the position in which a department had regulatory oversight of its own operations. The Committee accepts that the Implementation Plan, although proposing separation, did not perhaps explain the details of the proposed separation sufficiently clearly. In the light of further careful consideration and having regard to representations made, the Committee is now proposing that there should be two Ministerial departments: **Environment and Public Services**. The proposed responsibilities of the Public

Services Department are described in Section 4.9.

4.5.3 The Environment Department would have responsibility for the following areas -

- environmental policy and regulation;
- environmental aspects of energy and transport policy;
- environmental services and habitat management;
- land use policy and regulation;
- all marine environmental issues;
- planning and development control;
- building control;
- historic buildings;
- water resources regulation;
- waste management regulation.

4.5.4 The creation of an Environment Department will enable the bringing together of all areas of environmental work currently spread across a number of departments. The Planning and Environment Committee's service review, published and consulted upon last year, identified the need for a single, integrated environment department within which all environmental work should be consolidated. There was widespread support in principle for such an approach. The Committee now recognises that it would be impracticable to bring the Public Services function under the same roof.

4.5.5 In pursuing a two-departmental approach it is recognised that there are many important details to be considered, including ensuring that the best and most effective use is made of the relatively small number of expert officers currently in both the Planning and Environment Department and the Public Services Department. Those responsible for taking matters forward - the new Committee, as proposed in paragraph 6.6 below, and the Heads of the Environment and Public Services Departments, working with the Chief Executive - will need to give detailed consideration to all the practicalities and operational issues with a view to their resolution in a pragmatic manner within available resources.

4.5.6 The plan is that most areas of **environmental policy and regulation** which are currently within the remit of the Public Services, Harbours and Airport, Health and Social Services and Agriculture and Fisheries Committees will eventually be passed to the new Environment Department, thereby separating operational and regulatory functions. Other regulatory matters, such as licensing, marketing and promotional activity, will be passed to Trade and Industry.

4.5.7 With regard to responsibility for States' property, it is proposed that this will transfer to the Treasury and Resources Department. The Committee regards it as essential that the 'arm's length' single States landlord approach, together with the separation of 'client' and 'contractor' roles, as advocated in the service review and accepted last year by the Committee and the Planning and Environment Committee, is adopted if the many advances made by Property Services in the management of the States property portfolio over the last ten years are to be properly developed and extended.

4.6 Health and Social Services

4.6.1 The Committee maintains the proposal in the Implementation Plan that there should be a department for Health and Social Services which would continue to exercise the current department's important main responsibilities for delivering health and social services. This is presently the largest States department, both financially and in terms of manpower, and the Committee does not therefore propose that there should be any major additions to its current range of responsibilities. The new department will have a specific responsibility to develop strategies for primary, secondary, and tertiary care.

4.6.2 The Committee notes that a management review has recently been conducted of the Environmental Health Unit, and this is due to be considered shortly by the relevant authorities. As this matter is taken forward, the Committee believes that it would be desirable to transfer the 'environmental' aspects of the Environmental Health Unit (e.g. air pollution monitoring) to the Environment Committee, in accordance with the principle that departments should have responsibilities that are readily identifiable.

4.7 Home Affairs

4.7.1 The present Home Affairs Department has responsibility for a range of services, including the States of Jersey Police, Customs and Excise, the Prison Service, Driver and Vehicle Standards, and the Immigration and Nationality Department. As indicated in the Implementation Plan, it is proposed that these functions should be retained, and that the following responsibilities should be added -

- criminal justice policy;
- Registration Services (encompassing the present responsibilities of the Etat Civil Committee, save for the Census, which will come under the Statistics Unit in the Chief Minister's Department);
- Health and Safety at Work Inspectorate (transferred from the Employment and Social Security Department).

4.7.2 The Committee believes that it is important that the States as an organisation, and as the largest employer in the Island, should adopt a corporate approach to health and safety matters. This is a matter that should be addressed by the Health and Safety Inspectorate within the new Home Affairs Department, in conjunction with health and safety officers working in other departments.

4.8 Housing

4.8.1 The Implementation Plan indicated that the functions of the Housing Committee and the Housing Department as they presently exist should be split amongst other new departments. However, the Committee has given careful consideration to submissions received from the Housing Committee and Department, together with other representations, all broadly making the case against this proposal, and has decided to recommend that there should be a Housing Department in the new departmental structure.

