Public Accounts Committee

Public Hearing

Witnesses: Chief of Staff and Chief Operating Officer

Monday, 29th March 2021

Panel:

Deputy I. Gardiner of St. Helier (Chair)

Connétable K. Shenton-Stone of St. Martin (Vice-Chair)

Senator T.A. Vallois

Connétable J.E. Le Maistre of Grouville

Connétable R. Vibert of St. Peter

Mr. A. Lane

Mr. G. Phipps

Dr. H. Miles

Mr. P. van Bodegom

Ms. L. Pamment, Comptroller and Auditor General

Witnesses:

Ms. C. Madden, Chief of Staff

Mr. J. Quinn, Chief Operating Officer

Mr. M. Grimley, Group Director, People and Corporate Services

Ms. J. Spybey, Head of Business Support

Ms. C. Black, Group Director, ITS Procurement

[14:00]

Deputy I. Gardiner of St. Helier (Chair):

Good afternoon. Welcome to the public hearing with Chief of Staff Catherine Madden and Chief Operating Officer John Quinn. I would like to introduce the Public Accounts Committee in attendance: myself, Deputy Inna Gardiner, Chair of the Public Accounts Committee, Constable of St. Martin, Vice-Chair for the Public Accounts Committee. We have with us the Constable of Grouville and Senator Vallois, lay members Adrian Lane, Dr. Helen Miles, Graeme Phipps and Paul van Bodegom. Also joining us is the Comptroller and Auditor General, Lynn Pamment. Would you like, please, to introduce your team?

Chief Operating Officer:
Hello, yes. I am John Quinn. I am the Chief Operating Officer. With me I have Catherine Madden, Chief of Staff, Mark Grimley, Group Director, People and Corporate Services, Joanna Spybey, Head of Business Support for the C.O.O. (Chief Operating Office), and Camilla Black, who is the Group Director for the I.T.S. (Integrated Technology Solution) procurement.

Deputy I. Gardiner:
Thank you. I would like to welcome you to the first of what we have started to call recall public hearings of P.A.C. (Public Accounts Committee). It is the new type of public hearing, which would be probably prompted by publications. This particular public hearing was prompted by publication of R.13/2021 regarding use of consultants and announcement of budget increase of £23 million from £40 million for implementation of the Integrated Technology Solution. So most of our questions today will be around these 2 subjects and I hope we will be able to go through most of the questions. I realise that you do not have all answers, and as this is the beginning of the process we are looking to work through the year and we will probably have several public hearings which will be connected to the performance, Recommendation Tracker, Integrated Technology Solution, around the reviews that P.A.C. will take. So, from P.A.C.'s perspective, in this session we are raising the questions and we would like to open the work streams that we can work together through the year and see how we can address the gaps that we might identify during today. So it is the beginning of the process that we are really looking through the year. For the benefit of the public who are listening to us, I would like to give some frameworks. The Comptroller and Auditor General published a report, "Use of Consultants", in October 2016. The Executive accepted the recommendations and they were added to Recommendation Tracker. We have this Recommendation Tracker that has all recommendations from the Comptroller and Auditor General and P.A.C. going on. The moment that recommendations have been implemented it should be showed as closed. Deputy Morel's proposition P.59, Consultants: reporting on their use by the Government of Jersey, was adopted by the States Assembly in 2019 and since then 3 reports were published. So our first part will start with looking at connection between the C. and A.G. (Comptroller and Auditor General) report, "Use of Consultants" and recommendations, through the proposition, through the implementation around use of consultants. I am passing for the first questioning to Senator Vallois, please.

Senator T.A. Vallois:

Thank you, Chair. As the Chair has mentioned, following P.59 there have been 3 reports on the use of consultants. Particularly on page 4 of R.13/2021, there is reference to the inability to maintain a central record of procurement information. Would you be able to advise how this would impact the analysis of expenditure and the accountability of spending for your department?

Chief Operating Officer:

I am going to hand over to Jo Spybey to start with the answer for that, Tracey.

Head of Business Support:

If it is helpful, Tracey, to take you through the process by which we currently collate it and how that is not centrally recorded at the moment, at present we have to pull all of the ... because we cannot pull on a specific account code, object code, et cetera, because of the way it is currently booked in the system, we have to pull a huge amount of data out of the accounting system. We then go through a huge manual process to review thousands of lines of data to identify which of those are consultancy and which of those are not consultancy. From that, we then cut it all down and send it out to departments, who repeat the analysis and have a look from our cut version which is consultancy and which is not consultancy, et cetera, and then that is all pulled into the central report, which we then create a spreadsheet and the data then is generated and drives the 3 P.59 reports we produced and the one we are working on at the moment for the next period. At present, our accounting system and our processing system would not allow us to have a central record of all of that consultancy because the requirements within proposition 59 are very broad. So within that, we include a number of different things. The way we look at consultancy and we have looked at consultancy under this process is they are into 3 different buckets. We have consultancy contracts which are our core consultancy contracts, so big consultancy firms that we may go to for a large piece of work. We have interims, which are people that we hire in to cover a substantive role that exists within the organisation, exists within our structure, but we need an interim to fill it because perhaps we have not been able to fill it through recruitment or perhaps we need an interim in the short term with the necessary skills and capacity to bring it up so we can then train someone internally and hand it over. Then the third category we have is contractors, so that is sort of equivalent to an interim in the fact that it is an individual we are going to, but it may be that they are not filling a substantive role, they may be coming to help out on a project. So because we have those 3 buckets of different types of consultancy, what we are defining as consultancy under the proposition 59, all of those are accounted for differently. So the big consultancy contracts would go through the procurement route. They would be tendered, have business case, et cetera, for the bigger ones, and we are working towards having that central record there. We still have a bit of a way to go but those would be covered under procurement. Interim may come in under the H.R.

(human resources) route. So they may even be on our payroll as a fixed-term contractor and they would go through the H.R. route and then we have, as you know probably, a formal approval process that goes through the States Employment Board for those type of people earning over a certain amount. Then we have contractors, who may do either route. So they may go through the procurement route, where they maybe have their own company, et cetera. We may go to them directly. They may come through an agency route. We have a number of framework agreements in place for agency. So they may come under that route or it may be that we again go through the payroll route for the contractors. Go on, Tracey.

Senator T.A. Vallois:
No, sorry, it sounds like a very mammoth task. To a certain extent we understand a lot of the ... because of the tables and the way that the reports are laid out. I am just aware of time so I just want to try and get the answers in terms of where we are going with regards to this particular implementation. I just wonder whether because of what you have just said about the amount of work that is taken into putting these reports together is there any effect from transferring of departments and moving of accountable officers that are recognised around the reporting because of the One.Gov changes as an example?

Head of Business Support:
So when you say effects of that, do you mean could there be any changes or have those changes affected it?

Senator T.A. Vallois:
Well, do they affect it in any way?

Head of Business Support:
No, all of the accountable officers will have to review their own section and their own people that fall within their area for the proposition 59 report. So yes, we still have to go out to all those different areas because they as accountable officer ultimately have responsibility for that spend.

