

Corporate Services Scrutiny Panel

Quarterly Hearing with Minister for External Relations

THURSDAY, 26th JULY 2018

Panel:

Deputy S.M. Ahier of St. Helier (Chairman)

Connétable R. Vibert of St. Peter

Deputy J.H. Perchard of St. Saviour

Witnesses:

The Minister for External Relations

Director, External Relations

Director, Global Markets and International Agreements

Group Director, External Relations

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[10:31]

Deputy S.M. Ahier of St. Helier (Chairman):

Good morning, everybody. I would like to draw your attention to the witness notice on the table, there and, obviously, I would ask that there be no interruptions. Thank you. And today we have cameras installed inside the room. They are not broadcasting live but they are testing them today so I hope that they will be working come the next hearing. All those present should introduce themselves now. So, I shall introduce myself first. I am Deputy Ahier. I am Vice-Chairman of the Corporate Services Scrutiny Panel.

Connétable R. Vibert of St. Peter:

Richard Vibert, Constable of St. Peter and a member of the Corporate Services Scrutiny Panel.

Deputy J.H. Perchard of St. Saviour:

Deputy Jessica Perchard, member of the Corporate Services Scrutiny Panel.

The Minister of External Relations:

Good morning. I am Ian Gorst, Minister for External Relations and today I am joined by –

Group Director, External Relations:

Kate Nutt, Group Director, External Relations.

Director, External Relations:

David Walwyn, Director, External Relations.

Global Markets and International Agreements, External Relations:

Tom Le Feuvre, Director, Global Markets and International Agreements.

Deputy S.M. Ahier:

Thank you. We would like to start with the initial priorities after your statement of proposed policies in June 2018. What are your primary areas of focus in your new role?

The Minister of External Relations:

You will know that there was an oversight with standing orders and those Members of the Assembly who were uncontested; there was still a proposal in standing orders that a statement of priority should be submitted to the States Assembly. So, as well as those things that I spoke about in my nomination speech, I submitted – and I hope that the panel has seen it – a statement of priorities. They are, absolutely, my priorities for the coming 4 years. You will note from those priorities that

some are much more immediate in nature, for example, the ongoing work with Brexit; some require action in the short term but are much longer term in outcome, so areas such as the Global Markets strategy; engagement with the U.K. is continual. We are in the process of developing a new strategy on European engagement, but on-the-ground engagement is already happening. I was in Brussels the week before last and the international standards work continues as one would expect. Again, immediate action is being taken day in, day out, particularly with the E.U. (European Union) and the O.E.C.D. (Organisation for Economic Co-operation and Development). No doubt you will want to ask us more about those as we go through the –

Deputy S.M. Ahier:

So, what progress has already been made on the priorities outlined in your statement when you were appointed Minister?

The Minister of External Relations:

In regard to –?

Deputy S.M. Ahier:

To your statement of proposed policies.

The Minister of External Relations:

If we go through –

Deputy S.M. Ahier:

Has individual progress been made on any of those policies?

The Minister of External Relations:

External relations work is, of course, quite different from that of any other department, where you might easily be able to determine K.P.I.s (Key Performance Indicators) for the work that you do. Much like that of the Foreign Office, a lot of external relations work is about building relationships. It is about sitting in front of people and trying to persuade them with regard to what Jersey does, where our place is in the world, about our culture, about our history. So it is much more difficult to measure it in terms of: "We have invested this amount of money," or: "we have taken those actions over the last 8 weeks and the outcome has been this." However, if we look at the actions over the last 8 weeks, I have had meetings in London on 3 occasions; I have spent 3 days in Brussels; I have met with counterparts in the Ille-et-Vilaine from Brittany in Guernsey; had a full-day summit there, talked about areas where we can work together in the future. That U.K. engagement has involved meeting U.K. Ministers, it has involved speaking at an all-party parliamentary group and engaging with some of our supporters and some of those who, perhaps, are less supportive of Jersey, meeting