4.8.2 The most telling point that persuaded the Committee on this matter is that issues relating to the Island's housing situation will continue to dominate the political agenda for some time to come, and it is therefore desirable that there should be a separate ministry and department in the new structure in order for there to be a clear line of accountability on housing matters. However, it is also recognised that in a changing world there may well be a need to address this subject again, especially if alternative ways of the States delivering social housing are developed, or if there are significant changes to the Housing Regulations at some point in the future.

4.8.3 The Housing Department will continue to fulfil all the main responsibilities of the existing department, i.e. Social Housing, Estates Management; Finance; and Law and Loans. Although relatively small in size, the present Housing Department has a wide-ranging impact on Island life, whether directly through the provision of accommodation to approximately 4,500 States tenants, or indirectly through its responsibility for the administration of the Housing and the Lodging Houses Registration Laws.

4.8.4 As members will be aware, in its forthcoming report on population policy the Policy and Resources Committee will be proposing to bring together within a single organisational framework the administration of "(j)" category housing consents and consents under the Regulation of Undertakings and Development Law. It is likely that this may result in the establishment of a new and separate office to handle this business, together with the development of new strategies in this vitally important area.

4.9 Public Services

4.9.1 As explained in Section 4.4, the Committee is no longer proposing that there should be a single department with responsibility for 'Environment, Planning and Public Services.' After careful consideration, the Committee is now proposing that there should be an Environment and a Public Services Department.

4.9.2 The Public Services Department will have responsibility for the following functions -

- waste management operations (including sewage disposal, drainage etc.);
- water resources operations;
- civil engineering design services;
- municipal operations e.g. parks, gardens, open spaces;
- street cleaning;
- beach cleaning;
- maintenance of sea defences;
- footpath and land management;
- management of public transport contracts;
- main roads maintenance and management.

4.9.3 There are a number of important issues to be considered during the transitional period, including the need to ensure that the best and most effective use is made of the relatively small number of expert officers currently in both the Planning and Environment and Public Services Departments. These issues can be examined during the transitional period by the Committee - as proposed in paragraph 6.6. below- as well as other matters, such as the interface between Public Services and the parishes.

4.10 Social Security

4.10.1 The proposal in the Implementation Plan was that this new Department (provisionally then called 'Social Benefits') should comprise, essentially, the 'benefits' side of the current Employment and Social Security Department, with the 'employment' side moving to the Economic Development Department, and the Health and Safety function to Home Affairs.

4.10.2 This proposal generated a fair degree of comment. After very careful consideration and discussion with the President of the Employment and Social Security Committee and the Chief Officer of that Department, and others concerned, the Committee is recommending that the approach it outlined in the Implementation Plan should be modified as follows -

- The existing 'benefits and contributions' side of the current Department, and responsibility for the Social Security Fund and the Social Security Reserve Fund, will remain with the new department. However there should be clear liaison with the new Treasury and Resources Department, which will have responsibility for managing the tax and benefits interface and developing general fiscal and economic policy. The precise way in which this will be given effect needs to be worked out during the transitional period.
- The policy lead at a 'macro' level on employment law and practice, and on training and skills (including the Training and Employment Partnership), will move to the department for Economic Development. Other employment services developed by the existing Employment and Social Security Department will be reviewed to establish the most effective manner of delivery. The precise way in which this can be given effect needs to be worked out during the transitional period.
- The Health and Safety Inspectorate, together with the related policy responsibility, will move to Home Affairs
- The Housing Benefits function, currently with the Housing Department, will move in due course to the new Social Security Department, so that there is a single line of accountability for all benefits payments. This also offers an opportunity for systems integration.

4.10.3 The discussions around the new Social Security Department have revealed a wide degree of agreement that a worthwhile objective would be for a single ministry that was essentially focussed upon services to individuals. Apart

from employment-related services, for example, this might well include other 'people-related' activities such as at the present time fall within the Social Services field. An advantage of such an approach could well be that action on improving 'customer' services, especially through e-government means, could thereby be intensified in a holistic manner under a dedicated management. The Committee supports such a way forward but recognises that it could not be achieved in one step at this time, and it is a matter which requires further consultation. The Council of Ministers, when formed, will need to decide how it considers the proposal should best be progressed.