Senator T.A. Vallois:
Okay, thank you. During 2020 can I ask how many new contracts were awarded and what was the total value and how many continued from 2019?

Head of Business Support:
So, I would not have those numbers to hand of how many new contracts were awarded. The way we work on it at the moment, as John was saying, we pull the data from the system based on spend, not based on contract awarded. So it is effectively cash accounting. So some of the data that you

will see in there, the spend may be in, for example, this report we are working on now, July to December 2020, but actually the work was done at the end of the first half of 2020 but it was paid for during 2021. We do not have any other way of doing it at the moment because we do not have that centralised record of all those different types of consultants.

Senator T.A. Vallois:

Okay. Is there an intention to move to a centralised record?

Head of Business Support:

Yes. So we are working certainly on the procurement side of really creating a centralised procurement contract register and they are well on their way to improving that process. However, until we get the Integrated Technology Solution that we will be able to look at these types of things ... and the other thing they wanted under the proposition 59 was looking at almost tracking consultants through and seeing the total spend per project, per consultant, et cetera. We just do not have the ability with our current systems to be able to do that, but when I.T.S. comes in we are feeding that into the requirements of I.T.S. so that it will almost be the spend will be allocated to the project in the system and it will be a lot easier for us to be able to pull that information for you.

Senator T.A. Vallois:

Okay, that is great, thank you. Just moving on then, we have looked at the report, the appendix to the tables, which is extremely useful information. From our analysis, it identifies about 118 consultancy contracts - this is within R.13 - by supplier and individuals. Only 39 have structural needs assessments that were undertaken. In the same report, it is clear that there is no common definition of a structural needs assessment. Do you regard the Chief Minister's report as being accurate?

Head of Business Support:

So the structured needs assessment was a term that, certainly for me, came out of proposition 59. I have not found anywhere in the Government - John will correct me if I am wrong - where we define structured needs assessment. We have defined it within the proposition 59 of what we are counting as a structured needs assessment. Where, for example, they have done a full business case, a tender, we have really spent time documenting the spend, then we have answered yes to that question because that is our needs assessment. Where we have been unsure that we can actually pull out a document that if we were to be audited would say: "This is our structured needs assessment for this contractor over here" I have erred on the side of caution and answered no. Because this structured needs assessment is not built into the language of our finance manual or our procurement strategies, we struggled with that one a bit, but we sort of went down the full business case route. So you will see probably when you analyse it the ones that have structured

needs assessment are the bigger projects and they should absolutely always have a needs assessment assigned to it. Some of the smaller individual contractors we may have got in for a project, for example, we have not been able to pull a piece of paper that would say this is where we have fully documented to a good standard the needs assessment for that. It may be that they have done it, but I was always erring on the side of caution in that report and only putting yes where I felt really confident we could pull out a piece of paper.

Senator T.A. Vallois:

Okay, that is helpful. So, based on that then, the reasons for only having 39 needs assessments out of that 118, is that the explanation? There is just no certainty around what departments have done in terms of specifying that need?

Head of Business Support:

We do not have that built into a standard process, common process across the Government, where we are saying this is a structured needs assessment because the language within the proposition does not mirror the language within our area. So that is why we reached that conclusion on that, but again that is something in terms of the development of the commercial function and the work that that team are doing, that is where we are looking at things like this to give the common definitions and make sure it is standardised across the Government. So that is something I would hope would improve going forward.

Senator T.A. Vallois:

Okay. So those that do have the needs assessments, is there any similarities that you see in terms of what their needs are?

Head of Business Support:

I have not reviewed the detail of every structured needs assessment. They would be reviewed within the project. I have just used whether they had one for the collation of the report.

Senator T.A. Vallois:

Whose responsibility would it be to have a look at that overarching piece?

Head of Business Support:

So the accountable officer would be responsible for the spend ultimately. I do not know whether it would be ... I think that is where it would end. We have not done a piece of work that I am aware of where we have looked at it all in collation, we have looked at the needs assessment across Government.

Senator T.A. Vallois:

You mentioned the public finances manual. I understand it has a toolkit on best practice procedures for procurement. I am sure you are aware of this.

Head of Business Support:

Yes.

Senator T.A. Vallois:

So in that particular best practice procedure, Treasury states that there must be a needs assessment for each consultancy procurement over £25,000, yet in the report there is no common definition of a needs assessment. If departments have not carried out a needs assessment, are they required to obtain an exemption and, if so, are you aware of how many exemptions have been made since January 2019?

[14:15]

Head of Business Support:

I am not aware of how many exemptions have been made since January 2019 in relation to that. I do not view the exemptions. That is not my area. In terms of the needs assessment, as I said, that is something we are working on. I think we struggle within the report for ... if you wanted to review one, for example, we could look into the department and do a much more time-consuming process to make sure that there was one there and it is possible for some of the other ones there has been a needs assessment done but in terms of these we are just missing the central record on it. This report takes us, I think we have said, over 200 hours to collate as it is, so we do make a call on some of those. As I said, I err on the side of caution but, yes, it is the accountable officer's responsibility. I am not aware that we have done an assessment over them across Government.

Senator T.A. Vallois:

So can I just understand then? You mentioned that there was no overall organisational common definition for a structured needs assessment. Is there a difference between the needs assessment that is stated in the public finances manual compared to a structured needs assessment?

Head of Business Support:

We interpreted the structured needs assessment to be an assessment of the need to spend the money on a consultant. That is what we defined it as. Departments were not used to that language, so when I was asking them when we were collating the report: "Have you done a structured needs assessment?" they said: "What do you mean by a structured needs assessment?" and almost we are looking for a form and there is not a form there. I do not think there is a form behind that public

finance manual - I could be wrong - in terms of how they are defining that needs assessment. So I think it is defined and done differently depending on the size of the project, depending on the size of the spend of consultancy, et cetera. Yes, it is something we took a call on within the report, but equally if it is something we need to look at and improve and document more centrally, we can look at that going forward.

Senator T.A. Vallois:

Okay, thank you very much. In terms of the 118 contracts that are mentioned, 42 are marked as complete but only 6 had a post-consultancy analysis undertaken. How do we ensure that we obtain value for money?

Head of Business Support:

I think that is a good question. In terms of the post-consultancy, again I was asking: "Have we done a post-consultancy?" and I was looking for us to have documented something in that regard. It could be that that spend formed part of a wider project for which they did do a post-project and a lessons learnt exercise from and that would have included consultancy, but I could not necessarily pull out that the post-consultancy was about that specific piece of consultancy work. So, again, it is the accountable officer's responsibility post-project to have a look at value for money and spend, et cetera, and certainly on some of the projects I have been personally involved in we have done that. I do not know if you want to add to that, John.

