

4.3 Deputy S.Y. Mézec of St. Helier of the Minister for Treasury and Resources regarding the J.T./Gigabit dispute:

I am delighted the Minister has made it here safely and in one piece. What action, if any, has the Minister, as the shareholder representative of J.T. (Jersey Telecom), taken to bring about a solution to the Gigabit dispute and what further measures does he have under consideration to deliver progress?

Senator A.J.H. Maclean (The Minister for Treasury and Resources):

May I take this opportunity to apologise for my late arrival? I gave an offering to my wife this morning to help with taking the children to school and it was to my detriment that the traffic was particularly bad in the country lanes in the north of the Island. With regard to the question and my actions that I have taken, it is a matter of holding the board of J.T. to account and I maintain that the approach as Minister for Treasury and Resources acting as shareholder representative on behalf of the States, and I will continue to do that. I also took the opportunity to attend the meeting arranged by Deputy Mézec with some of the individuals that are in dispute with Gigabit Field Force and gained a better understanding of their perspective and issues. I then reiterated to J.T. the importance of it living up to both the wording and the spirit of the obligation set out in the memorandum of understanding. I have been assured by J.T. that this will be the case. I have also written to the President of Global Regions for CH2M Hill, who is based in the United States, to express my concerns over this particular issue. As a result he has replied that he will be visiting Jersey and we will be holding a meeting within the next month or so, and I will update Members in due course of the result of that.

4.3.1 Deputy S.Y. Mézec:

It was just on this weekend that I happened to run into some more workers at J.T. to find out that since these meetings and since these letters have been sent more and more of them are being suspended pretty much every week. This situation is getting much worse before it gets better. What powers does he have to intervene and step in and say something has got to be done, even if it is simply an interim solution to make sure these people are getting paid and can put food on the table, because for them what is happening is serious stuff, and they need action right away, and not to wait for some letter to come from some company somewhere else in the world that does not see these people on a daily basis and can see the hardship that is being caused to them.

Senator A.J.H. Maclean:

The point that Deputy Mézec is raising is not according with what I have been told this very day. I asked for an update this morning on my way in; I had plenty of time while I was waiting in the traffic. I was assured that indeed there are no further cases of suspensions above and beyond that that had already been specified. There are 2 cases, one that is going through J.A.C.S. (Jersey Advisory Conciliation Service) at the moment, and there is another one that is going through an internal review process. Outside of that, the position has not changed since I last updated Members in the States. I can also say that in terms of connections, the Field Force is continuing to work and indeed last week I am assured that some 70 connections were made and the success rate importantly of those connections was at the highest level it has been since the programme started. So there is progress. I do not dispute the fact that there are some issues here, and that is the reason that the Global Regions Director, the President of CH2M Hill, is going to visit Jersey and we are going to have a meeting to discuss how better this situation can be handled as we move forward.

4.3.2 Deputy G.P. Southern:

On a more immediate basis, is the Minister aware that there are serious communication problems between G.F.F. (Gigabit Field Force), CH2M and the company HR Now, which has undertaken to

examine this situation and in particular the suspensions, in that they are complaining that they cannot get information out of G.F.F. or CH2M? Will he do his utmost to unblock the communications channel between G.F.F. and its own ancillary, which is studying and examining what to do?

Senator A.J.H. Maclean:

To the extent that problems do exist, and I do understand there have been some, as I have said I have met, as a result of the meeting that Deputy Mézec held, a number of the workers, so I do understand their perspective on this particular issue. Of course there are 2 sides to every story. I have undertaken to write, as I have said, to the President of Global Regions with CH2M Hill. This is a global company that I have stated on many occasions hold their reputation very important to them as a £6 billion turnover business globally operating for governments in particular. That reputation is critically important for their business. As such, they are taking the matter seriously. I have applied pressure and will continue to ensure that pressure is applied to get an appropriate response and ensure that all workers are treated in the way that they should be treated: fairly.

4.3.3 Deputy G.P. Southern:

Supplementary. Will the Minister address my question? Will he act to unblock the channels of communication so that HR Now, which is supposed to be in charge of resolving this issue, gets the information it needs from G.F.F. and CH2M? Yes or no?

Senator A.J.H. Maclean:

One of the ways of unblocking that particular channel that the Deputy is referring to, to the extent that it is blocked, is a matter for J.T. and, as I have said, I have already approached CH2M Hill. I would hope that those 2 elements of pressure will ensure that there is an unblocking of the issues that the Deputy is referring to. I can do very little else apart from apply the necessary pressure to the executive at J.T. so that they can ensure that they bring to bear necessary influence on G.F.F. who are supplying the service workers to CH2M Hill. That will continue to happen. Every party in this issue is doing their best to try and resolve a difficult situation.

4.3.4 Deputy A.D. Lewis:

Some would say that some of these issues have occurred as a result of the company CH2M way underquoting on this job. Would the Minister clarify as to whether he feels the procurement process in appointing this company was adequate and done in a way that ... could it have been done in a different way to have prevented this?

