



# STATES OF JERSEY

WEDNESDAY, 11th FEBRUARY 2009

## Corporate Services (WEB) Sub-Panel

### Review of *Waterfront Enterprise Board: Revised Memorandum and Articles of Association (P.12/2009)*

**Panel:**

Connétable D.J. Murphy of Grouville (Chairman)  
Senator S.C. Ferguson  
Deputy C.H. Egré of St. Peter

**Witnesses:**

Senator T.A. Le Sueur (Chief Minister)  
Mr. W.D. Ogley (Chief Executive Officer)

**Present:**

Deputy T.A. Vallois of St. Saviour  
Ms. J. Marshall (Strategic Planning Manager)  
Mr. W. Millow (Scrutiny Officer)  
Mr. M. Robbins (Scrutiny Officer)  
Mr. S. Le Quesne (Scrutiny Officer)

**The Connétable of Grouville:**

Now you are aware of the rules regarding the Scrutiny situation?

**Senator T.A. Le Sueur:**

Yes.

**The Connétable of Grouville:**

Fine. Well, we thought what we would do to start with is we will run through and try and wind up our W.E.B. (Waterfront Enterprise Board) inquiry with you and then move on to Sarah running the

main hearings. We are going back to square one on W.E.B. and find out exactly why ... can you outline to us why you want to remove the States directors on W.E.B.'s board?

**Senator T.A. Le Sueur:**

It is not just from W.E.B.'s board. I think if you go back to something like 2000, I suppose, there was a proposition taken to the States to remove States directors from all States-owned companies. At the time we had States directors on the J.E.C. (Jersey Electricity Company) and Jersey Water and so on. But it was realised in the current climate what was expected of directors; it was no longer appropriate to have people appointed as directors simply because they were States Members or representing the shareholder. What you wanted were people looking after the best interest of the company and with expertise in that particular field. Since then, as you know, we have ceased to have States directors on those companies. If you like, the Waterfront Enterprise Board for one reason or another was the odd man out at the time ... well it was not there at the time, but when it was set up it was set up to include States directors. Perhaps it was at that stage there was uncertainty about what W.E.B. was going to be doing and how it carried on. The Water Works company is pretty clear, it is there to supply water. What was W.E.B. supposed to be doing? I think maybe in some Members minds there was uncertainty. I think now there is greater clarity about what W.E.B. should be doing and certainly in my view the same principles should apply to W.E.B. as applies to the other States-owned companies, that we want the best directors for the job. If they happen to be States Members that is fine, but we should not appoint them simply because they are States Members. That was the view the States came to some years ago and I maintained, but when the Comptroller and Auditor General last year did a review which was published, and you have no doubt read, he did a review of corporate governance and accountability generally, and within his recommendations there he also came to that conclusion. I am not going to go through his report. If you want me to read it out to you I can, but I think that is probably wasting our time. That is the background to why we brought this proposition as a first stage that we needed to get the structure of W.E.B. on the right footing. I think the first stage in my view is very much the first stage, what we also have to do is to make

sure that the whole operation of W.E.B. is done in a maybe more relevant way. We did ... I think there was a sub-panel of your former Corporate Affairs Panel last year, had a look at what was first produced, which is the Jersey Enterprise Board or J.E.B., whatever it was, and we came to the conclusion that in the vernacular "could do better". Well, our aim is to do better. That will take a bit of time. I believe that particularly as the term of office of the present States directors expires in March, and I hope to do, if you like "Son of J.E.B." or whatever it is going to be called, later on this year now is the appropriate time to restructure the Board of Directors of W.E.B. particularly as the non-States Members retired and there are some out as well.

**The Connétable of Grouville:**

That obviously leaves a gaping hole as the Comptroller and Auditor General pointed out in regard to oversight of accountability of W.E.B. In other words it would be going straight up to the Minister with no accountability in sight and he has recommended, I think, in his report that there is a committee of States Members appointed to do what would, in effect, be a Scrutiny position on there. While I am saying that, can I say that the point has been made quite strongly by the C.&A.G. (Comptroller and Auditor General) and also I think would almost be acceptable to Senator Shenton, without putting words in his mouth, perish the thought. Also whether in fact you would agree that Scrutiny should be allowed to look at the other States-owned enterprises or States-owned shareholdings in enterprises.