Chief Operating Officer:

As Jo said, on a lot of projects the consultancy is an element of the project and, therefore, it would be a post-project review but not necessarily an end of consultancy review if the 2 did not coincide. But you would expect to pick up the result of the consultancy. I think it would be more likely to occur in table 1 examples than in other examples. Table 1, which has what I think most of us regard as true consultancy, where we are bringing in a firm to provide advice generally, although sometimes activity as well, they would. Where you bring in an interim, so if I have a role in one of my functions and I cannot recruit to it and I bring an interim in, then I would not expect to do a post-project review when they leave again and we fill it, say, with a permanent person. You would do the usual sort of H.R. appraisal. Where we have individuals in, they are often recruited, as Jo said earlier, through the H.R. process and we would do a P.59 to the States Employment Board, which you will be familiar with, rather confusingly 2 proposition 59s in different years. But we would do a P.59 to the States Employment Board and that person would be treated more as an employee and in some cases are on a fixed-term contract, so you would not do a post-project review or post-consultancy review of someone on a fixed-term contract. You might do an annual appraisal through the H.R. process. So that is where I think the proposition 59 report as tabled by Deputy Morel has a much broader net that it casts than would be the traditional definition of consultancy as covered in the finance manual.

Senator T.A. Vallois:

Okay. So in terms of the accounting officer's responsibilities under the Public Finance Law, who makes sure or ensures that they follow the requirements in the toolkit in the public finances manual? Is there a requirement from the centre to do that?

Chief Operating Officer:

So there is a statutory requirement on an accountable officer to follow the public finance manual and at the end of each year each accountable officer will issue to the Chief Executive a governance statement, which includes coverage of their requirements under the Public Finances Law.

Senator T.A. Vallois:

Okay. So from the 2016 C. and A.G. report on the use of consultants, recommendation 6 requires a documented structured needs assessment and recommendation 14 related to implementing post-consultant engagement evaluation processes went through value assessment, benefit delivery, knowledge transfer, assessment about comms and processes, lessons learnt and sharing lessons with other departments. The Recommendation Tracker, which tracks the implementation of the recommendations made by the C. and A.G. and the P.A.C. marks this as closed. Are these arrangements working in practice, considering the answers we have just had?

Head of Business Support:

I think my understanding of this is that it is referring to what John called the traditional consultancies. As you will know, a lot of what is in their report is those interims and contractors and that is not what this was addressed to. It was addressed to the procurement process. Certainly, as you said, there is a toolkit there and the information has been provided to allow people to fulfil that. That is why that was closed on that basis. In terms of improving going forwards, again if this is something we should be looking at compliance over, but again, as John said, it is the accountable officer at the moment under the way the public finance manual works to ensure that they are complying with those. I think it was closed on the basis that the information was there in order for people to comply. Does that make sense?

Senator T.A. Vallois:

Yes, thank you very much. That is the end of my area of questioning.

Chief Operating Officer:

Can I just add one thing, please, Senator?

Senator T.A. Vallois:

Yes, John.

Chief Operating Officer:

Again, if you look at table 1, because of the broad definition that is used in proposition 59, it attaches to suppliers beyond that remit which was covered in the C. and A.G. report. So you will notice if you look down on page 1 of it there are a whole list of I.T. (information technology) providers who meet the definition as in proposition 59 but are not providing consultancy that would allow you to do the approach that is suggested in the C. and A.G. report because they are not providing advice, they are actually delivering a service. So they are writing code or they are changing the system.

Senator T.A. Vallois:

I understand that, John. I think what I am trying to get at is that if you look at the toolkit on the public finances manual, it is page 15 of that toolkit, it specifically refers to the report that is made public for scrutiny and it does talk about needs assessments, the procurement strategy, the requirement for over 25,000, so I suppose the ultimate question is: is the Government reporting correctly when it comes to consultants considering your definition that you are giving now?

Chief Operating Officer:

I think the reporting is correct, yes. I think that the recommendations in both the procurement manual and in the C. and A.G. report cover a subset of what is reported in the proposition 59 report.

Senator T.A. Vallois:

Okay. Thank you very much for that, John. I will pass on to the next area of questions. Thank you.

Deputy I. Gardiner:

Thank you, John. I would like to pick up it was mentioned several times that actually P.59 requirements were based on the C. and A.G. report. So a C. and A.G. recommendation that has been accepted, such as a structured need assessment, and it looks closed, so the question here: what does it mean, closed? What process do you have in place for the structured needs assessment? From what I understood from the question, we do not have currently any definitions or any guidance, just a question mark if it is something that should be developed. This is the conversation that we can have. In this case, it is a question mark about the robustness of arrangements with Recommendation Tracker because at the Recommendation Tracker at least both things looked as closed, if that makes sense.

Chief Operating Officer:

I think it was closed because the requirement was built into, as Senator Vallois said, the group 5 procurement of consultants toolkit. I think your suggestion that it would benefit from a more structured format is probably a good one, which we will take on board.

Deputy I. Gardiner:
Okay, yes. It would be helpful when we look through this. I will continue with Recommendation Tracker. Recommendation 10 from the C. and A.G. report recommended developing procurement arrangements for consultants through increasing use of framework contracts and the adoption of rate cuts. This recommendation has been marked as complete, closed, by Government on the tracker, so the question is: what frameworks are in place for the engagement of consultants and what future frameworks are planned?

Chief Operating Officer:
The main framework we have in place is for programme project managers, and we have a pan-Island and some U.K. (United Kingdom) but mainly pan-Island suppliers on a framework where we have agreed rates. Again, that is one of those bits that falls slightly outside of the procurement strategy because the whole point of having frameworks is that you do not have to write a full procurement strategy, you go straight to the framework. So we have that framework. We also have a framework in place for the provision of interims. We have a number of both on-Island and off-Island interim providers, again on agreed rates, through a framework. So when I say agreed rates for interims, I should clarify what we agree is the commission rate paid to the agency. Obviously, each interim comes with their own personal cost attached to them. So this is the 2 we have at the moment. We have a plan as part of the commercial services strategy which started this year. We will create a professional services category and have a category manager appointed. The idea is to increase the number of frameworks. The most obvious one, which I am desperate to get in place, is for I.T. providers. We are in the strange position whereby I can go and get a project manager for an I.T. project off a framework, but if I need someone to actually sit and write code, it has to be done as a procurement. So that would be one of the first ones that we put in place. So, there are some. It is still work in progress, but the intention is to have considerably more framework agreements in place.

Deputy I. Gardiner:
How has value for money been assessed in the frameworks that have been put in place already, like the project managers and the agency staff?

Chief Operating Officer:
The frameworks were let through a competitive process. We looked at the costs bid by each provider and we have standardised those. We have lost some because they would not come down to our

standard prices. Value for money as opposed to cost would be assessed by each individual accountable officer or each programme project manager brought in.

Deputy I. Gardiner:

Okay. How do you identify and verify the extent to which the information necessary to support their work is not available?

Chief Operating Officer:

Sorry, could you clarify the question?

Deputy I. Gardiner:

How do you identify and verify the extent to which the information is necessary to support the work of the frameworks?

Chief Operating Officer:

So we review the frameworks with the suppliers on a regular basis and the procurement manager responsible for the framework will also take feedback from users of the framework based on how well people are performing under that framework.

Deputy I. Gardiner:

Okay, thank you. A question to Catherine Madden: again, this one we have 2 frameworks in place, one framework to be developed. I would say there are probably a couple more things that can be done. My question is about why this has been closed on Recommendation Tracker or you have the full plan it had going forward that can be connected to the closure of recommendation.

