

2024.03.19.

**5.7 Deputy H.L. Jeune of the Chief Minister regarding the publishing of gender pay gap and income ratio by Arm's Length Organisations and States-owned bodies (OQ.43/2024)**

Further to the adoption of P.31/2023, will the Minister provide an update on implementation of the requirement for Arm's Length Organisations and States-owned bodies to publish their gender pay gap and income ratio?

**Deputy L.J. Farnham (The Chief Minister):**

Officers have been working recently with arm's length organisations to improve the standard of their annual reporting. This work includes a publication of gender pay gap and income ratio information. While the proposition referred to in the question only asked the Government to encourage A.L.O.s (arm's length organisations) to work towards reporting, we are minded to require it if progress is not being made, and are just working through it to make it as straightforward as possible for the arm's length organisations to implement. So far as the States-owned entities are concerned, they either already report in their annual reports on gender pay gap and income ratios, or will be doing so in their 2023 annual report. But we will be watching that very closely as well to make sure they do.

**5.7.1 Deputy H.L. Jeune:**

Could the Chief Minister advise how he will ensure that A.L.O.s and S.O.B.s (States-owned bodies) will publish these reports as soon as possible, in as much detail as possible, specifically for the 2024 reports, as he has indicated there is already the 2023 report? Can he indicate, if he will not personally push for this to happen, which Minister he will assign to take the lead on ensuring this will happen?

**Deputy L.J. Farnham:**

Initial discussions with the officials in the Economy and Treasury Departments last week identified, if I am honest, that we cannot be confident that all of the A.L.O.s will deliver on this request in the publications of their 2023 annual report despite encouragement. If that is not the case, then we can require it by making this a condition of the partnership arrangements we have with the A.L.O., when their funding is agreed every year.

**5.7.2 Deputy J. Renouf:**

If the reporting reveals significant gender pay gaps, what actions, if any, would the Chief Minister be prepared to take to try and ensure that those pay gaps were closed?

**Deputy L.J. Farnham:**

With States-owned entities and arm's length organisations there is an element of independence in the way they run their organisation. But I would hope they would comply with government policy, and we would certainly seek to determine that they do that. So we can do that effectively with arm's length organisations because, as I say, the Government funds them with taxpayers' money and there are conditions based around that funding. That could be relatively straightforward. As I understand it, the majority of our States-owned entities are slightly more difficult to demand things insofar as they are either incorporated separately and have their own board. But indications tell us that they are dealing with that quite well currently. But we continue to watch the situation. I just wanted to reassure Members that this Government will do whatever we can to ensure the gap is closed in all of the A.L.O.s and the States-owned entities.

**5.7.3 Deputy J. Renouf:**

Can I just clarify that the Chief Minister was saying that all States-owned entities, including ones not wholly owned by the States, would be covered by his potential instruction to publish this data in the future if they do not do it voluntarily?

**Deputy L.J. Farnham:**

There is a clear difference between arm's length organisations, as we refer to them, are organisations such as Visit Jersey, Digital Jersey, Jersey Business, Jersey Finance. States-owned entities are companies incorporated and wholly or largely owned by the taxpayer. That is the difference. We have more influence over the A.L.O.s than we do on incorporated bodies or public companies.

**5.7.4 Deputy L.M.C. Doublet:**

Does the Minister think it is reasonable to provide some reporting templates and other types of support to these companies to enable them to publish their data?

**Deputy L.J. Farnham:**

We had actually discussed that last week in the meeting. The Government itself has templates available and we have asked that they can be shared, if that is helpful. As I alluded to in the original answer, we are just working through how to make it as straightforward as possible for the arm's length organisations to comply. We work as closely as we can with them to share the information that the Government uses in order for that to assist.

**5.7.5 Deputy L.M.C. Doublet:**

I thank the Chief Minister for that encouraging answer. Would he consider and does he think it might help these companies to set a date whereby they would all publish from the same date, so that no one company is exposed at one time in terms of publishing their information?

**Deputy L.J. Farnham:**

I have already said we are not confident that all of the A.L.O.s will have addressed this in the 2023 annual reports, which are due out this year. If they do not, we will have further conversations with them, with a view to getting a full commitment from them. The backstop would be for the Government to make it a requirement of their funding arrangements. The earliest we could do that would be for the annual reports 2025. Yes, I would be prepared to put a firm date on that if we do not get the co-operation required. But at the moment, I would just rather say that I am confident that we will have the majority of States-owned entities and arm's length organisations reporting that information in detail for the 2025 annual reports.

**5.7.6 Deputy L.K.F. Stephenson of St. Mary, St. Ouen and St. Peter:**

Given the Chief Minister's comments about the information that is provided and how it may be provided by A.L.O.s and States-owned entities, would he support those organisations being brought under the F.o.I. (freedom of information) legislation?

**Deputy L.J. Farnham:**

Not with States-owned entities and companies because there is too much commercially sensitive information. I know that could be excluded. I have not really given it much thought in relation to the arm's length organisation. Possibly it needs more consideration. I am not totally against it but it is something, to be honest, that has not even reached the agenda as yet.

**5.7.7 Deputy L.K.F. Stephenson:**

Could I ask that the Chief Minister give it some thought and perhaps comes back to this?

**Deputy L.J. Farnham:**

Absolutely.

**5.7.8 Deputy H.L. Jeune:**

Will the Chief Minister not agree with me that the Government's arm's length organisations and States-owned bodies should be beacons of best practice when it comes to implementing important societal practice and good governance, especially when it comes to clamping down on gender inequality and, I would like to stress, excessive income ratios that these reports will hopefully highlight?

**Deputy L.J. Farnham:**

Yes, I do feel that government organisations should be beacons of best practice, just as I feel this Assembly should be beacons of best practice. That is why I have tried to make it clear that we are addressing this, and we will do everything we can to comply with the direction of P.31, I think it was, lodged in June 2023 by Deputy Andrews.