

21.05.11

4 Deputy G.P. Southern of the Chief Minister regarding Covid business support schemes which the Royal Yacht Hotel claimed (OQ.106/2021)

Will the Chief Minister state to what extent, if any, the Deputy Chief Minister was involved in the COVID business support schemes through which the Royal Yacht Hotel has claimed Government support over recent months? Will the Chief Minister advise whether the scope or any such involvement by the Deputy Chief Minister was identified as a potential conflict of interest?

[10:45]

Deputy J.A.N. Le Fondré (The Chief Minister):

Yes, the Deputy Chief Minister attended meetings with the competent authorities Ministers which considered the endorsed proposals relating to our pandemic response, participating in discussions around how we support local businesses and their employees. In doing so the Deputy Chief Minister has always been at pains to make a declaration of his interests, which was understood and noted and is consistent with his public declaration of interest, which is on the States Assembly website. It is worth noting, if I can use the payroll support scheme as an example, that scheme has supported 17,000 employees and 3,500 businesses. Obviously it is the role of the Minister for Economic Development, Tourism, Sport and Culture to support local businesses.

2.4.1 Deputy G.P. Southern:

Is the Chief Minister saying that there is no question of a conflict of interest when the Assistant Minister concerned describes himself as a consultant, a recipient of benefits which he has helped to create?

Deputy J.A.N. Le Fondré:

Firstly, I should have added that if one looks at, for example, the payroll scheme that was used, from recollection that was approved by the Minister for Treasury and Resources. As we have said, we have tried to apply the same criteria that we used for States Members, i.e. if there is a direct pecuniary interest obviously Ministers have to withdraw but if it is just one shared by a wider interest declarations of interest are expressed.

2.4.2 Deputy R.J. Ward:

I would just like to ask the Chief Minister with regards his answer about the declaration of interest. Does the Chief Minister not accept that a declaration of interest is not the same as a conflict of interest? One may declare an interest in an activity or a situation but it is the action itself that has to be acted on. Does he see any problem with the position of his Assistant Chief Minister in setting up the scheme and then perhaps something he has declared an interest in benefiting from it indirectly?

Deputy J.A.N. Le Fondré:

I think the crucial thing and given the comments, effectively what is being asserted by the Deputy is when we need to demonstrate a clear, direct and pecuniary interest for that conflicts of interest exist in the way that the Deputy is declaring. What I have been attempting to illustrate is that, firstly, where there have not been any perceived direct interests, the Senator has not participated in the approval of the scheme. Where those interests have been shared by a much wider audience, then there has been participation but it has been declared and that has been accepted by all Ministers present. But in general, and I use the payroll scheme as an example, it has not been the Minister that has been approving the scheme and it has been considered by all of the competent

authority. What I would say, sorry, is that in many of these things we have had to move swiftly. As I said, using the payroll scheme as an example, I think at one point there is about one in 4 employees on the Island and, therefore, there will have been many businesses that will have enjoyed support but that was a need and that is historically compatible with the Ministry for Unemployment.

2.4.3 Deputy R.J. Ward:

I thank the Chief Minister for his answer. Can I ask, given the wide-ranging coverage of this scheme, was what one might call a risk assessment produced of possible direct conflicts of interest of those in both Government and perhaps officers even and wider audience who may have benefited from the scheme? Was that undertaken because it strikes me as that is a very sensible thing to do for transparency in the long term?

Deputy J.A.N. Le Fondré:

I am certainly not aware of any direct pecuniary or personal conflicts of interest or benefits that have arisen from the scheme. What I will say, the far greater risk was in terms of speed of getting the support out to support significant numbers of employees and businesses in the time of crisis.

Deputy R.J. Ward:

Sir, with respect, I did ask about the risk assessment that was undertaken and I wonder if the Minister could just confirm whether it was.

The Bailiff:

Are you able to indicate whether there was a risk assessment, Chief Minister?

Deputy J.A.N. Le Fondré:

I do not know if there was a direct risk assessment. There were declarations of interest if they were appropriate.

2.4.4 Deputy K.F. Morel:

The Chief Minister will be aware that it is often the case that various debates in the Assembly are preceded by questions about conflicts of interest; this happens on a fairly regular matter. But given there are only 49 Members of the Assembly and we have all worked or some people continue to work in different areas, does the Chief Minister agree that there will always be situations where there are people with various interests and yet they are still developing policy? The most important thing is to ensure that the declarations are there and does he agree that perhaps the Assembly needs to come to a better understanding of what conflicts of interest means?

