

7. Statement by the Minister for Treasury and Resources regarding the resignation of Treasurer of the States

7.1 Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

It is also with regret that I wish to inform Members that, following a period of illness, the Treasurer of the States, Mr. Ian Black, has decided to resign from his position. This decision has been reached by mutual agreement following discussions over recent weeks and is effective from 16th July 2010. Mr. Black held the post of Treasurer for over 11 years. During those years there have been many positive developments in the role of the Treasury. Mr. Black led the development and implementation of the fiscal strategy, implementation of the Strategic Fund and oversaw the growth of the Strategic Reserve, leaving Jersey in a stronger financial position than almost any other country to face challenges of the worldwide recession. Under his leadership the Treasury centralised all financial processing, incorporated Jersey Telecom and Jersey Post, modernised the Public Finances Law, managed the fiscal stimulus programme and introduced G.A.A.P. accounting. Mr. Black has been instrumental in all of these and many other initiatives. I would like to put on record my thanks for his dedication to his work and his commitment to public service in over 25 years of service to the States of Jersey. **[Approbation]** I am sure he will appreciate that. I am sure that colleagues will wish to join me in wishing Mr. Black a full return to health and good wishes for the future. Under Article 29(5) of the Public Finances Law, it is my responsibility to appoint a person to carry out the functions of the Treasurer while the office is vacant. As Members will be aware, I appointed Mr. Hugh McGarel-Groves to be Interim Treasurer of the States in February 2010 and I confirm that he will continue to be Interim Treasurer pending recruitment of a permanent Treasurer. In recent years, the pressures on the Treasury have increased significantly as ever higher standards of financial management and governance are required. The recent economic pressures and the need to ensure spending is controlled at a sustainable level have created even more demands on the Treasurer and Treasury. Members will be aware that I have made it a requirement that finance is strengthened and our programme is now bearing fruit. This work will continue under the guidance of the Interim Treasurer, but it will be for the permanent post holder to take up this work forwards to its full conclusion. Recruitment will start immediately to find a permanent replacement Treasurer, under the supervision of the Appointments Commission. I envisage that this process will take up to 6 months.

[17:30]

The Deputy Bailiff:

There are 10 minutes for questions. I saw first the Deputy of St. John.

7.1.1 The Deputy of St. John:

I put it to the Minister that Mr. Black, who I have high regard for having known him over all my time in this House, is a fall guy for the failings of others including the Minister and Council of Ministers themselves, for them not having hedged the funds for the Energy from Waste Plant as should have been done, and flagged up by the Minister at each board meeting until it happens. Does the Minister agree?

Senator P.F.C. Ozouf:

No, the Minister does not agree and I have had the benefit almost of being an independent overseer of this issue, having been alerted to the problem on my first day in the Treasury. Lessons clearly have been learned in relation to whole E.f.W. (Energy from Waste). These are well documented, have been reviewed by the Public Accounts Committee. I would say one thing, that I think that it would be a very sad situation if Mr. Black's distinguished career and his enormous contribution to public finances and the Treasury, over many years, would be almost cast in a permanent shadow by the E.f.W. There was an issue that happened, but that is not related to his standing down. I have made my comments clear in the statement and I cannot really comment any more, apart from the statement that I have made.

7.1.2 The Deputy of St. Mary:

It follows on very well from the previous question and it is all in the C. and A.G.'s report and there will be a question at the end. On 20th May 2008, P.73 and P.72 were lodged by the relevant Ministers about the E.f.W., P.73 being the funding one. Two days before that, on 18th May 2008, the relevant officer in the Treasury wrote to the then Minister for Treasury and Resources, now the Chief Minister, with advice about the amount of the risk and he spelled out how much it would cost to obviate the risk. That information was not included in the propositions and a few days later that officer resigned from working for the States and I would suggest that that matter is connected. My question to the Minister is would he care to comment, in the light of that information, on the role of the Treasurer and how, in fact, I would suggest, and does he agree that the Treasurer's role in this has been basically the fall guy, he has been set up and that is part of the reason why we are having to listen to this statement today?

Senator P.F.C. Ozouf:

The E.f.W. whole issue has been well documented. It has been analysed by the C. and A.G. on a report that I commissioned and asked to do and it has been examined by the P.A.C. (Public Accounts Committee). It is absolutely wrong, and I will not allow this suggestion to stick, that the Treasurer is the fall guy. There was an issue. Internal disciplinary action was taken in the Treasury and that is an internal and confidential matter. It has been dealt with and properly and I think that it is, frankly, a disgraceful state of affairs to suggest that somebody is a fall guy. I have made it clear as to the reasons why, by mutual agreement, the Treasurer has resigned his post and I really, again, repeat that I hope that this is not further opportunity to cast aspersions on individuals and rewrite the history, which has been well documented, in relation to E.f.W. matters.

The Deputy of St. Mary:

Does the Minister ...