4.11 Treasury and Resources

4.11.1 The Committee proposes to maintain the general proposals for a Treasury and Resources Department that were described in the Implementation Plan (under the provisional title of the 'Finance and Resources' department). This means that the new department would assume the existing core responsibilities of the States Treasury, including resource allocation and fiscal policy, payroll matters, pensions administration, currency management, and management of the capital programme.

4.11.2 The new department would also have responsibility for the following -

- all taxes and receipts (although the office of Comptroller of Income Tax will remain unchanged under the Income Tax laws);
- corporate property (the client role - see para. 4.5.7)- this would include policy responsibility for all the presently fragmented arrangements across departments for property maintenance, design and procurement;
- allocation and monitoring of States manpower numbers;
- management of the tax/benefit interface, and the development of fiscal and economic policy;
- ownership responsibilities for States-owned companies.

5. **Non-Executive governmental organisations**

5.1 As indicated in the Implementation Plan, both the States Greffe and the Attorney General's Chambers will be outside the structure of the ministerial departments.

5.2 The States Greffe is responsible for the administration of the States Assembly and must therefore be independent of the executive. The States Greffe will also be providing executive and administrative support to the scrutiny committees, the Public Accounts Committee, and the Privileges and Procedures Committee. It will also oversee the provision of facilities for members of the States, and provide a recording and transcription service for States proceedings.

5.3 The Attorney General and his department will continue to be responsible for advising both the 'executive' and 'legislative' sides of the States, and he will presumably be called upon to advise the scrutiny committees. He will be entitled to attend or be represented at all meetings of the Council of Ministers.

5.4 In both the above cases it will be necessary to draw up an appropriate mechanism to establish the budgets for the States Greffe and Attorney General's Department, and to ensure that these budgets are identified and dealt with separately from those of the departments of the executive. This is a matter which can be addressed during the transitional period leading up to the introduction of a ministerial system.

5.5 The Committee proposes that the Official Analyst's Department should remain in its current independent form but responsibility for its budget requirements should be transferred from the Finance and Economics Committee to the Chief Minister's Department.

5.6 It is acknowledged that the Probation and After-Care Service should be recognised as a department of the Royal Court. As such, it is proposed that responsibility for its budgets should be transferred from Home Affairs to the Royal Court.

5.7 The Committee proposes no change to the situation with regard to the Judicial Greffe and the Viscount's Department, which will continue to report to the Court.

5.8 With regard to the issue of the funding of the courts, after discussion with the Bailiff, it is proposed that the budget

process should be initiated by conversations between the Bailiff and the Chief Minister. The Chief Minister will then put budget bids to the Council of Ministers for collective decision in the context of resource allocation as a whole.

6. Transitional arrangements

6.1 The Committee accepts that it will not be possible for the ministerial system to be in place by the date of this year's elections. As a result the new States will be required to appoint Committee Presidents and members in the usual way when they meet for the first time in December 2002.

6.2 As stated in the Implementation Plan, the Committee is proposing that steps should be taken to rationalise the present Committee structure after the elections in order to aid the transition to the ministerial system. The approach recommended by the Committee was described in some detail in Section 7.5 of the Implementation Plan, and for ease of reference this is reproduced below -

“The Committee considers that it would be sensible to take steps to rationalise the present Committee structure after the next elections to assist the move towards a new Departmental structure and to aid the transition to the ministerial system. In particular the Committee feels it would be useful if certain existing Committees could be amalgamated to ensure that a more appropriate political structure is in place to oversee the creation of the new Departments. Although the Committee structure below does not correspond exactly to the indicative Departmental structure set out in the Plan, the Policy and Resources Committee believes that a revised Committee structure will assist these new Committees to plan the various transfers of functions that will need to be in place by the start of the ministerial system of government. Although each Committee would have a wider range of responsibilities the Policy and Resources Committee believes that a wider use could be made of the power contained in the States of Jersey Law to delegate functions to ensure that Committees do not spend time considering matters which should more properly be dealt with under delegated authority.