[14:30]

Chief of Staff:

In consultation with the department sometimes when a recommendation is closed it is not because it is complete but it is because they have the plan in process. So what we then do is we will go back and have a look. Internal audit will go back and monitor and have a look to see has it progressed and, if it has not progressed, then the closed recommendation will be reopened. What we can do with that specific recommendation is go back and have another look at it. In terms of, for instance, R.15 I think of the C. and A.G.'s report, where I think what they were alluding to was how do we know that the reports and the recommendations developed by consultants are implemented in the way that they should have been, it is our intention, working with the Chief Operating Office, to use the P.A.C. tracker model to pull together all of those reports and recommendations so we can monitor them across the organisation in the same way we do with the P.A.C. tracker. But as we are

now at the moment moving to a SharePoint site, which we will doing imminently, there is no point in us doing that until we have the SharePoint site up and running. But that will enable us both to be able to look at best practice right across the organisation but also to make sure that there is a consistency about how we are reviewing consultants' work and are they providing value for money.

Deputy I. Gardiner:

When do you think this piece of work will be performed, will be completed, this year, next year?

Chief of Staff:

I think it will be this year but we would not be starting it until we have the SharePoint site in place and that we have been able to transfer all of both the scrutiny questions and the C. and A.G./P.A.C. recommendations across as well, because we have to shut down the existing site in order to transfer everything across. The data cleansing is being done on that, so it is imminent that that will start, so I would say probably mid-May was when we could realistically start the piece of work on the consultants' recommendations in a meaningful way.

Deputy I. Gardiner:

Basically, our performance review will be running until the end of 2021 and if I understood correct by November 2021 if we get a public hearing we will be able to see the progress on this work stream?

Chief of Staff:

I think what we could do is what we have done in private briefings with you. When we get the proposed briefing developed we could share that with you so that you could give us any comments or any suggestions where you think there may be improvements we could make.

Deputy I. Gardiner:

Sure, we will do this. Thank you. To the next question, now it is recommendation 4, which is marked open on the tracker. This relates to the needs: adopt, communicate, implement, monitor compliance with a consistent corporate framework for use of consultants, including a less ambiguous definition. Why has this not been implemented yet?

Head of Business Support:

This recommendation has been implemented in part but we did not feel we could fully close it yet. As part of the work that is going on in commercial relooking at their policies and driving the change within that, they are going to publish a new policy on consultants during 2021. They are planning to pilot that in the next quarter, so we wanted to wait for that to be in place and also make sure it links across C.O.O. in terms of people and corporate services, interims, contractors, et cetera, the ones that go through the H.R. world. We want to make sure it is all linked in, so we have left it open

because we felt we are going to be able to give something really substantial on that this year in order that, again, you can come in and have a look at it if you would like and we can share that we have a really robust process around that.

Deputy I. Gardiner:

It is very good to get an update because I think it is much better to keep it open and to know that the progress is made, so we definitely look forward this year to have an update. Another question on this recommendation, and it is also raised through the previous question: where do you have a clear definition of what a consultant is or is not? Because it is coming back.

Chief Operating Officer:

I think that we need to do some more work on it. Unfortunately, in the guidance to the public finance manual, the procurement guide, there are 2 definitions, one which is very tight and I think is the one that was probably around when the C. and A.G. report was done. It says: "Any expenditure on an individual or an organisation engaged on behalf of the Government or States of Jersey to provide independent intellectual input into decision-making, i.e. the consultant produces a report or written advice." Now, that is quite a narrow definition. That is probably what we think of when we talk about consultants, the old-style management consultants turning up, doing some study with the organisation and writing a report at the end which provides advice to be implemented. Because of the breadth of proposition 59 as lodged by Deputy Morel, we have then had to add a second definition at the moment, and I think this is where more work is required. It says: "Any expenditure on an individual or organisation engaged on behalf of the Government or States of Jersey to provide any other service." Effectively, a locum doctor is caught by that definition, a supply teacher is caught by that definition. That is the definition that was derived from the proposition 59 report, but I think we need to do more work to narrow that definition because that is why the P.59 report is so big. It is why it is in many cases difficult to comply with the rest of that guidance because it is not going out and getting someone to come in and make a recommendation which you implement. They do not make a recommendation, they do a job, but they are caught by the definition of consultant.

Deputy I. Gardiner:

I would say 2 points. First of all, in the public finance manual we have the first definition. I agree with you that I think it will be important for all of us to have this definition clearer for all stakeholders. Also, the recommendation form was framed to highlight the risk of using consultants as staff substitution. How do you think we can mitigate this risk? Because it is a risk there to have even interims because it is now as a consultant as well because their expenditure is high. So how are we making sure of how we mitigate the risk using interim consultants as a staff substitution?

Chief Operating Officer:

You say risk and I like to say benefit. So we have in quite a lot of our areas considerable gaps in our workforce, both in terms of bodies and in terms of skills, which we have no option but to fill with interims of some sort. We also have projects where we require people with particular skills for a limited period of time, which again would make no sense to recruit permanent people into those roles.

Deputy I. Gardiner:

I can see where you are coming from, but you are bringing me to recommendation 12 from the same report. The C. and A.G. report recommended requiring ... obviously provided all outputs for the project and the latest Government report on consultants and how many provided formal output, what form it has been taken and how departments checked availability of the skills within the States workforce before engaging with consultants, knowing that we do not have skills framework at the Government of Jersey that concentrates all skills that we have, or I am wrong on that one?

Chief Operating Officer:

We are nowhere near having a proper skills framework. It is an aspiration that we have but it is nowhere near. I think in a lot of areas the skills will be known. I will give a practical example. We ran for 2 years with a EY consultant as our architectural solution, our I.T. solution architect. I think if there was an I.T. solution architect somewhere in the organisation they were going to be working in modernisation and digital, we were unlikely to find them anywhere else in Government, and we know what we have in modernisation and digital. It would be down to the officer who is setting up a project programme to do their best to identify where there might be skills, but they are likely to be in their part of the organisation, with the exception of a few generic skills like project and programme management where we do have a central register through the Corporate Portfolio Management Office.

Deputy I. Gardiner:

So if you are going back to the C. and A.G. report, the first recommendation was implement corporate framework to record current skills within the States workforce and those skills are identified as needed as the organisation changed. When will it be implemented? When is the plan to create the framework that anybody can look at and say what skills we have, what skills we do not have, and how we are building a plan going forward to get the skills that we need for longer periods of time and what we will get from consultants?

Chief Operating Officer:

Deputy, I will pass over to Mark Grimley in a moment. I just wanted to give you an overview from my perspective first. Mark will then talk about what we are currently doing. The first barrier to doing this is having technology to record the information, and we do not have technology today that will

record this information. I.T.S. will give us that technology so that will deal with that barrier. There are also a number of other barriers which have to be overcome to do this well, and I have been involved in doing this in another organisation, a larger but much simpler organisation. First of all, you have to define what skills you want to recognise. For instance, I am a qualified scuba diving instructor. Is that something that the organisation wants to record or not? Is that useful? Secondly, having defined the skills you want to recognise - and that is a lot of work and we should not underestimate how much work goes into defining those skills - we then have to look at whether we are going to use simple qualifications to measure skills or whether we are going to try and measure skills. An example: you could have someone who has done their Prince 2 practitioner exam and is a qualified project manager who has never run a project. Equally, you could have someone in the organisation with 20 years' experience of running a project. Which one of those ...