in the evening with Members of both the House of Lords and the House of Commons, some individuals who have previously been Ministers, with whom we have had good relationships. Officials, of course, are having telephone conversations and meeting in London daily. That is not just the London office but it is, for example, David here, who is the co-ordinating with the U.K. policy officials. Tom has been on trips to Paris and Peru for O.E.C.D. work. When I was in Brussels we met with the Permanent Representatives from France, Romania, Latvia and Finland. We met with Members of the European Parliament and senior officials from various of the Commission cabinets. So, there is a lot of meeting people, there is a lot of talking, there is a lot of building relationships. Tom has just reminded me, but the panel will be aware, of the Indian High Commissioner's visit in the past week. But what can we point to as results? I hope that we can see that the White Paper from the U.K. has been published. We see mention there of the Crown Dependencies and Jersey. On that issue, if we take the code of conduct group, we see feedback from the E.U., which, from our side of the table, looks positive but we need to continue to build on that. So, it is a stage by stage relationship and we will be engaging with you in due course because we have a very tight time line on that particular piece of work. We heard the comments of the Indian High Commissioner in the public domain, in media interviews, about how positive that visit had been and how he thought that we could work more closely together, not just in financial services by signing new agreements but also right across the breadth of businesses operating here in Jersey. So, I am not sure if that quite answers your question. Of course, one of the pieces of work that we will be doing in early courts is a refresh of the Council of Ministers common foreign policy. Tom is – I am not sure whether we should use the word pioneering – but giving extra thought to it. So, with that piece of work we will go on to think about K.P.I.s; what does good like? However, with the global market strategy we very much trying to focus and experiment. I am not sure that any other country that we have looked at has got this very well. So, we are putting extra money into global markets and we are going to have to put more money into global markets if we want to continue to be successful in future. What does success look like with that extra money and those extra people? So, we will be doing some pioneering work, which I think, perhaps, might answer your question slightly better than I have done this morning.

Deputy S.M. Ahier:

How did you feel the negotiations went in Brussels and when do you expect to return?

The Minister of External Relations:

You can never be optimistic about conversations just over the water, there. It is long-term relationship building. On my last visit to Brussels, we met Commissioner Moscovici and he said to us then: "Out of all the third countries that come to the Commission, I have seen the Channel Islands" – because I have always done it with my Guernsey colleagues – "more than any other third country." I suppose you can read into that good and bad but I think that, at its heart, that shows is that that

particular cabinet, that particular Commissioner, does want to engage with us, does want to understand more what the base of our economy is and how it is a force for good global capital flows into Europe. It also, I think, shows that we are credible interlocutors when we go to Brussels and we can give a credible account of ourselves and the actions that we have taken and those that we will take into the future. So, in that regard, that has always been positive. On this trip, we met with the senior official in the cabinet responsible for data protection. You will be aware that, at the end of the last government, we introduced the new G.D.P.R. (General Data Protection Regulation) regulations to ensure that our equivalence provision remained valid. That was a very positive meeting and they confirmed to us that that provision does remain valid and that we are unlikely to be in the early countries that get reviewed, because of our track record about when we have done that. It also went a step further in asking as, obviously, we spoke about not just data protection but our fight against anti-money-laundering issues, countering of the financing of terrorism. After that quite wide-ranging conversation they themselves suggested that we could work with them and use some of our knowledge and experience to support other countries that they were also working with. So, that was really positive and the truth is, sometimes, with Brussels it is just getting there, speaking to people and changing the dial of the perception about us, which is often based not on the reality of what we do and who we are but on either preconceived ideas or media speculation. So, I always find those trips extremely positive. Of course we met with the U.K. permanent representative officials as well. That was largely around the code of conduct work and we touched on Brexit issues as well because it was the day before the White Paper was going to be put into the public domain.

Deputy S.M. Ahier:

The next question was about what benefits we might see from partnerships with regional French bodies but, to some extent, you have answered that so I will pass on unless you –

The Minister of External Relations:

I could add – can I just say that the previous Chair of the scrutiny panel used to start every hearing by telling me that if I went on too long he was going to stop me, so please do not feel that you cannot.

[10:45]

Deputy S.M. Ahier:

No, I am very happy.