It is possible to amalgamate and/or rename Committees by Act of the States and by amending Standing Orders without the need to amend primary legislation. The amalgamation of the Resources Recovery Board and the Public Works Committee in 1990 to create the Public Services Committee was done in this way. Article 29(1) of the States of Jersey Law 1966 is in the following terms –

‘Power to transfer functions etc.

The States may by Act provide for the transfer to any Committee of any functions theretofore exercisable by another Committee or for the amalgamation of Committees, and for determining the name by which any Committee shall be described.’ ”

6.3 The Committee is recommending that the States agree to a smaller number of Committees for the period of transition, based on a renaming and amalgamation of the present 25 Committee structure. A list of the proposed amalgamations is given in the chart below, and this has been designed in order to produce a sensible division of responsibilities that will facilitate the subsequent move to a ministerial system. It will be seen that the list is different in some respects from that given in the Implementation Plan, and this is because it takes account of the revised proposals for a new departmental structure in the ministerial system. Committees are listed in the order in which it is proposed they should be appointed by the States.

6.4 Transition of committees towards ministerial system

	<i>Possible Committee structure after December 2002</i>	<i>Present Committees amalgamated to create new Committee</i>	<i>Nearest equivalent Department in proposed ministerial system</i>
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1.	Policy and Resources Committee	Policy and Resources Committee and Human Resources Committee	Chief Minister's Department
2.	Privileges and Procedures Committee	Privileges and Procedures Committee and Special Committee to Consider the Relationship between Committees and the States	Privileges and Procedures Committee
3.	Finance and Economics Committee	(No change)	Treasury and Resources
4.	Environment and Public Services Committee	Planning and Environment and Public Services Committees	Environment
			Public Services
5.	Economic Development Committee	Industries, Agriculture and Fisheries, Tourism and Gambling Control Committees; Jersey Transport Authority	Economic Development
6.	Health and Social Services Committee	(No change)	Health and Social Services
7.	Education, Sport and Culture Committee	Education and Sport, Leisure and Recreation Committees	Education, Sport and Culture

8.	Home Affairs Committee	Home Affairs and Etat Civil Committees	Home Affairs
9.	Employment and Social Security Committee	(No change)	Social Security
10.	Housing Committee	Housing and Cottage Homes Committees	Housing
11.	Harbours and Airport Committee	(No change)	Transferred to Economic Development
12.	Legislation Committee	(No change)	(see para.6.11 below)
13.	Overseas Aid Committee	(No change)	Transferred to Chief Minister's Department

- 6.5 The Committee draws particular attention to the need to aim towards two quite separate and distinct Environment and Public Services departments. It has concluded that any transitional arrangements must create a mechanism for achieving this aim, as to maintain two committees would be likely to perpetuate the existing problems.
- 6.6 The proposal is, therefore, that one transitional committee be formed when the States are reformed at the end of 2002, and for that single committee to have accountability for the responsibilities of both the present Public Services and Planning and Environment Committees. However, that committee will also have a very clear remit to identify and separate out the functions of the two departments in a different form and in line with the principles set out in this report; so that when the move to ministerial government is made, two distinct departments can be created. This transitional committee will also have to work with other States committees, which will retain residual environmental policy and regulatory functions, to arrange the transfer of those functions to the new Environment Department when it is formed.
- 6.7 As noted in the Implementation Plan, before the next elections it is likely that Jersey Telecoms and Jersey Post will become limited liability companies and the functions of the Telecommunications Board and the Committee for Postal Administration that are to be transferred to the Economic Development Committee will therefore be the residual functions that remain with the States. However, should this not happen in time, then either or both will continue as transitional committees.
- 6.8 Although it is intended to transfer the functions of the Harbours and Airport Committee to the new department for Economic Development, it is proposed that this Committee should remain in the interim Committee structure. This is because its status as a Trading Committee means that a transfer to the Economic Development Committee cannot take place until appropriate changes have been made to the Public Finances Administration (Jersey) Law 1967, as amended.
- 6.9 Paragraph (b) of the proposition requests the Privileges and Procedures Committee to bring forward for approval the necessary Transfer of Functions Acts and amendments to the Standing Orders of the States of Jersey to give effect to the proposed Committee amalgamations. As the number of committees will be very significantly reduced in the transitional arrangements the Privileges and Procedures Committee will undoubtedly wish to consider whether the present distinction between Major Committees and other Committees should be removed (whilst retaining the concept of Trading Committees to accommodate the Harbours and Airport Committee and, if necessary, the Telecommunications Board and the Committee for Postal Administration). The Privileges and Procedures Committee may nevertheless wish to propose that some restrictions on membership should be retained to ensure that all members of the States are given the opportunity to serve on at least one Committee in the transitional period.
- 6.10 The Committee believes that the important role of the Privileges and Procedure Committee should be recognised in any transitional structure and is therefore proposing that it should figure as the second Committee in the proposed hierarchy, and its president be elected immediately after the President of the Policy and Resources Committee. The remaining order proposed above, having taken account of the amalgamations, follows the existing order of appointment set out in Standing Orders.
- 6.11 With regard to the Legislation Committee, the Committee believes that further consultation is necessary with the

