

# STATES OF JERSEY



## **DRAFT STATES OF JERSEY (TRANSFER OF FUNCTIONS No. 8) (MISCELLANEOUS TRANSFERS) (JERSEY) REGULATIONS 201- (P.46/2015): SECOND AMENDMENT (P.46/2015 Amd.(2)) – COMMENTS**

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**Presented to the States on 14th December 2015  
by the Council of Ministers**

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**STATES GREFFE**

## COMMENTS

The Nomination Paper laid on 4th November 2014 clearly outlined what was intended for each ministerial portfolio and, prior to this, the Chief Minister wrote to each prospective Minister outlining this. This was done to support an informed nomination debate on 6th November 2014, within the limited timeframe specified by the States of Jersey Law 2005, and recognising that the Chief Minister has responsibility for proposing ministerial portfolios.

The reasons for these changes to ministerial portfolios are also clear. Jersey has firm foundations, but faces challenges. The world is changing, becoming increasingly competitive, with technology transforming how we live and how we do business. Our society is also ageing. These are matters of fundamental importance to the well-being of Jersey. We should welcome challenge and change; yet to succeed for Islanders, our government needs to be organised in the best possible way. This is what the transfer of functions seeks to do. It enables individual Ministers to focus on the core challenges, within a collective ministerial framework. In particular –

- Our educational performance has fallen behind the United Kingdom over recent years – we need to support improved standards and encourage greater creativity, helping students achieve their potential.
- Our economic performance is improving, but productivity remains a significant issue, with improvements being necessary for our long-term sustainability.
- Our society is ageing – we must balance our income and expenditure as this change takes place, investing in health and social services, in particular.
- Our economy needs better infrastructure, and Islanders need a town which is a better place in which to live and work, and this includes how we travel to and from town.

The Amendment proposed by the Corporate Services Scrutiny Panel ([P.46/2015 Amd.\(2\)](#)), along with the Panel's Comments on the main Proposition ([P.46/2015 Com.](#)), explains that the Panel “strongly consider that strategic direction [of Jersey Property Holdings] should remain in Treasury and Resources”. The Panel explain that the transfer appears to a political decision. They ask for a business case. This is, however, a political matter, ensuring that the ministerial team is aligned to strategic objectives. This has been clearly and consistently explained, at nomination stage, and in the speech of the Deputy Chief Minister when the principles of these draft Regulations were approved by the States Assembly in October 2015.

A fuller extract from the advisers, Concerto, which is available on the [Scrutiny website](#), however, gives more insight into a whole range of potential operational benefits from the transfer –

*“We interviewed quite widely across the organisations involved and got to feel where the benefits might come from, and I would say there are some benefits to be had from this manoeuvre. There are some synergies. You have got project managers in both departments and they are quite scarce commodities, so if you bring them together that inherently would give Jersey some greater strength and depth and some more flexibility and people could even have more varied careers as they move from topic to topic. So pooling of the scarce resources is*

*a benefit. I think there is some interaction between the types of projects between the 2 divisions. Roads might interact with buildings; the planning permission cycle might be better if it was joined up. So you can imagine some efficiencies from better communications and just reducing the number of interfaces. I can see very good sense in merging the maintenance aspects of Jersey Property Holdings with the future infrastructure world because basically you have got white collar and blue collar, and the blue collar part of J.P.H. (Jersey Property Holdings) could easily move across to the infrastructure division and there would be a synergy there. I will come back to that point a little later on. That is quite an important one. I think there is a big benefit from a whole life asset review, having the whole perspective on a long-term asset. An asset management approach I think is particularly valuable. That would come together more under the new arrangement. There is a lot of communication at the moment, I think it is pretty good at the moment, but if it was all together it would be better. There is no question of the benefit of that. I think also potentially talking about surplus land, there are different ways that land could be brought together and assembled and it might be helpful to have the whole management process under one roof, just to have that whole view of the value release potential from land across the portfolio. I can see there are some benefits for Jersey in doing this. The catalyst for public sector reform, I think that is also a potential benefit. Shaking up the model and changing the way J.P.H. interacts with its department could bring real benefit.”*

These potential benefits are no small matters, given that this change brings £1 billion of assets and infrastructure under a single Infrastructure Minister. It is important that this Minister has the appropriate operational powers, including those under Standing Order 168 that deal with the acquisition and disposal of land, leases, construction and alterations, to make the most of this portfolio, delivering on the potential benefits that the Panel’s advisers have highlighted.

At the same time, as the Panel’s advisers also recognised, the Island’s assets must be managed in a co-ordinated way alongside other resources, and in accordance with approved plans and working with other Ministers, to achieve the best results for Islanders. This is why the Public Finances (Jersey) Law 2005 outlines that the Medium Term Financial Plan is presented by the Council of Ministers, which includes total capital expenditure, capital receipts, and other funding sources; and that the Budget, where allocations to individual capital projects are proposed, is presented by the Minister for Treasury and Resources in consultation with the Council of Ministers. It is these approved plans that set the overall envelope for capital, including acquisitions and disposals, within which the operational powers under Standing Order 168 are applied.

Alongside this, all Ministers are bound by collective responsibility under the States of Jersey Law 2005, ultimately requiring all important matters to be discussed, including through relevant oversight groups and the Council of Ministers. This places the responsibility for policy and the direction of delivery, including asset management, into a sensible and coherent structure. Critically, the formulation of Standing Order 168 also remains, such that the relevant Minister is accountable to the Assembly.

In this framework, it is not necessary for the Minister for Treasury and Resources to approve all individual transactions under Standing Order 168, and if the potential gains are to be fully realised – managing, in an effective way, infrastructure, land and property – the new Minister will need the relevant powers.

**The intention to align ministerial portfolios with strategic objectives has been clearly outlined, including as part of the nomination process. The Assembly is asked to reject this Amendment, which is unnecessary, and would stand in the way of realising potential operational improvements.**