**Senator T.A. Le Sueur:**

To take the latter point first, the Scrutiny are at total liberty to look at the policies and activities of States-owned entities. Should they choose to do so I will happily co-operate to the extent that they are my responsibility. They are largely the responsibility of the Treasury and Resources Minister, which is a role I had in a previous life, as they say. But I think in terms of accountability, I am quite clear that with a director nominated by the Treasury and Resources Minister accountable to him, there is a clear line of accountability in the political way. Now, if from a

Scrutiny level, the Scrutiny Panel decides they want to review it from a different angle I have got no concerns with that whatsoever.

**The Connétable of Grouville:**

Sorry, can I just go back on that. You said: "With a director appointed by the Treasury and Resources Minister."

**Senator T.A. Le Sueur:**

Nominated by the Treasury and Resources Minister, yes.

**The Connétable of Grouville:**

So you are going to have a director then nominated by the Treasury and Resources Minister?

**Senator T.A. Le Sueur:**

Yes.

**The Connétable of Grouville:**

Who will be a full director of W.E.B.?

**Senator T.A. Le Sueur:**

Yes.

**The Connétable of Grouville:**

Reporting back completely, but at the same time the actual ... we are looking at W.E.B. as an ongoing very busy, very cash rich or cash hungry, if you want another expression ...

**Senator T.A. Le Sueur:**

With significant assets.

**The Connétable of Grouville:**

With very significant assets owned by the people of Jersey, and we are asking whether in fact you are willing to appoint a committee to have a running oversight on it. I do not mean just a Scrutiny diving in once every 2 years or something like that to have a good look at it. I am talking about an ongoing States appointed committee to keep an eye on W.E.B., that is their only job.

**Senator T.A. Le Sueur:**

I am not sure if I see much merit in trying to second guess a professional board of directors. Certainly to review their activities in the same way as you might want to review the performance of the directors of Jersey Post or Jersey Electricity, that is something which we can well do with shareholders and States Members. We can take a view as to where it needs reviewing. But I think to try to second guess, if you like, a more competent board of directors, undermines their authority and risks the situation, I think, of deterring quality directors from seeking to serve on that board. It might well be counterproductive.

**Senator S.C. Ferguson (Chairman):**

I think possibly we are slightly at cross purposes ...

**Senator T.A. Le Sueur:**

Maybe.

**Senator S.C. Ferguson:**

Because one of the areas highlighted in the C.&A.G.'s report, appendix 2 I think it is, is the fact that the main accountabilities to the States will come from the ministerial decisions. If it is just a ministerial decision, plonk, it will be made and done before anybody can have a look at it. Whether you have this oversight committee, which I think is also mentioned in his report, whether you have this committee which can, like rule 168 on property sales, whether it just has 15 days to

have a look at a ministerial decision, particularly ... because these are all significant decisions and I think this ... how would you think about working like that?

**Senator T.A. Le Sueur:**

I would be fairly relaxed about that, yes.

**Senator S.C. Ferguson:**

It seems from the appendix there are an awful lot of areas where there are examples of decisions that might be made and, you know, if the M.D.s (Managing Directors) are shot out like bullets from a gun that the States are going to get very upset.

**Senator T.A. Le Sueur:**

I would draw your attention to that part of the report from the Ministers where the key element ... that the role of the Treasury and Resources Minister, one of his roles, is to agree the key elements of the W.E.B. business plan and ensure that they are reflected within the Treasury and Resources Business Plan. So, in other words, W.E.B. should not be going and doing their own thing, it should be reflected within the Treasury and Resources Business Plan, which again should be kept under review, both by the Treasury Minister and by the Scrutiny Panel relevant, which is again yourselves.

**Senator S.C. Ferguson:**

Yes, but on the other hand, as I say, because it is a matter of rather great import to most of the States we wondered, in fact, whether it ought to be a States appointed oversight committee?

**Mr. W.D. Ogley (Chief Executive Officer):**

I think there is probably a misunderstanding between us and yourselves.

**Senator T.A. Le Sueur:**

It may be.