Deputy I. Gardiner:
I am sorry to cut in, just with the time. I agree with you all details that you are mentioning now needs to take in consideration when we are creating the skills framework that we know what we have. I am not questioning it. This is the reason the recommendation that has been accepted by the Government to create this framework is 5 years old.

Chief Operating Officer:
Let me pass over to Mark to talk about what we are doing now.

Group Director, People and Corporate Services:
Good afternoon, Chair. In terms of the future skills, under the Government Plan, the People and Corporate Services team have expanded this year. In February this year we launched the workforce planning toolkit. That is really important because across the whole organisation taking a forward look about the skills that we have now but also those in 5 and 10 years is really important. As part of that toolkit, we are gathering skills requirements. We are looking to anticipate what skills come in the future, what disruptions will happen to the organisation and how we work, for example, new technology coming on board, the new hospital, and how we organise our work. Then, from there, we are setting up the skills groups. Now, we are already starting to have conversations with Skills Jersey about entry-level routes for things like business analysts, project management and business improvement, which means that we will use less consultants in the future, but that takes a couple of years to come through. We are also looking at professional groupings like nursing, teaching, doctors, and how we can start to attract and recruit on-Island working with Highlands College around the frameworks for development there. So the key to this is initially workforce planning, which has started this year and will be rolled out across the Government by October this year. From that, we will then draw up a skills framework and professional development frameworks and also look at the

forward plan of planned activities, things like transformation change and disruptors, to allow us to get ahead of ourselves.

Deputy I. Gardiner:

Thank you. We are talking all this will be done during 2021?

Group Director, People and Corporate Services:

The workforce planning and resource gathering will be done in 2021. We will build the frameworks early in 2022 in order to put the frameworks into the new I.T.S. We do not have a system that gives us this capability at the moment, so we are working towards an end date of the implementation of phase 2 in I.T.S.

[14:45]

Deputy I. Gardiner:

Thank you. Just observation, according to the 2019 figures for consultancy requirements, we spent as the public service £49,899,000. It looks like 2020 will be within similar numbers. From my perspective, the consultancy spend can go up and down depending on what are the requirements of that particular year. I am not focusing only on the numbers because I understand it can be different from year to year. Whereas our concern as the P.A.C., and this is where we would like to work together, is that without having frameworks, without having clear definitions, without having robust closure of this recommendation there is a big question mark about value for money, how we can assess the value for money, how we assess that the consultant gave us the output that we need. A very quick one: P.A.C. report on finance management, I am looking at recommendation 4. Recommendation 4, it was accepted that it was under your responsibility to develop clarification and additional guidance documentation for the process of engaging with consultants and every engagement of consultants and interims will be supported by a clear business case and supporting evidence. The guidance will be developed and linked to the public finance manual. I realise we had different things in 2020. It should be done by July 2020. Where is it standing now?

Chief Operating Officer:

That is still work in progress. It should be done by the middle of this year.

Deputy I. Gardiner:

So it is a delay but it will be done by the middle of this year, okay.

Chief Operating Officer:

You are on mute, Chair.

Deputy I. Gardiner:

Sorry, thank you. We are moving now to I.T.S. and staying on the subject of consultants but specifically related to I.T.S. Why was it necessary to bring a DMW consultant to help this procurement when we have group director from the organisation in digital? If I understood correctly, you have a group director appointed at the end of 2019 with responsibilities for I.T. procurement and one technology category manager who is reporting to the director of commercial services. So why did we need a £4.2 million contract for procurement?

Chief Operating Officer:

Just to clarify, we have a group director for modernisation and digital. They are not a procurement expert. They are the C.I.O.(Chief Information Officer) (14:48:00). We have one category manager for I.T. procurement who (a) is busy doing I.T. procurement, but (b) has no experience of this kind of procurement. This is a once in a generation procurement. We had to do a number of things. First of all, we had to make a market because while everyone might not like to hear this, Jersey is not the most attractive customer for these kind of programmes because we are relatively small and if you are selling software licences you would much rather sell 100,000 licences than 7,000 licences. So we had to make a market and that was the first part of the activity. We had to define our requirements, and this is not something you can go in and simply pick from a catalogue. There are over 1,000 functional requirements defined for the system. So there had to be a series of workshops in the tens, possibly nearer the hundreds, of workshops to define all of those requirements. We then had to write those requirements up in a way that the market would understand them. So we put those requirements out to the market. We did a P.Q.Q., a pre-qualification questionnaire, which got us 10 potential providers providing an answer to that. We shortlisted down to 6, and these are big firms and these are big systems. We had to put out the I.T.T., the invitation to tender. That was an enormous document. It ran to thousands of pages. We had to then evaluate that, which took hours, probably hundreds of man hours to evaluate. We then had to shortlist down to 2 and go through competitive dialogue, which involved, again, several hundred hours. We do not have the skills and we did not have the manpower to do that activity. The one I.T. procurement manager could not have done this, even if he had the experience. He would not have had the resources. I will pass over to Camilla because she led this procurement so she can probably ...

Deputy I. Gardiner:

I will ask a supplementary and maybe Camilla also can come in and answer as well. From the answer to my written question 118, it was clear that the original contract was in the sum of £1,497,875. The contract was extended and increased now to £4.3m. Did you carry out and report on appropriately extensive evaluation of the performance of DMW before extending the original contract?

Group Director, ITS Procurement:

Can I come to that second, if I can just build on John's original ... the points which John was raising? Sorry, I am away from the mic so I will try and speak up a wee bit. John has very clearly laid out the amount of work that DMW did on appointment. Some of the other work that they undertook was to really understand our readiness for the system. So the I.T. is clearly important and understanding the requirements is absolutely vital that we get those right before we went to market. But actually as this is a business change programme what was equally important was to assess our position as an organisation and our readiness to accept a new system. So there was a lot of work also went on around what our capabilities were in the different areas and the different enabling functions. Those documents were issued publicly. They went out with the documents that John has referred to. They have really helped us shape with our now delivery partner the amount of business change that needs to be done. Because we are well aware from previous programmes that it is possible to buy the technology but if we do not accept the business change and the business change does not happen, then it is not going to be as impactful as it could or should be. So there was a lot of work in there as well over and above the procurement. You rightly say that the original contract was in the region of £1.5m and to date we have spent £2.7m on the procurement work. That was due to an extended need of where we were last year. We had to replan our timelines to take account not only of our ability to be able to stand up the number of staff that we needed to input to those hundreds of hours which John has referred to, but so that the market could stand up. This time last year I do not think any of us realised what we were stepping into from an impact of what hit the world, and both ourselves and, indeed, suppliers needed to get used to doing a lot more remotely. So we have done all of this remote to date and the market was adjusting to that just as much as we were. So the need to extend the timeline and the replan we did, that had a consequential effect on the amount that we have needed to disperse to DMW. We also took a lot of soundings from the market and, indeed, from the reference sites to the best way to actually help the market understand what it was that we wanted to buy, to put it in fairly crude terms. While we had our list of requirements, the market was keen to dialogue with us and through that dialogue we have been able to really hone our requirements and really focus those down, but also be able to understand how the supplier can meet those requirements and what the system itself, the I.T. itself, could provide for us. We have been very clear in that respect that we do not want to make any changes to the systems that are not required, that we are very keen to keep those as clean as we possibly can and that has taken time.