The Minister of External Relations:

The reason I want to add a little bit of flavour to the meeting with the Ille-et-Vilaine is because there was some joint working that you would not expect. We always talk about trade, culture and shared endeavours in the arts and in education, but one of the things we talked about was an exchange

that has been happening with vulnerable children and deprived children in Ille-et-Vilaine and how they were coming on trips to Jersey and working with local businesses and local organisations such as the youth service, getting experience of speaking English, having their confidence built by coming on such a trip, working with local businesses on interview technique and sometimes days on the shop floor. It is important for us to talk about those sorts of things because they are things that are not much in the public domain but it is a really positive result from that joint working with our neighbours just to the south and we committed ourselves to doing more of that into the future as well.

The Connétable of St. Peter:

Excellent. Following your statement to the States Assembly on 26th June regarding the E.U. code of conduct group on business taxation, can you briefly explain the concerns raised by the code group in relation to Jersey? A lot of it is around economic subsidies, is it not?

The Minister of External Relations:

That is right. Let me start from the beginning. There is no international standard on what substance might mean for any different type of business or any different economic base. So, we started from quite an uncomfortable place regarding the code group. First of all, we have already, historically, worked with the code group on corporate tax. A number of years ago, as you know, Constable, we reviewed our tax regime as part of our good neighbour policy with the E.U. That is how we came up with the zero/ten regime, which preserved our tax neutrality and preserved those international businesses that used Jersey for all of the good reasons that we know about, understand and want to continue to promote. So, we already had this history of a relationship with the code of conduct group. You will recall that, 18 months, 2 years ago, they produced what they called a black list, which was just an amalgam of every E.U. member state's black list of countries, and then they published the top 10. It was a very crude approach. You will recall that our colleagues just over the water criticised the approach because they had included Sark as not having transparency agreements with member states. Of course, we all know why that is. They do not have taxation, so why would they have a transparency agreement about exchanging tax information when there is none? That gives you a real picture of the mountain that we are climbing in some regards. Commissioner Moscovici said: "Okay, they have made a start. We recognise that it is not very scientific so what we will do is come together as member states and develop our own black list of non-co-operative jurisdictions." That is quite important because that issue has evolved over time, as it does. They went through all of that. They set criteria and we met all of the criteria about transparency and exchange of information and being co-operative in that regard but they still had concerns about: "You have these companies. How do you show to us that there is substance in Jersey and the other Crown Dependencies and the overseas territories and some other countries as well, how do you show to us that they have got substance?" We have said for a long time that

we are a substance jurisdiction. For many years now we have been very cautious about businesses and organisations that want to set up what is being referred to as brass plate operations and we have not given licences to do that. So, we went in believing that we could help answer their concerns and their questions and, from that political commitment that I gave at the end of last year, we said: "Okay, we want to engage with you," to first of all, Constable, answer the question that you have just put to me: "What do you mean when you use the term substance?" So, you can see that we were starting from quite a low level because we did not, at that point, have the international standards to fall back on. So, it has to be said, we engaged with Brussels. They were slightly slower in their engagement than we would have liked but over the last couple of months they have made really good progress, so we have had the scoping document published, officials have been at meetings with Commission officials, together with officials from the O.E.C.D. forum on harmful tax practices and that scoping document leads largely on that O.E.C.D. forum on harmful tax practices document and proposals. Subsequently, we have, working very closely with Guernsey and the Isle of Man, put forward high-level principles around how we think we can address their concerns. We are not quite ready to go into the public domain with that yet but within the next few weeks we will be developing those high-level proposals into a consultation document. Once we have that draft consultation document, I am quite happy for it to come to this panel, albeit I know that the Economic Affairs scrutiny panel may be leading on this issue. You might want to think about whether you come together for that or you ask the Chairman of that panel to come and join your panel. That is entirely a matter for you but it is an important part of the work that we are doing as a ministry and it is also important economically, so I leave that to you. So, within a few weeks we will be in a position to publish a consultation document that asks Islanders and industry to look at those high-level principles. I think they are positive. I am hopeful that industry will show that they help move everyone towards a new standard, building on the harmful tax practice principles as well but, as you know, Constable, there is not one size fits all so what might be acceptable substance proposals for a large manufacturing company with buildings and people, is totally different for a company that simply holds an old master that just, basically, needs to have some insurance documents and security proposals in place and a 5-year valuation or something like that. It does not need a full-time employee; it is not one size fits all in that regard. So, I am cautiously optimistic that – the officials have engaged really well, and I congratulated them last week, together with members of industry, who have been supporting us coming forward with these proposals – that we will be able to absolutely meet the political commitments that I gave last year. We have the deadline of the beginning of next year. However, for us the time line is really tight so we have the consultation document, we have the drafting of the changes in legislation, we will have to have scrutiny of those pieces of legislation. They will be relatively simple and straightforward, I think, you never know.