Committee and others connected with its work, such as HM Attorney General and the Law Commission, before proposing how its functions should be undertaken once the ministerial system is established. The Policy and Resources Committee therefore considers that the Legislation Committee should remain in place during this transitional period.

6.12 A summary of the proposals for the transitional arrangements is given in Appendix 3.

7. Conclusion

7.1 It is important to recognise that this Report and Proposition is only another step along the way. After extensive consultation, the Committee believes that it represents the combination of departments most likely to provide the logical and understandable face of government. In addition, through the transitional arrangements, all States' members will have a hand in fine-tuning the departmental proposals in order to implement the historic decision they took in September 2001.

8. Financial and manpower implications

8.1 Along with meeting the aims of the States, as agreed on 28th September 2001, of providing a more democratic, coherent and decisive government, with effective scrutiny and a greater public acceptability, these proposals are designed in order to enable increased economy, effectiveness, and efficiency in the delivery of public services. In so doing, they will provide for significant savings to the States.

8.2 However, although the costs of these proposals in both manpower and financial terms will and must be contained within the cash limited sums available to the States over the coming years, at this early stage it is too soon to be able to fully quantify what those savings might be and where and when they will be made.

25th April 2002

**LIST OF CONTRIBUTORS WHO COMMENTED ON THE PROPOSALS FOR DEPARTMENTAL
RESTRUCTURING**

Bailiff of Jersey
Deputy Bailiff of Jersey

Education Committee
Employment and Social Security Committee
Finance and Economics Committee
Harbours and Airport Committee
Health and Social Services Committee
House Committee
Housing Committee
Human Resources Committee
Industries Committee
Overseas Aid Committee
Planning and Environment Committee
Sport, Leisure and Recreation Committee
Tourism Committee

Deputy H.H. Baudains
Connétable A.S. Crowcroft
Deputy D.R. Maltwood
Deputy J.A. Martin
Deputy K.W. Syvret, MBE
Senator T.A. Le Sueur

Computer Services
Education Department
Employment and Social Security Department - Controller
Health and Safety Inspectorate

Health and Social Services Department
Home Affairs Department
Housing Department
Jersey Airport
Jersey Harbours
Official Analyst's Department
Planning and Building Services Department
Probation and After-Care Service
Public Services Department
States of Jersey Police

Chief Officers' Association
Jersey Arts Trust
Jersey Heritage Trust

THE PROPOSED DEPARTMENTAL STRUCTURE: SUMMARY

1.1.1 The Committee's proposals for a ten department structure are as follows (in alphabetical order) -

- Chief Minister's Department;
- Economic Development;
- Education, Sport and Culture;
- Environment;
- Health and Social Services;
- Home Affairs;
- Housing;
- Public Services;
- Social Security;
- Treasury and Resources.

1.1.2 The proposed division of responsibilities is set out below.

1.2 Chief Minister's Department

1.2.1 The Chief Minister's Department will provide support and advice to the Chief Minister and Council of Ministers, enabling them to fulfil their duties and responsibilities for the executive government of the Island.