Deputy I. Gardiner:

I understand. Sorry that I am cutting in, because I need to move on. One more question on DMW. I understand that there is a possibility to make an extension to the contract and I understand the reason why it has been made. At the same time, for £1.6 million it was a variation of the contract, which is bigger than the original contract that they have, so what did you do to be sure there is value

for money to make this variation, this extra new work that was added to DMW on £1.6 million they were not contracted before?

Group Director, ITS Procurement:

I have actually led regular review meetings with DMW, not just with the team that they have on the ground but also with members of their core team in the U.K. Through that, we have been able to measure their performance. On a couple of occasions, we have exited their consultants because they were not delivering to the extent that we needed to deliver. So we have had a performance regime in place on a regular basis.

Deputy I. Gardiner:

Do you have these meetings minuted and would we be able on a confidential basis to have the review of their performance?

Group Director, ITS Procurement:

I certainly have packs. Clearly, I do not have them with me at the moment, Chair, but I can identify some of those and share.

Deputy I. Gardiner:

Okay, thank you. I am passing now for the next questioning to Adrian Lane.

Mr. A. Lane:

Thank you. If you could just help us to articulate, the I.C.T. (information and communication technology) programme, as we understand it, is in 4 main releases. Could you describe briefly what those 4 releases look like? What do they deliver?

Chief Operating Officer:

Yes, the first release is a financial release which will replace JD Edwards and Supply Jersey. The reason we put that one first is that JD Edwards is our biggest operational risk, so we wanted to take that risk out as soon as possible. When I say it is our biggest operational risk, it is 2005 vintage. It is running on Windows Server 7. Both the JD Edwards software and the server software that it runs on are out of support. In the latter, we are paying for extended support. In the former, we have support on a best endeavours basis. So that is why finance is the first release. The second release is the H.R. release. That covers all of the H.R. modules that we are taking, so as well as the core H.R., talent management, resourcing, workforce planning, learning management. The logic for putting that one second is you have to build the H.R. structure in the finance module because you need it for approvals. So it is logical then you would leverage that investment you have already made in release 1 to complete release 2. It also means that we can do a lot of the things which are

in our people strategy. The third release is asset and inventory management and that is probably the first release that is potentially truly transformational in the way we do things. Then the final release is the commercial services and some odd bits at the end that we will need to tidy up. So, those are the 4 releases.

Mr. A. Lane:

Okay, thank you. Just reflecting on the outline business case and original budget, how was that put together and when was it approved?

Chief Operating Officer:

The outline business case was done as part of the finance transformation programme. It came out of a need that the finance transformation programme recognised that JD Edwards had to be replaced, so a business case was under way for the replacement of the finance system. I think Camilla can probably add some more, but I think as that evolved it became obvious that the H.R. system was equally woeful in different ways and that we had no asset management, very little inventory management, and Supply Jersey was not universally loved.

[15:00]

So, the scope broadened probably soon after I joined the Government in November 2018 … sorry, I joined in October 2018 but by November 2018 I think we started talking about broadening the scope to being a full replacement of what might otherwise be known as an enterprise resource platform. That business case was then produced by the Finance Transformation Programme and their partner and signed off in the first half of … or by mid-2019, I think, for inclusion in the Government Plan 2020-2023.

Mr. A. Lane:

The external partner at the time, was that Ernst & Young at the time?

Chief Operating Officer:

Yes.

Mr. A. Lane:

Now, as we understand it, the anticipated costs have increased to in the region of £63 million in the full business case. What has changed in the interim?

Chief Operating Officer:

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There are 3 key areas that have changed. We have increased the programme partner costs and that is because we increased the scope of a programme partner. Related to the previous discussion, we did a trawl of … one of the areas where we have started to produce a central record of skills and qualifications is around projects and programme management. In the original business case there was an assumption that the programme management would be done by a very small input from a partner and a large amount of resource from the Government of Jersey. Since that business case was developed and since we created the Corporate Portfolio Management Office last year and we have looked at our project and programme management capabilities within the Government of Jersey we realised that we did not have people with the right skills and experience to do this, so we have increased the scope of a programme partner. The second area is in relation to the Government of Jersey resources. Assumptions were made within the outline business case, one around how much work needed to be done and that was obviously without a change assessment because we had not decided what the solution might look like. I think Camilla has previously described the amount of work that has gone in during 2020 to identify the change need from where we are today. Secondly, the amount of data and the challenge around data cleansing probably was underestimated. Thirdly, there was an assumption that some of the resource could be freed up from within the functions, not charged to the programme but consumed within business as usual. For that reason, we have looked at that and we do not believe that that is now a realistic assumption. That is partly due to delays in recruitment but also due to the vast amount of additional activity that is under way. I think that was not an unreasonable assumption back in 2019 and as part of our due diligence we have talked to a number of organisations that have already gone through this kind of programme. Some of those organisations did take the decision to not fund internal resource but to make functions and departments give up resource to support the programme, but they did it in an environment where they virtually stopped everything else. I think done in isolation at the time before the first Government Plan was produced, it probably was a reasonable assumption. Post-COVID and a Government Plan which now has an awful lot of activity that was planned for 2021 to 2023, plus a lot of activity that did not happen in 2020 because of COVID loaded on to it, that is an unreasonable assumption. The third area is that the outline business case specifically did not call out contingency. What it did, it put in some risk figures and the risk figures that it thought would come through potentially in the full business case but not contingency. That is probably right for an outline business case but as we moved to full business case we felt that it was absolutely necessary to put in contingency because this is a 3-year programme with a lot of contracts and it is unlikely that everything will run smoothly for the next 3 years.

Mr. A. Lane:

My apologies, I lost the connection for a moment before you talked about the 3-year programme.

Chief Operating Officer:

We put contingency into the full business case, which was not in the outline business case because we recognised that things may change over the next 3 years.

Mr. A. Lane:
Just referring to the contingency element of that, how have you satisfied yourself that your contingency is sufficient and against what kind of characterisation case are you thinking about the contingency?

Chief Operating Officer:
We have built in roughly 10 per cent. So it is roughly 10 per cent of the total cost and that is roughly 20 per cent of the external cost. That is based on our discussions with other organisations that have done similar programmes.

Mr. A. Lane:
On a 3-year programme, what does that give you? Characterise for us what that gives you in terms of slippage risk.