The Connétable of St. Peter:

You have done it again. You have answered all the supplementary questions. However, I would say that it sounds as though you have made absolutely excellent progress.

The Minister of External Relations:

It is entirely the officials who are with us here today or –

The Connétable of St. Peter:

It is pleasing to hear where we are, particularly as the organisation itself does not really define economic substance. It is a difficult position to be in.

The Minister of External Relations:

That is exactly right.

The Connétable of St. Peter:

So, it is an excellent bit of work.

Deputy J.H. Perchard:

Brexit questions. For the benefit of the public, thank you for your private briefing on Brexit. It was incredibly helpful and informative but, perhaps for the benefit of the public, you could summarise where we are with Brexit as far as Jersey is concerned and the main challenges that we are facing to ensure that the Island is ready for Brexit in March next year.

The Minister of External Relations:

I was not at that briefing; it was not appropriate. We have seen the White paper and that covers us in exactly the way that we would want. Whether that White Paper is deliverable in its current form is not a matter for me to speculate on but will be thrashed out in London in Brussels. Commentators are saying all sorts of things about it but what it does in its current form, in effect, is preserve a customs arrangement that would allow us to continue to export our goods, primarily fishery goods, into Europe but does not bring in services for us. We are already out of the E.U. for financial services so it preserves that element as well. It is all going to be in what is negotiable and what is deliverable. In the transition agreement we see that we are mentioned there in the terms that we wish to be, so the transitional arrangements will cover us as well but we also know that the E.U.'s negotiating position has been that nothing is agreed until everything is agreed. So, the transitional arrangements or implementation arrangements, as the U.K. calls them, while on paper are good and positive for us, in practice unless and until an agreement is reached they will not be in place. Unlike the U.K., we have been preparing for a hard, no-deal Brexit right from the start, and, as we see in the media over the last number of weeks, the UK is also starting to increase its preparedness for a no-deal Brexit and in our conversations in Brussels a fortnight ago most of our interlocutors were also saying

that their countries were preparing for a hard Brexit. We have to remember that there is a lot of politics involved in Brexit – it is not just technical – so there is a lot of manoeuvring about being prepared for a hard Brexit position but I think that most people that we speak to still believe that there will be a deal. It will just go, largely, right to the wire because it is political.

Deputy S.M. Ahier:

You have mentioned it before, but what impact do you think a soft Brexit or even a hard Brexit will have on our agriculture and fisheries industry and will we need to rearrange the terms of the Granville Bay Agreement?

The Minister of External Relations:

We know, do we not, that a hard Brexit will mean that there is no customs arrangement and that the U.K. is not in the customs area or customs union, nor the single market. So, that would be a falling out of relationship with the E.U. That would cause issues for any Jersey or U.K. business that relied on a customs arrangement and we know that that is largely – for us, one of the biggest areas is fishing. At this point, we do not yet know what barriers might be imposed with no agreement; they could be tariff barriers, in which case it would be potentially likely that W.T.O. (World Trade Organisation) tariffs would come into place, but for many areas tariffs are small and not necessarily financially consequential.