The Deputy Bailiff:

Deputy, I am sorry, we have 3 Members yet to ask questions. We have only 6 minutes left.

The Deputy of St. Mary:

He is denying what it says in the C. and A.G.'s report, Sir.

The Deputy Bailiff:

Others must have their chance. Deputy Tadier.

7.1.3 Deputy M. Tadier:

In that case I will not use the word “fall guy”, I will use the phrase “sacrificial lamb”, but I am in complete agreement with the Deputy of St. John and the Deputy of St. Mary. My question, therefore, would be does the Minister think ... That would be an opinion, so I will not ask that. Will the Minister look at whether there is any link between the internal processes that he has just described, also whether there was any bullying which may have had a causal link to his illness and if he agrees that it is because of this unfair pressure which should have ultimately found a political scapegoat rather than one at civil servant level?

Senator P.F.C. Ozouf:

I am not going to speculate or comment, in a public forum, about an individual’s illness. [Approbation] It would be entirely inappropriate.

7.1.4 Connétable L. Norman of St. Clement:

I am just a little confused. There seem to be some incompatible statements being made by the Minister and, indeed, in the statement. The statement and the Minister have spoken about the illness of the Treasurer of the States - which I know well about, I have known and respected Mr. Black for a long, long time - and then it talks about that he has decided to resign his position. It seems to me that if it was because of illness, that the Treasurer should have been offered retirement on grounds of ill health. If he was not, why was that not done and, instead, why was he encouraged, therefore, to resign? I say “encouraged” because the decision was reached by mutual agreement.

Senator P.F.C. Ozouf:

Again, I am not going to comment in public about discussions with an individual who seeks to stand down from their position and I cannot make and will not make any comment, as the Connétable will know, about the individual arrangements for somebody stepping down. He has resigned and that has been by mutual agreement. That is the position and I hope that the Connétable will respect the privacy of the individual concerned in order to make his decisions, *et cetera*.

7.1.5 Deputy P.V.F. Le Claire:

Can I change the focus and ask the Minister to agree with me. Over the 10 years that I have been in the States, Mr. Black has given his all to the society that we live in and, as a member of the Public Employees Contributory Retirement Scheme, he and the officers of Treasury contributed to managing our way through a very, very difficult scenario, with the past service liability, which has been agreed, which has not been mentioned in this statement, and will the Minister join with me in making this last question, in this statement, one of focusing and reflecting on the service that Mr. Black has given to this community, throughout his time with the States of Jersey, rather than on one particular issue which has no bearing upon this man’s service. [Approbation]

Senator P.F.C. Ozouf:

I am very grateful for that, because I could not agree more. Mr. Black, who I have worked with almost every year since I have been a Member of the States over 12 years, I do not believe that Jersey's public finance and the strength, that we often refer to, has happened by accident. I think it happened by dogged persistence by Mr. Black maintaining a very simple but effective rule in terms of advice to subsequent Finance and Economics Committees. His service and his record is there for everybody's analysis and I thank him and thank the Deputy for the comments that he has made for a public servant who went beyond the call of duty and served subsequent committees and this Assembly and the previous Minister and myself in a fantastic way, which made a real difference to Jersey and put us on the economic map of sustainable public finances. I thank Mr. Black again. **[Approbation]**

7.1.6 Deputy M. Tadier:

I really do not know how to ask this question in politically or parliamentary perfect language, so I will simply ask the Minister for Treasury and Resources. Was the Treasurer paid off to keep quiet?

Senator P.F.C. Ozouf:

The standard of questions in this Assembly, which have led to a number of issues of which we have heard of previous things... I think it is a sad state of affairs when an elected Member of this Assembly makes such remarks. My position in relation to the standing down of the Treasurer is clear, due to ill health, and I have nothing further to add and nothing further should be added.

7.1.7 Senator T.J. Le Main:

I was not going to speak but, in view of Mr. Warcup's sudden decision to not take up the post, I would like to ask the Minister for Treasury and Resources, the way this Assembly is going with the types of questions and attacks on public sector servants, it looks to me - would the Minister for Treasury and Resources agree - that we will have great difficulty in recruiting high calibre candidates to come and work in Jersey, the way we are going?

Senator P.F.C. Ozouf:

I am concerned and I do not believe I am the only Minister or Member of this Assembly that is concerned about the development of politics and we are in a very difficult position where people are criticised, the insinuations that are made to very senior people that do not have an opportunity to answer back, not in relation to the Treasurer - there is clearly sympathy for the Treasurer and there is recognition and respect for what he has achieved - but if we are in this position of treating senior civil servants in the way that we have done and become to do so, I think there is a real issue of our ability to attract the right people to serve this Island, and I think that that is something that the Assembly is going to have to reflect upon in its work over the next few months.

The Deputy Bailiff:

The 10 minutes allowed to the Minister for Treasury and Resources without notice has come to an end. The adjournment is proposed. The States will stand adjourned until 9.30 a.m. tomorrow morning.

ADJOURNMENT