**Mr. W.D. Ogley:**

Because when we have read and we have thought our understanding, or certainly I thought the C.&A.G., was that this recommendation 3: "The States proper oversight of the activities should be achieved by requiring an existing committee or creating a new committee is tasked to oversee the actions of the States companies such as W.E.B." They were not talking something specifically just focused on W.E.B. but on States-owned companies.

**Senator S.C. Ferguson:**

It would probably start with W.E.B. I suppose.

**Mr. W.D. Ogley:**

Our reading of that and understanding was this was a governance mechanism, so the States could exercise its proper governance function, and it would do that. We thought this was a Scrutiny Committee, and that you would set that up.

**Senator S.C. Ferguson:**

Yes, I think it is ... we are fairly open at the moment about how you put that committee together. If we clasp it to ourselves, sort of thing, then there might be political opposition. But not to be the investment advisory panel, which is something else entirely, to deal with the quoted companies and so on, the utilities.

**The Connétable of Grouville:**

We have got to be somewhere in between the 2.

**Mr. W.D. Ogley:**

I think you would find that with discussion we could easily structure this so that we are both happy with it. I think our discussions led us to believe that we would ... that would be a good thing. States Members should exercise its governance and this should be easily achieved.

**The Connétable of Grouville:**

So you are happy saying that you will go with Scrutiny doing it?

**Mr. W.D. Ogley:**

We thought it was Scrutiny, but very happy to discuss with you and create something, as you say, that is maybe ...

**The Connétable of Grouville:**

We are just looking at alternatives. It is a Scrutiny situation or it is a situation where the States Members elect an overseeing body.

**Senator T.A. Le Sueur:**

Well, if they elect an overseeing body it seems almost like keeping a dog and barking. There is an overseeing body called Scrutiny with the expertise to do it. We are happy that that should happen. You are presumably content that if the need arises you would do it, so why reinvent the wheel?

**The Connétable of Grouville:**

Okay.

**Mr. W.D. Ogley:**

We assumed it would be almost a standing Scrutiny Sub-Panel or something that when you look at the actions of the Treasury and Resources Minister set out in the covering report and as the



Business Plan came forward, that committee would want to have a look at it, discuss it with the Minister, arrive at some conclusions and at each of these stages would be involved.

**Deputy C.H. Egré of St. Peter (Vice-Chairman):**

Sarah has covered most of the things that I wanted to cover. Talking about the issue of accountability, as I understood yesterday we would be helping out the C.&A.G. and obviously we talked about this very aspect. We talked about the fact that the Chief Minister was there to direct W.E.B. and the Treasury Minister was there to approve the strategies of W.E.B.

**Senator T.A. Le Sueur:**

I am not sure I am there to direct W.E.B, W.E.B. has a board of directors and they are accountable to the Treasury Minister. What the States does is set policy and it would expect W.E.B. to deliver that policy.

**The Deputy of St. Peter:**

That policy being set by the Chief Minister's Office.

**Senator T.A. Le Sueur:**

That policy is set effectively through the Chief Minister by the States.

**The Deputy of St. Peter:**

Going back to the point of the overseeing group, we are all in agreement I feel that we require that overseeing group to see across accountability through the States and the way that is formulated is to be decided yet.

**Senator T.A. Le Sueur:**

Yes.

**The Deputy of St. Peter:**

As to how that is going to benefit that end with some discussion to be had on that.

**Mr. W.D. Ogley:**

Probably just to avoid misunderstanding again, under the new Mem. and Arts., the Chief Minister does not have a role, it is all directed through the Treasury Minister. It was one of the Comptroller and Auditor General's recommendations that there should be one Minister with this responsibility and the Treasury and Resources Minister would be supported by the Chief Minister's Office. Therefore, in the covering report the five commitments of the Minister for Treasury and Resources shows how that Minister would fulfil the accountability role to the States. There is a very clear focus for both directing the company, reporting back to the States and being subject to proper scrutiny and proper governance.

**The Deputy of St. Peter:**

I think the fundamental issue for us was with the way ... if a ministerial decision went forward that there had to be some element of review before that decision was ratified, if you like. So, I think the argument, or the analogy I use, is suddenly the Treasury Minister has decided he was going to sell off Elizabeth Castle and we would rather like the 15 days grace before that went ahead and was signed.