1.2.2 The wider responsibilities of the Department will consist of the following -

- corporate strategy and policy co-ordination;
- corporate E-Government and ICT strategy;
- corporate human resources policy and casework, and senior staff management;
- pensions policy, and overall relations with the PECRS Committee of Management;
- responsibility for the Law Draftsman's Office and the Law Commission;
- Jersey's Statistics (including responsibility for the Census);
- international relations, as well as relations with Her Majesty's Government;
- the Emergencies Council and emergency planning;
- liaison and consultation with the Connétables and the Parishes;
- relevant procedural and ceremonial functions, in consultation as appropriate with the Bailiff;
- Overseas Aid (with an Advisory Board to be established under the political responsibility of the Chief Minister and the Council of Ministers).

1.3 Economic Development

1.3.1 The Department for Economic Development will retain the current responsibilities of the Department for Economic and Commercial Development. To these responsibilities will be added the following -

- Agriculture and Fisheries (save marine environmental responsibilities);
- Tourism;
- policy oversight of the Harbours and Airport;
- policy towards the finance industry and relations with the Jersey Financial Services Commission;
- policy responsibility under the Telecommunications (Jersey) Law 2002 and the draft Postal Services Law 200-;
- transport policy (save for environmental issues) and the functions of the Jersey Transport Authority;
- employment policy, legislation, and training (including responsibility for the Training and Employment Partnership).

1.4 Education, Sport, and Culture

1.4.1 The department for Education, Sport, and Culture will have the following responsibilities -

- the present responsibilities of the Education Committee;
- the present responsibilities of the Sport, Leisure and Recreation Committee;
- liaison with the Jersey Arts Trust and the Jersey Heritage Trust.

1.4.2 Both the Jersey Arts Trust and Jersey Heritage Trust will maintain their independent status, under the sponsorship of the department of Education, Sport, and Culture. The Trusts will continue to have lead responsibilities for the delivery of services in their respective areas, save that on public records management policy the Jersey Heritage Trust will report direct to the Chief Executive as this is a corporate responsibility.

1.5 Environment

1.5.1 The Environment Department will have responsibility for the following areas -

- environmental policy and regulation;
- environmental aspects of energy and transport policy;
- environmental services and habitat management;
- land use policy and regulation;
- planning and development control;
- building control;
- historic buildings;
- water resources regulation;
- waste management regulation.

1.6 Health and Social Services

1.6.1 The Health and Social Services Department will continue to exercise the current department's important main responsibilities for delivering health and social services. The department will have a specific responsibility to develop strategies for primary, secondary, and tertiary care.

1.7 Home Affairs

1.7.1 The Home Affairs Department will continue to be responsible for the services that currently report to the Home Affairs Committee, including the States of Jersey Police, Customs and Excise, the Fire Service, Driver and Vehicle Standards, the Prison Service, and the Immigration and Nationality Department.

1.7.2 The Home Affairs Department will also have the following responsibilities -

- criminal justice policy;
- Registration Services (encompassing the present responsibilities of the Etat Civil Committee, save for the Census, which will come under the Statistics Unit in the Chief Minister's Department);
- Health and Safety Inspectorate (currently with the Employment and Social Security Department).

1.8 Housing

1.8.1 This department will continue to fulfil all the main responsibilities of the existing Housing Department, i.e. Social Housing, Estates Management; Finance; and Law and Loans.

1.8.2 Responsibility for the housing benefits function will be transferred in due course to the Social Security Department.

1.9 Public Services

1.9.1 The Public Services Department will have responsibility for the following functions -

- waste management operations (including sewage disposal, drainage etc.);
- water resources operations;
- civil engineering design services;
- municipal operations, e.g. parks, gardens, open spaces;
- street cleaning;
- beach cleaning;
- maintenance of sea defences;
- footpath and land management;
- management of public transport contracts;
- main roads maintenance and management.

1.10 Social Security

1.10.1 This new department will be responsible for the 'benefits and contributions' side of the current Employment and Social Security Department, together with the Social Security Fund and the Social Security Reserve Fund.

1.10.2 The department will also be responsible in due course for the housing benefits function currently within the Housing Department, i.e. in order to provide a single line of accountability for all benefits policy and payments.

1.10.3 Employment policy, legislation and training (including the Training and Employment Partnership) will pass to the new department for Economic Development. Other employment services developed by the existing Employment

and Social Security Department will be reviewed during the transitional period to establish the most effective manner of delivery.