Chief Operating Officer:
I am just going to have to refer to the business case, apologies. It covers roughly 6 months' slippage but we did not do it on that basis. We looked at … within the contracts, work package 0, which is the discovery phase, and release 1 are fixed price contracts. Releases 2, 3 and 4 are target price contracts with a cap and a collar, so that we are not contracting for those today. We have signed contracts for release 1, but we are not signing contracts for releases 2, 3 and 4 and they are target priced but what we have is a cap and a collar on that target price. So we have looked at those contracts and we have looked at the worst case and the worst case for those contracts would be more than covered by the contingency.

Mr. A. Lane:
So the cap is sufficient for the worst case of the external costs?

Chief Operating Officer:
Yes.

Mr. A. Lane:
Tell us, of the increase in overall programme costs, is that assigned to the various releases or the various scope deliverables?

Chief Operating Officer:

Yes. There is a detailed resource model. Obviously £6.4m of that is contingency of the internal resource and the programme partner costs. The programme partner costs are assigned against each release. We ask them to bid against each release in their I.T.T. response and Government of Jersey resource costs are detailed, modelled, resource, by week, by release.

Mr. A. Lane:
How do you work to ensure that the contingency is not just treated by programme management as part of their programme budget, in other words that every effort is made to avoid using it?

Chief Operating Officer:
In 2 ways. One is that the draw on contingency has to be signed by both myself and the Treasurer and, secondly, that the money is not provided to the programme. It is held by the Minister for Treasury and Resources and has to be requested by the Treasurer and myself from the Minister for Treasury and Resources with a business case and an explanation as to why we need it.

Mr. A. Lane:
The business case for this, you started as saying much of it is to reduce operational risk in finance and then with ancillary benefits in terms of improving the H.R. systems, which I think you have talked about at some length. When you talk about the transformation that is achieved through asset and inventory management and the commercial services, characterise for us what that actually delivers.

Chief Operating Officer:
I am going to hand over to Camilla because it is her specialist subject.

Group Director, ITS Procurement:
Thanks, John. I am not sure I am specialist subject on asset management, but I agree with John that it is when we get to release 3 that we start to become transformational. Currently we do not have a holistic view of the Island's assets. I am not talking here about laptops. I am talking about pumping stations, roads, seawalls. What I.T.S. will give us in the asset stage is the ability to be able to really plan our maintenance, to understand where those assets are and their ageing and be able to plan our use of finances much more effectively. If I use an example of a pumping station, one which I have used a number of times, currently some of those pumping stations may have 4 pumps in. We do not necessarily know which pump they are, what their maintenance record is, when their scheduled replacement is or indeed what pump it is, and that is referring to the inventory case, which I will come back to. The ability for us to really plan those Island-wide infrastructure assets is going to really be a game changer in the way which we have traditionally had to manage in that space. Not only does that hopefully bring that benefit to the Island as a whole but it should enable us to be able to plan our capital expenditure with greater clarity than what we have been able to hitherto. So

I think those are … when you move into that space then you really start to make a difference in how we manage our assets. From the inventory management perspective, currently inventory is held in a number of different areas on a number of different systems, as indeed it does for assets. Some of those systems include great heaps of paper. For us be able to react quickly, we need some understanding and we have some positive examples going into this time last year with P.P.E. (personal protective equipment). For our facilities to be able to improve inventory I think is really key and important to us. That flows again very much into your more effective use of finances, your ability to be able to plan and to ensure that the stock that you are holding is in fact a relevant level of stock to have in place. Both asset and inventory management are included in release 3.

Mr. A. Lane:
For those releases 3 and 4 where you are dealing with those items, how does that show up in either financial or the sort of softer societal or social benefits that the programme is supposed to be delivering?

Group Director, ITS Procurement:
There is some financial benefit which has already been included if we look at the space of asset management. They are already included in the current Government Plan and over a period we have estimated those, clearly in agreement with I.H.E. (Infrastructure, Housing and Environment), being in the region of £4.5 million. That is an additional cash benefit that we have counted in the business case but we have highlighted the dependency that it has. I think it is worth mentioning also that a lot of the expenditure which we have, specifically with our supplier, is frontloaded because it is in that space that they are helping us. They are deploying the system; they are building the core of the system. We are also doing our work there in the business change and business readiness space. So the further we go down the more we start to leverage that initial investment that we are making in this early release. So by the time you get into a release 3 type scenario, there are those benefits that have been identified but the price that we would pay our delivery partner is much less than what we would pay for this initial work in R1.

Mr. A. Lane:
Just turning to John, you talked about Jersey being a difficult customer because of the size of the organisation but then you also talked about a read across to other organisations. As you build your contingencies you are thinking about the programme cost. How did you make those comparisons with other similar-sized organisations or councils elsewhere?

Chief Operating Officer:
We asked the suppliers. I think I will pass over to Camilla because she led on that bit.

[15:15]

Group Director, ITS Procurement:

Thank you. Sorry, could you just repeat the question, because you addressed it to John?

Mr. A. Lane:

John talked about how we are different to other organisations that are trying to do these big E.R.P. (enterprise resource planning) programmes. How did you make that read across from other organisations to then scale the size of your programme?

Group Director, ITS Procurement:

A number of ways and a lot of that came out of competitive dialogue that we had that John referred to and I mentioned earlier on for the ability for us to work with our 2 final bidders through that process. I think it was about 240 hours, something like that, that we spent with the 2 bidders. That ability to really understand our requirements and to understand what the system had to offer has been a big informer of the scaling of the programme and it is that that has really driven the amounts that we now see in the internal G.O.J.(Government of Jersey) (15:16:05) costing. As John referred to, we have a detailed plan of all resources that are required and that has been done in conjunction with the supplier. They bring their experience from other large E.R.P. implementations to the table to help inform us. That for us has been a great benefit with being able to get that insight into the process. We also did some reference sites and those reference sites, while not being the whole of government in the way in which we are, we were able to take things from those reference sites and some of those were quite sizeable implementations. We were able to take insight from those also to be able to validate that which we were hearing from our 2 bidders. We also mentioned right at the beginning of this, we asked around what DMW bring to the table and right at the beginning DMW were bringing their own experience of a similar programme for us to help shape the requirements and help shape the sale of the resourcing. So it has been brought together from a number of different reference points.

Mr. A. Lane:

I am sorry, I lost the end of your answer but I am sure it will be on the recording. Just moving on, thank you, Camilla. In your R.F.P. (request for proposal) how did you weight the ability or the importance of locally available system expertise, for example in Microsoft Dynamics where Jersey is well resourced supporting the finance industry already, versus the SAP approach that you ultimately went with?

Group Director, ITS Procurement:

We had quality criteria, which shifted as we went through the process but I think it is worth just helping a step back. At the point when we had down selected to 6 bidders, clearly before we went to the 2, we did have a range of different software solutions in there. You referenced Dynamics and Dynamics was indeed one of those. When we looked at the criteria, we had a greater weighting on quality than price and so we had a number of evaluators, lots of evaluators who went through and looked at each of those responses and we scored those on the basis to what extent each of those different solutions would meet our needs. It was through that that we got through to our 2 final bidders, one of which was a SAP solution. But we were keen to attract local expertise and I am sure you are aware of some of the press that we have had in the fact that the consortium that is led by Keytree, a Deloitte business, does in fact include a local supplier. We are very pleased that was one of our big aims as we started on the journey of the procurement to be able to attract and bring a local supplier into a consortium. Of the 6 that we had in our original down select, all but one had a local supplier in their consortium.