**Senator T.A. Le Sueur:**

I am not sure it will even come under section 168 of Planning Orders. If that needs clarifying then I am happy to resolve that issue. I certainly take the point.

**The Deputy of St. Peter:**

Thank you for that.

**Senator T.A. Le Sueur:**

If he needs 15 days to sell a field we simply need 15 days to sell ... I hope we do not sell Elizabeth Castle.

**The Deputy of St. Peter:**

I just hope that one does not go into the press that we are going to sell Elizabeth Castle.

**[Laughter]**

**Senator T.A. Le Sueur:**

You raised it, not me. **[Laughter]**

**The Connétable of Grouville:**

Is anybody from the press here? What, at the end of the day, is the ambition and long term aim of having W.E.B.? Is it, for instance, to create an investment on behalf of the States of Jersey, which will give us a dividend every year? Is it to create a capital base for re-sale? What is the eventual long term aim of it? Why are we doing it?

**Senator T.A. Le Sueur:**

I think the long term aim of W.E.B. might be to do itself out of a job once we have achieved a regeneration of St. Helier. Now, it may well be by the time, like the fourth bridge, they have finished one end they have got to start at the other end again. But it started off as a vehicle for a proper redevelopment of West of Albert, not as a builder but as a facilitator to bring and to achieve the potential for that site. That is an ongoing situation and it is by no means complete. Depending on the economic climate it could take a little bit longer or a lot longer. But I would like to think this remit would be wider than that ultimately, that there is scope I am sure for regeneration of more of the harbour area and, indeed, St. Helier as a whole. It is that wider remit which might make the title "Waterfront Enterprise Board" a bit of a misnomer but something of that

nature would, I think, be a better way forward than the States itself trying to regenerate these sites.

**The Connétable of Grouville:**

So, at the end of the day it is going to be a balanced situation where you are going to create an investment portfolio to some extent as well as a pot of gold from sales; would I be right in assuming that? Or is the whole thing just going to be socially orientated and not going to make any money?

**Senator T.A. Le Sueur:**

Well, the terms of reference of W.E.B. was certainly that everything had to be self-financing. I think in the present economic climate there would have to be good reasons for the States forwarding its own resources into extension of W.E.B. unless there was a clear payback period and a clear reason why that was the best way forward. I have not, at the moment, envisaged any likelihood that would be the case. I think the purpose of W.E.B. is to do the job without States funding, without States interference, but achieving the States objectives.

**Mr. W.D. Ogley:**

In financial terms the W.E.B. business plan sets out the aim. The overall aim has always been to maximise the value of their land, while delivering the schemes that the States wants down there, and to return that value to the States for the States to decide where to make further investments and regeneration. That is the aim. Now, whether that is achieved through long term leasehold returns or through capital returns is a matter of economic judgment on the schemes as they come forward. It is return of value for reinvestment.

**The Connétable of Grouville:**

We are not saying: "Right, we will run it for so far, do so much and then close it." What you are saying it is people's investment running on and on and on? Strategic investment, I mean.

**Senator T.A. Le Sueur:**

Certainly if we take a simple example; the waterfront has some leases for 150 years in the name of the Waterfront Enterprise Board. Now, unless you wanted to assign all those and create a new body, which presumably is still owned by the States, then you ... it is likely to last for at least another 140 years.

**The Deputy of St. Peter:**

Terry, you alluded to very early on about the fact that we looked at J.E.B. and in the role of J.E.B., which we could do better I think, certainly you used. You also mentioned the term "Son of" ... the future we may be looking at "Son of J.E.B."

**Senator T.A. Le Sueur:**

I would not want you to think that we were simply going to try to polish the rough edges of J.E.B. I think we need to take a more fundamental look.

**The Deputy of St. Peter:**

What sort of timescale are you looking at in reviewing that role, because it is a party to the development of W.E.B., where W.E.B. is going because, as I remember, W.E.B. is going to be subsumed into J.E.B.

**Senator T.A. Le Sueur:**

Ideally it should be, I suppose, by the middle of the year, but it is up to officers to how much time they have got available to devote to this. Certainly my objective is that it should not be too far behind this change in the Articles, that there are a clearer timescale.