Deputy J.A.N. Le Fondré:

I think that is a reasonable comment, that it is helpful for Members to understand what that conflict is. I was, on reflection, thinking through the answer I gave to the previous questioners as well and, on reflection, particularly in the interest of transparency, perhaps it might be something that I discuss with P.P.C. (Privileges and Procedures Committee) and I would have thought it would be a matter that would be F.O.I. (Freedom of Information) anyway. Perhaps it might be appropriate to ensure there is a declaration of all payments made to all States Members and related parties, perhaps in this Assembly and the previous one by comparison. That would be full transparency and would be full accountability to the public, obviously that would be excluding, I assume, normal salaries, which are already in the public domain.

2.4.5 Deputy K.F. Morel:

Does the Chief Minister believe that the States Assembly would become unworkable if every time there was any matter of the slightest conflict of interest being raised, such as would be often the debate about housing is often dominated by issues around conflicts of landlords and, for instance, pay debates could be affected by issues around funding from unions? Does he believe that the States would become unworkable if every time there was the slightest conflict we all had to stand down and not take part in these debates?

Deputy J.A.N. Le Fondré:

I think you start at the very high end of that argument, if that makes sense. I think the Deputy has quite an important point there because conflicts of interest can be very, very wide-ranging. The fundamental principle is that one has got to make sure that if there is an interest, that it is properly declared and it is for the individual Member to assess whether they think that impinges upon their judgment in terms of how they arrive at decisions, I think that is what the public would expect in a small community. As the Deputy rightly alludes to, relationships with unions, with trade bodies, with businesses and other organisations and charities will at different times, potentially, give rise to a perceived conflict. It then comes down to is it a pecuniary conflict or is it a wider conflict that is shared by a wide range of people?

2.4.6 Senator S.Y. Mézec:

A very specific question here. Could he just confirm what role, if any, the Deputy Chief Minister had in setting the criteria for the scheme?

Deputy J.A.N. Le Fondré:

To be frank, I do not have those full details to hand. I want to say that all the schemes that we have obviously approved have been put together by officers and they will then liaise with the relevant Ministers before they come up formally through that process and it will depend on the circumstances. I do know that in particular, for example, the visitor accommodation support scheme and certainly, from recollection, the Minister obviously did declare a perceived conflict and, from memory, withdrew from the decision-making process in that. I would have to go back and just confirm on that basis but that is my recollection.

2.4.7 Senator S.Y. Mézec:

Will the Chief Minister undertake to confirm what he has just said and to inform Members as soon as possible?

Deputy J.A.N. Le Fondré:

I will certainly go away and check that my recollection is correct and obviously if there is any variation on that I will email Members accordingly.

2.4.8 Deputy G.P. Southern:

Would the Chief Minister inform Members whether he is aware of any action as a consultant to this company taken by the Assistant Minister, which resulted in something like £1.6 million of support being available to this company and at the same time it was making £2 million profit? Surely that is a pecuniary interest if you are a consultant advising this particular board or this particular management.

Deputy J.A.N. Le Fondré:

We are getting into the realms of what I would say is very personal data. I am unclear as to the accuracy or not of the data that has been provided by the Deputy and I have not looked into that side of things. What I have said, I do not think I can add any more, is that appropriate declarations of interests have been made and particularly with Senator Farnham, he has been absolutely clear on many, many, many times, including in the Assembly, about declaring his interests. The fact that he acts in a limited ... I believe he has used the expression that he acts as a consultant. I think from my understanding it seemed to be in a very limited capacity and that has always been very open. I think from his perspective it is regarded as very much a matter of transparency and possibly going further than he normally would need to do. But in terms of the decision-making process, where there have been decisions that have been across the board and that is why, for example, I have sighted the payroll scheme, which, ultimately, assisted 3,500 businesses and was primarily aimed at 17,000 employees and was approved by the Minister for Treasury and Resources. There has been a significant amount of support put out from very many, many businesses and other organisations within Jersey during the pandemic and I think we should be standing by that as a successful track record of the record support that has been given and approved by this Assembly.