Chief Operating Officer:
We actually had a dating service …

Group Director, ITS Procurement:
Yes, we worked with colleagues at Digital Jersey and we tried not to call it a dating service but it felt like that at times. We issued … to call it a prospectus I think would be a little bit grand but we asked all the local organisations who wanted to be considered to be part of the consortium to register but also to give a brief description of the services that they offered and that was then made available to the larger organisations who would look to lead the consortium. There was a number of conversations. We did not facilitate those conversations. We provided the information. I am aware that colleagues at Digital Jersey maybe did a bit more in that space but we did not consider it our role to give too strong guidance or to give guidance to a consortium lead as to who they should look to partner with. We left that very much for both firms to build their own relationships because that was a key decision for them.(inaudible 15:21:32).

Mr. A. Lane:
Thank you. Lastly from me, what practical improvements in service delivery will the public see as this programme delivers?

Group Director, ITS Procurement:
From the beginning in the early releases it should be easier to do business with us. That should be an improvement for paying your taxes. So that interface and the ability to be able to adapt should be slicker, should improve. Likewise for suppliers, we have over 6,000 suppliers and some of those clearly are on Island. John referred to earlier that Supply Jersey did not have the best of reputations

and by decommissioning Supply Jersey life will get easier for our on-Island suppliers and indeed for all of our suppliers. Currently, we have about 2,000 of our 6,000 user base which do not do electronic invoicing. The aim of SAP will be to make that easier for those suppliers. That is a clear impact on those that are based on Island. As I have mentioned, when we get to the release 3, and we have already discussed release 3, we should start to see and experience and benefit from more proactive maintenance of the Island's infrastructure. There will be a lot that Islanders do not see; there will be a lot that Islanders do not necessarily see a service improvement of. There will be some but especially with release 1 and release 2, it really is about equipping ourselves to be able to manage a £800 million organisation more effectively and efficiently than we are currently able to do.

Mr. A. Lane:

Thank you, Camilla. John, clearly you have something like 25 objectives in your operational business plan, of which this is just one, so we will doubtless have a chance to talk later in the year about the other 24. I will look forward to that. I am going to pass back to Inna at this stage.

Deputy I. Gardiner:

Thank you, and as you said, it is just the beginning. I am going back to the public and it is a public hearing and there is lots of government important internal business going on, but I will ask a simple question. Currently if the public go and update their address at social security it is not automatically updated on their tax form. Would social security speak to tax and tax speak to social security that the person does not need to update the new address twice?

Chief Operating Officer:

That is nothing to do with I.T.S. but it is on the agenda, so you will see in the Government Plan - I think it kicks in next year - there is funding for a customer relationship management system and that is about producing a single view of the customer. So we are doing some work around updating it. The landscape is incredibly complicated but the basics around tax, national insurance, health should be sorted relatively easily and we will be launching a new digital I.D. (identification) soon that will allow more people to do things online.

Deputy I. Gardiner:

It is good that it will be in the next year. When we are thinking from the public perspective, when we are asking from the public perspective value for money, the public wants to understand we have spent around £44 million for the last 6 years, so we have an extra £60 million-plus to spend going forward, plus it will be extra to connect tax to social security, but again it is the system from the public perspective. Basically if you are thinking about our jurisdiction of 106,000, what comparisons for upgraded similar size government jurisdictions have been done? On which scale is the spending on I.T. (information technology) within the government system?

Chief Operating Officer:

I do not have a comparison. What I did when I came in and I was asked to was to review where we were against where you would expect a modern organisation. I have said, and we will go back to the 2005 JD Edwards system, the social security system is also 2005 vintage and money has not been spent on these systems for nearly 16 years. The technology in 2005, the Nokia phone was the mobile phone of choice. It could receive phone calls, it could make texts and it had one game on it.

Deputy I. Gardiner:

I am not questioning. I know that our systems are very old. I absolutely agree that we need to do proper updates but what has happened since we started this I.T. modernisation within the Government, we have done lots of piecework. When I looked, my written question 117 to the States when I asked about spending between 2014 and 2020, the budget was £82 million but we spent only £44 million. When I looked, interestingly enough, since 2018, 2019, 2020, the only overspend that we had was on consultancy when in 2020 it was double. So when I am looking at this number, so now we have the business case for £40 million, which was developed with the consultants and somehow we did not put contingencies there. My worry, and the public worry as well, is how can we rely on that this will be the final requirement, that you know exactly what needs to be done and within 3 years our systems will be upgraded at least. I understand that I.T. is ongoing maintenance and ongoing updates, it is never a finished project, but hopefully it will not be millions. It will cost less to go forward. So, basically, how can you ensure that this time the budgeting was done correctly?

Chief Operating Officer:

There is a detailed business case for the technology transformation programme overall, which was provided as part of the 2020-23 Government Plan scrutiny. To your point, and I was always clear, this is the start. This was to get us with a sound infrastructure. Since that technology business case has come along there are a whole load of additional requirements that have come in for health, for instance, to support the Jersey Care Model. The new hospital will require completely different I.T. Again, a lot of the hospital I.T. is very old. We have not even started on many aspects of that although we will do. We are starting with a new electronic patient record procurement, which is currently under way and that is going to be a major piece of work. We have done the business case. I cannot guarantee it is the right … we will not have …

Deputy I. Gardiner:

Maybe we need to break it down together and to ensure stage by stage that we are making progress and within the ensured budget, because it is not coming in at yet another £20 million.

Chief Operating Officer:

We are doing a full business case for each element. So we did the outline business case for overall transformation but each element of that has a full business case behind it. In the case of cyber, we have full business cases for each element of it. One of the things that we are not doing is taking the money and running. What we are doing is taking the money and developing the business case. The I.T.S. is a good example. We developed, from the outline business case, the full business case and we went back to the Council of Ministers and we went back to the Chief Minister and we said: "This is the full business case. Do you still want to go ahead?" rather than perhaps what might have happened on projects in the past which might have started and then run out of money.

Deputy I. Gardiner:

Actually we never ran out of money. From 2014 to 2020 we understand we had … the department agreed the budget for £50 million-plus and we spent only £44 million. So we understand and this is where we have these gaps between required money, spending, more required. There is some inconsistencies that worry but I understand, let us say, we have started now, we have the full business case, the money goes through and we, as the P.A.C., will be watching closely. I am minded of the time and I really thank you for your time. As I mentioned at the beginning, we will follow up with the written question and we raised the structured needs assessment, what does it mean, or needs assessment with the definition of the consultancy. Will you tell us then who will be responsible for developing these definitions? Also we look forward to performance or recommendations from P.A.C. reports in July. So we will have several more meetings and also public hearings that we can follow up and hopefully these things can be performed and achieved by the end of 2021. Thank you, and I close the public hearing.

[15:32]