**Mr. W.D. Ogley:**

A slight recap; our intention had been to try and get a U.K. property based consultancy to review the structure. We spent a lot of time talking to them and found that the fees for doing the work were significant. When we looked at the expertise we had available within the States with the new Director of Planning and with David Flowers we had sufficient regeneration experience. We therefore decided that we could improve that ourselves and what was missing was the wider issue about where the States fits in as opposed to what the company does. So we have been working hard on that. We have basically finished the work for a third party review, small piece of third party review, so that it is checked by an independent.

**The Deputy of St. Peter:**

Would you see that the changes that you are making in W.E.B.'s structure at the moment to this proposition as a foundation as to what you want to do in the future with the Son of J.E.B.?

**Mr. W.D. Ogley:**

It certainly could be. We think we can bring the proposals to Ministers in early April and then on to Scrutiny and the States so that the early part of the year can be met. This change would certainly go a long way towards a stepping stone in that direction, but without commitment.

**The Connétable of Grouville:**

Is there any way you can anticipate at any stage that the States are going to want to invest in W.E.B. out of our Stabilisation Fund or from somewhere else? Have you written that off as an idea?

**Senator T.A. Le Sueur:**

Certainly it is not me that decides how the Stabilisation Fund should be used. I do not imagine it would be an appropriate use for the Stabilisation Fund. It may be that elements of work carried

out for W.E.B. by local builders, if that were brought forward, that might fall within the remit. But certainly it would not be a case of simply saying you need to use the Stabilisation Fund. I think we said at the start of the meeting that W.E.B. was quite asset rich, and on that basis it should not Stabilisation Fund money, it has got resources of its own. It has got the power to borrow if it needs to. It has also got cash resources.

**Senator S.C. Ferguson:**

Seeing as the press are not here, there is a rumour going round that in order to make sure ...

**Senator T.A. Le Sueur:**

It is still a public meeting and we are still recording.

**Senator S.C. Ferguson:**

Well, I just did not want it to be headlined. There is a rumour going round that the States might consider sort of putting all the departments together in the office buildings on the waterfront in order to make sure it gets built. Perhaps you would like to deny it in public. Put the rumour to bed.

**Senator T.A. Le Sueur:**

I have heard the rumour. As far as I am concerned it has no foundation whatsoever.

**Senator S.C. Ferguson:**

Thank you.

**The Connétable of Grouville:**

There is also a rumour that tourism are moving from their new building back to the old building.

**Senator T.A. Le Sueur:**

You hear a number of rumours as a States Member.

**The Connétable of Grouville:**

We thrive on them.

**Senator T.A. Le Sueur:**

You should learn at an early date to discount 99.9 per cent of them, and treat the other 0.1 per cent with extreme caution.

**The Connétable of Grouville:**

So really as far as W.E.B. is concerned you are saying steady as she goes and the original ideas are still there, and that is the aim?

**Senator T.A. Le Sueur:**

I think maybe steady as she goes suggests that nothing is going to happen. I think 2 things I want to happen this year. Firstly, I want to get these Mem. and Arts. approved and, secondly, I want to get the revised procedures or policy for, what I will call, Son of W.E.B., done and dusted and agreed by all of us and implemented. We have been sitting in this uncertainty situation for far too long. I know that the previous Chief Executive was only ... sorry, Managing Director was appointed on a temporary basis while we restructured and we are still in the midst of restructuring.

**Mr. W.D. Ogley:**

Can I just say as well; you said "steady as she goes." We have made some quite significant changes in the way the whole W.E.B. structure works over the last couple of years and asserted much greater States control of the nature of development. Bringing it forward for the States debate, with the Planning Minister exercising his controls rather than them being just W.E.B. promoted schemes. So the whole balance has changed considerably and I think it is that new



balance that would be maintained as opposed to steady as she goes, which is the old way that W.E.B. did it.

**The Deputy of St. Peter:**

Certainly picking up from what we talked about earlier where this is a foundation change to what you want to do long term with moving forward with Son of J.E.B., if you like, which I assume in your plans W.E.B. would be moved into whatever new group you were putting together.