1.11 Treasury and Resources

1.11.1 The Treasury and Resources Department will have responsibility for the following areas -

- the present responsibilities of the States Treasury, including resource allocation and fiscal policy, payroll matters, pensions administration, currency management, and management of the capital programme;
- all taxes and receipts (although the office of Comptroller of Income Tax will remain unchanged under the Income Tax laws);
- corporate property (the 'client' role), including policy responsibility for property procurement, design and maintenance;
- allocation and monitoring of States manpower numbers;
- the tax/benefit interface, and overall policy on the Social Security Funds;
- ownership responsibilities for States-owned companies.

1.12 Non-Executive Governmental Organisations

1.12.1 It is proposed that the following services should lie outside the structure of the ministerial departments -

- States Greffe;
- Attorney General's Chambers;
- Official Analyst's Laboratory;
- Probation and After-Care Service;
- Judicial Greffe;
- Viscount's Department.

1.12.2 In the case of the States Greffe and the Attorney General's Chambers, it will be necessary to draw up an appropriate mechanism to establish their budgets and ensure that they are identified and dealt with separately from those of the departments of the executive. It is proposed that this matter will be addressed during the transitional period leading up to the introduction of a ministerial system.

1.12.3 With regard to the Official Analyst's Laboratory, it is proposed that responsibility for its budget requirements should be transferred from the Finance and Economics Committee to the Chief Minister's Department.

1.12.4 It is acknowledged that the Probation and After-Care Service should be recognised as a department of the Royal Court, and it is accordingly proposed that budgetary responsibility for this service should be transferred from Home Affairs to the Royal Court.

1.12.5 The Committee proposes no change to the Judicial Greffe and Viscount's Department, which will continue to report to the Court.

1.12.6 With regard to the issue of the funding of the courts, it is proposed that the budget process should be initiated by conversations between the Bailiff and the Chief Minister. The Chief Minister will then put budget bids to the Council of Ministers for collective decision in the context of resource allocation as a whole.

TRANSITIONAL ARRANGEMENTS: SUMMARY

- 1.1 The Committee is proposing that steps should be taken to rationalise the present Committee structure after the elections in order to aid the transition to the ministerial system. It is recommended that there should be a smaller number of Committees for the period of transition, based on a renaming and amalgamation of the present 25 Committee structure.
- 1.2 A list of the proposed amalgamations is given in the chart below, and this has been designed to produce a sensible division of responsibilities that will facilitate the subsequent move to a ministerial system. It is proposed that committees should be appointed in the order shown in the chart.
- 1.3 **Transition of Committees towards Ministerial System**

<i>Proposed Committee structure after December 2002</i>	<i>Present Committees amalgamated to create new Committee</i>	<i>Nearest equivalent Department in proposed ministerial system</i>
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1.	Policy and Resources Committee	Policy and Resources and Human Resources Committees	Chief Minister's Department
2.	Privileges and Procedures Committee	Privileges and Procedures Committee and Special Committee to Consider the Relationship between Committees and the States	Privileges and Procedures Committee
3.	Finance and Economics	(No change)	Treasury and Resources

4.	Environment and Public Services	Planning and Environment and Public Services Committees	Environment
			Public Services
5.	Economic Development	Industries, Agriculture and Fisheries, Tourism and Gambling Control Committees; Jersey Transport Authority, (Telecommunications Board, Committee for Postal Administration)	Economic Development
6.	Health and Social Services Committee	(No change)	Health and Social Services
7.	Education, Sport and Culture Committee	Education and Sport, Leisure and Recreation Committees	Education, Sport and Culture
8.	Home Affairs Committee	Home Affairs and Etat Civil Committees	Home Affairs
9.	Employment and Social Security Committee	(No change)	Social Security
10.	Housing Committee	(No change)	Housing
11.	Harbours and Airport Committee	(No change)	Transferred to Economic Development

12.	Legislation Committee	(No change)	(Functions to be assigned - see para. 6.11 of the report)
13.	Overseas Aid Committee	(No change)	Transferred to Chief Minister's Department

The Committee believes that the important role of the Privileges and Procedure Committee should be recognised in any transitional structure and is therefore proposing that it should figure as the second Committee in the proposed hierarchy, and its President would thus be elected immediately after the President of the Policy and Resources Committee. The remaining order proposed above, having taken account of the amalgamations, follows the existing order of appointment set out in Standing Orders.