Senator A.J.H. Maclean:

The Deputy is talking about a commercial arrangement, effectively a tendering process that was undertaken. CH2M Hill he is suggesting may have underquoted. They are a global company. They are not doing this type of business for the first time. They took a commercial decision when they tendered. If they have indeed under-tendered then that is entirely a matter for them. If they are losing money on the project, which has been suggested, that again is a matter for them. A contract is in place, J.T. have been particularly astute in terms of getting a very good contract to do what was required, which is ensure that this Island has fibre. We are, as I have said previously, one of the leaders now in terms of connectivity of fibre. In terms of developing our digital economy this is critically important. I think it is 35 per cent of the Island is now wired-up with fibre. Indeed the programme to wire-up St. Helier has started; more than 30 businesses that were high case priorities identified by Digital Jersey have already been wired-up this year with fibre. So the project is progressing. It is something we should be proud of. There have been issues. They need to be resolved and pressure is being applied in order to do that.

4.3.5 Deputy A.D. Lewis:

Is the Minister saying he was happy with the procurement process?

Senator A.J.H. Maclean:

It was not a States of Jersey procurement process. It was a matter that was undertaken by J.T. and I would be surprised if it was not carried out in the way that meets all the necessary standards. There is certainly a very strong and robust contract in place. J.T. and the Island have been protected. Let us be absolutely clear: if CH2M Hill have under-tendered, if it is costing them money, as has been suggested, it is not the States of Jersey and it is not J.T. that are taking the hit on this, it is CH2M Hill. They have obligations to complete the contract and I am confident from what I have been told that they will do so.

4.3.6 Deputy G.P. Southern:

Looking to the longer term, does the Minister for Treasury and Resources consider that the memorandum of understanding, which includes the statement that J.T. will be a good employer, has failed and that in future we need to devise some mechanism by which we can hold companies in which we are the majority shareholder more strictly to account in order that they do accept good standards of practice and lead the way with us as shareholder in employment practice?

[10:15]

Senator A.J.H. Maclean:

There are 2 questions here effectively. Is the M.O.U. (Memorandum of Understanding) satisfactory? I am not convinced that it is but not specifically around the areas that the Deputy is referring to. The M.O.U. is being reviewed, as indeed all arrangements that are held between Treasury as the shareholder responsible, having the shareholder responsibility for assets held by the States, and all of those, including memorandums of understanding are in the process of being reviewed at the moment, and that is something that should happen. This particular M.O.U. has not been reviewed since it was established in 2006, I think it was, and it is quite appropriate that that review should be undertaken. With regard to appropriate protection for staff, we have to remember first of all these are not strictly speaking ... the workers are not strictly speaking members of staff of J.T. and I accept that the G.F.F. is a recruitment company that sits below them and therefore there is - and I used this term previously - a moral obligation at the very least, if not a legal one. I think the Deputy appreciates the difference. We as a State, of course, expect all companies to act in a responsible way. J.T. is no different from that and that is contained within the M.O.U. This particular situation is somewhat more complicated due to the structures that are in place at the moment and I do not believe that an M.O.U. in isolation would have necessarily negated the problems that we have seen. What we have got to do is resolve them.

4.3.7 Deputy G.P. Southern:

Supplementary, if I may. Does the Minister accept that we may need to strengthen our employment laws?

Senator A.J.H. Maclean:

I think there has been a tremendous amount of strengthening, if we can put it that way, in terms of employment laws. We have to look ... I know there are some concerns that the Deputy and some of his colleagues have, for example, around zero-hour contracts, and there are some issues with zero-hour contracts. It has been mentioned in this Assembly before. There are perfectly sound reasons for those contracts to be in place. They are of great assistance for certain businesses and indeed to ensure that job opportunities are created for people that perhaps would not otherwise have got work. However, there is misuse of zero-hour contracts and that does need to be addressed. More broadly, I know my colleague, the Minister for Social Security, is always looking at employment laws to see if they are appropriate and proportionate with regard to other jurisdictions. I believe the balance at the moment is probably quite appropriate.

The Bailiff:

Deputy you asked that by asking the Minister in an area outside that he is required to answer.

4.3.8 Deputy S.Y. Mézec:

In an earlier answer the Minister said that connections were still being made and were being made at a rate that is quite good. Does he attribute that to what the worker I spoke to on Saturday attributes it to and to what the union have attributed it to, which is the fact that workers are being brought into Jersey from outside of Jersey to do this, so much so have the relations between the local workers deteriorated. Does he consider it acceptable that a Jersey-owned company is having to bring in workers from outside and ending up treating them better than their own employees that are locally resident?

Senator A.J.H. Maclean:

I would suggest that is hearsay. I have no evidence to that effect. I will certainly establish whether indeed J.T., which I do not expect for one moment is acting outside of its licence arrangements as far as staff is concerned. The majority of staff members will be, I am sure, not surprised to know, are local staff with J.T.; the vast majority. There is a question and a debate in the future in terms of accelerating the completion of this particular project. If suitable staff that are properly trained to deliver on the fibre project cannot be acquired locally, whether indeed one does look at some external staff. I am not at this stage aware that anybody who is not locally qualified is working on the project, outside of the existing licence arrangements that J.T. have in place as we stand. I am afraid, if the Deputy would like to give me more details I am happy to have a look into it.