**Senator T.A. Le Sueur:**

Almost certainly I think, in some way or another.

**Senator S.C. Ferguson:**

So you would keep it as a company? You would not just ...

**Senator T.A. Le Sueur:**

It may become a subsidiary of the other or there may be an amalgamated ... the only reason I say that, because there are leases in the name of W.E.B. we have got to find some way of maintaining those leases.

**The Deputy of St. Peter:**

Which we talked about before and it was not a problem.

**The Connétable of Grouville:**

Yes, we looked at going to that with the J.E.B. proposition.

**Senator T.A. Le Sueur:**

As well as that there are things that can be done and are being done by way of likely appointment of a proper company secretary. Things which are already happening.

**The Connétable of Grouville:**

That should not have even been flagged up, should it? It should just happen automatically.

**Senator T.A. Le Sueur:**

That is right.

**The Connétable of Grouville:**

It should have been one of those things that is necessary, legal and everything else. You want to appoint a director of ... sorry, you want the Treasury and Resources Minister to appoint a director to the board of W.E.B. ...

**Senator T.A. Le Sueur:**

To nominate him.

**The Connétable of Grouville:**

Nominate, sorry, yes. In the past we were told that the board members of W.E.B. would decide whether they wanted to have somebody as a director or not.

**Senator T.A. Le Sueur:**

I think the new proposed Articles of Association are quite straightforward and quite clear as to the appointment of directors. I have to take a moment just to remind myself what they say.

**Mr. W.D. Ogley:**

Basically 30(a).

**Senator T.A. Le Sueur:**

Yes, that is right. "All my executive directors [and that is all my executive directors] shall be appointed by the States on the recommendation of the Minister but appointed by the States on the recommendation of the Minister."

**The Connétable of Grouville:**

Fine, so that goes before the States.

**Senator T.A. Le Sueur:**

Equally under (b): "The States may remove a person."

**The Connétable of Grouville:**

What sort of person are you saying? This would be a States Member? Would it be a Member of the States who will be nominated by ...

**Senator T.A. Le Sueur:**

No, we are talking about all the non-executive directors which all ...

**The Connétable of Grouville:**

No, I was talking about the ministerial appointment of ...

**Senator T.A. Le Sueur:**

That is Article 28.

**Mr. W.D. Ogley:**

Article 28: "The Minister appoints his or her nominee" because they do report to the Minister. This is to keep the line of reporting open to the Minister and that is clearly set out here.

**The Deputy of St. Peter:**

I think the point of confusion may have been what you said earlier when you said it could be a States Member.

**Senator T.A. Le Sueur:**

Right.

**The Connétable of Grouville:**

I understood there was going to be an appointment made by the Minister for Treasury and Resources and one would assume that was going to be a political appointment.

**Senator T.A. Le Sueur:**

In the normal course of things it would be a political appointment but the Articles of Association do not specify it has to be.

**The Connétable of Grouville:**

No, they do not, do they?

**Mr. W.D. Ogley:**

If you look at the beginning, the interpretation, point 1 in the Articles: "The ministerial appointee means a designated Assistant Minister for Treasury and Resources or such other suitably qualified person, whether a Member of the States or not as the Minister shall determine."

**The Connétable of Grouville:**

But that will still have to be approved by the States?

**Mr. W.D. Ogley:**

No, that is the ministerial appointment.

**The Connétable of Grouville:**

That is really what I am getting at. That one will be appointed by the Treasury Minister without the agreement or yes or no of the States?

**Senator T.A. Le Sueur:**

Yes.

**The Connétable of Grouville:**

So he has got one appointment.

**Mr. W.D. Ogleby:**

He has one appointment because he has a specific role under the Memorandum and Articles, but all of the other non-executive directors are appointed by the States on the recommendation of the Treasury and Resources Minister after a full Appointments Commission overseen process.

**The Connétable of Grouville:**

What we discussed yesterday was we did not want to see the same old names trotted out with a list of the great and the good going on here but the feeling was, and I think from both witnesses yesterday, that the appointment should be made from professional people in that field.

**Senator T.A. Le Sueur:**

I would like to endorse that. Absolutely.

**The Connétable of Grouville:**

I am a little bit worried because - and I am arguing against myself here - in that the States ... these people are not always keen to be subject of scrutiny, scrutiny by States Members before they are appointed, in other words, voted in. Are you confident that you can get sufficient people of

sufficient standing to do this job and what sort of pay scale or what monuments do you envisage having to give them?

**Senator T.A. Le Sueur:**

At the moment I certainly have not considered monuments. As to whether we can get the right people to do the job, I think with the right structure and the right arrangements, yes, we can. I think directors will be prepared to work as a professional team with expertise and different areas of expertise which they can bring together into a coherent whole so he might want, for example, a director with financial experience, with property experience, with surveying experience, with marketing experience. Bring them all together, including expertise from outside the Island, because I have no qualms about calling in experts in the same way as some of the utilities have brought expertise from outside the Island. I think that adds a level, if you like, to the quality of the decision making process. Within that group, yes, as with all things, if you pay peanuts you get monkeys. But providing you pay a reasonable remuneration I believe we can get people who can do the job that we want them to do for a very important, valuable piece of real estate, not just for the waterfront but for the whole of St. Helier.

**The Connétable of Grouville:**

I think you are going to have to be very, very careful on who wants this particular job because, as I say, it is asset rich, it is huge, huge amount of assets there.

**Senator T.A. Le Sueur:**

You have got to get the job description, if you like, correct, and you have got to have a proper appointments process. It is not a question of: "Oh, I know him, he is a friend of mine, I play golf with him." It is a question of whether ... I would expect that the Appointments Commission might well want to take an interest and I invite them to take an interest in the appointments process.

**The Connétable of Grouville:**

But that is on the basis that it is done on a business-like basis as opposed to, as you say, your golfing partner or something like that, that we do have people who know exactly what they are doing.

**Senator T.A. Le Sueur:**

Yes, I mean, I think that is not just relevant to this company. I think for any company, particularly a company owned by the States, you expect to have directors who are directors with a capital D and who are professional in their approach and their outlook.

**Senator S.C. Ferguson:**

I mean the Auditor General did mention that he hoped we would not be paying sill money.

**Senator T.A. Le Sueur:**

I hope we will not be paying silly money as well. But I also want to ensure that we do attract people of the right calibre. There are yardsticks for directors of these sort of companies and we would want to ensure that those yardsticks are not exceeded other than maybe the Jersey factor. I am not sure how much the Jersey factor applies in this situation.

**Senator S.C. Ferguson:**

Because there was one other thing that he did mention yesterday which I think is perhaps worthy of note, that his remit with regard to things like W.E.B., organisations like W.E.B., is rather limited and that it was ... he did not say it but it did seem to us that it might be when the reform of the Public Finance Law comes through that perhaps his duties should be expanded to give him full reign within places like W.E.B. and so on, because at the moment it is limited to corporate governance and he should perhaps be able to look at more.

**Senator T.A. Le Sueur:**

I think this may be linked to the fact that there are some States-owned companies we do not have 100 per cent control, and there could be technical difficulties. In this particular case I do not see any real problem in the same way as he has got the power, I think I am right in saying, to look at any States-funded body. Clearly even if they have not put money into the company, certainly put assets into the company, so I would say it is States funded.

**The Deputy of St. Peter:**

But it is something we could look at because he feels that he is restricted.

**Senator T.A. Le Sueur:**

Yes. If he feels that there is a restriction there I have got a pretty open mind about giving him greater access. I am just, in fact, trying to jump to see what the rules are for audit now.

**Mr. W.D. Ogley:**

Do we have to have proper audit?

**Senator T.A. Le Sueur:**

It has to have proper audit.

**Senator S.C. Ferguson:**

Yes.

**Mr. W.D. Ogley:**

However, the fact is that this is 100 per cent owned by the States, the Treasury and Resources Minister on behalf of the States as the shareholder also has power of direction to direct the company to act, and is it made clear in the covering report that direction could include, if



necessary to open themselves to the C.&A.G. audit. If the C.&A.G. were to discuss that with us then I do not think he would have a problem.

**The Connétable of Grouville:**

I think I would certainly prefer to see a situation where the C.&A.G. makes the decision as to whether he goes in and has a look or not. I am not talking about kicking the doors ...

**The Deputy of St. Peter:**

We should have that right.

**Senator T.A. Le Sueur:**

As a right rather than a request.

**The Connétable of Grouville:**

Kicking the doors down or anything but ...

**Mr. W.D. Ogley:**

Yes, but it just ...

**The Connétable of Grouville:**

Then he does have the right to go in as opposed to have to ask to go in.

**Senator T.A. Le Sueur:**

Certainly within the Mem. and Arts. of W.E.B. or within the Public Finances Law there ought to be a way of achieving that.

**Senator S.C. Ferguson:**

Going back to the non-States directors. What is your sort of ... knowing how long it takes to go through the Appointments Board and the procedures, how long before we would see a board of non-States ... you know, these professionals we are talking about?

**Senator T.A. Le Sueur:**

I would hope that if the States pass these revised Articles of Association in early March we would advertise later in the month of March, and because it is not a fulltime position, it is a Treasury position, I would have thought that the appointments process could be achieved in probably end of April, May time, giving people time to respond to the advertisements, and a board then assembled and put to the States maybe by the end of May, approved by the States by the end of June. I would like to think that certainly by the end of the first session of the States, by the end of July, a board would be nominated and appointed and in place.

**The Connétable of Grouville:**

What is going to happen in the meantime, because we are going to find ourselves in a situation with the Board running very light?

**Senator T.A. Le Sueur:**

We have got a problem in the meantime which we will need to address, which is why I wanted to try to make that process as quick as possible. We have to ... I would have liked to have lodged these Articles of Association earlier, but I wanted to make sure I got them right first before they were lodged.

**The Deputy of St. Peter:**

If I can press you a little bit; how are we going to resolve that because we are now running several months with a very, very light board? What accountability ... what steps have been put in place to ensure that nothing goes awry?

**Senator T.A. Le Sueur:**

That could be done in 2 ways. It may be possible to appoint ... if there were some immediate opportunities to appoint directors we might do it in a 2-stage process. In other words, you could get, say, 4 of the 6 members of the board appointed quite quickly and pursue it. Or you may have to appoint temporary directors for a short period. There is certainly coming to me the realisation now that it is unlikely that we will have our board of directors in place by 31st March because of the current timescale. That is something that we need to address. But I am not abandoning all hope yet. There may be some possibility depending how quickly we can get the advertisements out and get the positions taken.

**Mr. W.D. Ogleby:**

The straightforward answer is that without prejudging the States decision we are ready to roll the day after the States makes their decision, launching the advertisements and beginning the Appointment Commission process. So we will shorten that interim period to the minimum possible time.

**The Deputy of St. Peter:**

I read that as quietly confident.

**Mr. W.D. Ogleby:**

Do not mistake me, we will not have a full board in place by 31st March because the date of the States decision makes that impossible, but very soon thereafter we think we can have that in place. There is, of course, a 2-stage process, as the Minister said, we have the remaining board members that retire in August and we have the 2-stage process to make that final selection for the full board so we can roll quickly with the initial appointments.

**The Connétable of Grouville:**

I have got wind-up questions; have you got anything, Sarah?

**Senator S.C. Ferguson:**

No, I have not.

**The Connétable of Grouville:**

Okay, I think that is just about wound up. Thank you very much indeed for answering all our questions and I think it is much clearer for us now over the last couple of days where we should be going. We will have a recess.

**Senator T.A. Le Sueur:**

As a matter of procedure, do you intend publishing a Scrutiny Report separately on your views on W.E.B. or is it all going to be lumped into a ...

**The Connétable of Grouville:**

W.E.B. is going to be a separate report, yes. Definitely. We will get it out as quickly as we can.

**Senator T.A. Le Sueur:**

Fine.

**Senator S.C. Ferguson:**

We are aiming to get it out before the debate.

**Senator T.A. Le Sueur:**

That would be helpful.

**The Connétable of Grouville:**

The only thing we have got, we are writing to ex-States directors of W.E.B. to find out what their reactions are but apart from that we have gathered, I think, most of the evidence we need. So, as soon as we hear back from them then we will ... actually we can get most of it done beforehand. We will do it as quick as possible anyway.

**Senator T.A. Le Sueur:**

Good.