[11:00]

Although, if they were financially consequential I am sure that we as a government and a parliament, would look at ways in which we could mitigate those financial consequences. The other issue that is not much talked about is the non-tariff barriers. If we look at our overseas territory colleagues to the south, sometimes their relationship with their northern neighbour produces non-tariff barriers that are quite difficult, so those are other areas that we would need to work with. Certainly, speaking to our French colleagues, they want, where possible, to continue to have a positive relationship with us and to maintain our historic relationships. Of course that then throws the Bay of Granville Agreement into the mix, as you just asked, Chair. We have been seeking to review that agreement. We have been seeking to review it and make it modern in advance of a Brexit deal. I have to say, that is proving quite difficult because of all of the politics around Brexit. We wait to hear back from French officials – at one level, the officials would like to get on, carry on that piece of work; at another level officials have some uncertainty about whether it is within their remit to do so at this time, so we continue to work on that.

Deputy S.M. Ahier:

Thank you.

Deputy J.H. Perchard:

Forgive me if I have misunderstood or it is obvious, Minister, but you stated that if fisheries tariffs were consequential, the government would look to mitigate these costs. By what means or in what ways would that happen? What would that look like?

The Minister of External Relations:

It is a little bit too early to say but if we simply took the value of exports and thought about a tariff applied to the value of those exports, I am sure there are ways that we could work with fishermen to mitigate those on a scale of reducing costs, subsidies. There is a scale of measures that could be taken to help mitigate that cost.

Deputy J.H. Perchard:

Thank you.

The Minister of External Relations:

Do you want me to talk more? At very high levels they say: "Oh, you should mention this." We spoke at a very high level about the White Paper and the transition arrangement. There are lots of other things I could say about it.

Deputy S.M. Ahier:

Former Senator Bailhache has suggested that the Island may have to become independent depending on how the Brexit negotiations develop. What is your personal view?

The Minister of External Relations:

I think I was asked this on the 4th of June this year and I said to the questioner that I thought that was the wrong question. It can sometimes seem that an answer to all of these relationship problems is just to go it alone and going it alone is the I-word. In a modern, connected, global world it is difficult to a) see or b) make the case for where the advantages would be in that regard. Some of the arguments are not dissimilar to those being made in Scotland. So, we have a strong economy. That would be fine. But a large number of our institutions have strong relationships with the City and parents in the City. There are a whole host of other costs and manpower and membership of international bodies and domestic changes to how we do things here that would have to be delivered if we were going to seriously seek that option. For my part, I think the 800-year relationship that we have with the British crown has served us well. We have been phenomenally successful through some really, really difficult periods of our history that other places in the world have not had to overcome and I do not think that we would throw that away or suddenly think that there was a pot of gold at the end of a rainbow without really seeing it all. So, if we go back to – it is not much talked

about these days – was it the third constitutional review group or the second? I cannot recall and nor can my officials. That is not often the case. Was it the second? Second, okay. The second constitutional review group started to look at some of these issues and it is a tome of areas that would cost us quite a lot and then we have to ask ourselves: "What are the advantages?" There would be, potentially, some advantages but if you look at other microstates and other small places like ours that are independent, you still have to build relationships with your large neighbours and that takes a lot of time and effort. And you are still at – saying you are at the mercy of larger neighbours is not the right word but you really do have to – what I think of as you have to duck and dive. We are already a small country with a high level of autonomy so if we were going to become independent we would have to make decisions about defence, we would have to make a lot more decisions about foreign affairs, consular services, all of those things, and they are fraught with difficulty by themselves. We know that the E.U. is rethinking its relationship with its microstates and has been doing for a number of years now – all the time I have been going to Brussels – and they are not easily resolvable for them. So, you do not just suddenly become independent and get your own way. A little bit like a child becoming a teenager and leaving home, suddenly you have your independence but you no longer have your meals prepared for you, no longer have a roof over your head. So, we really have to be careful about what we wish for. Should it always be something that is, almost, an extreme backstop position? Of course it should because any proper government would and does have to think about that on a scale of measures it might take. However, even with what I see before me, with the code of conduct group, with Brexit. These are not Brexit. Of course it is new; we have not had to deal with the European Union on this scale for 40 years, but all of the other things from the international arena are not new. We have had to deal with those in the past 7 years – when I have been involved in dealing with them – and we have to think about where public opinion is going, where the international standard setters are going, where we position ourselves to continue to be successful, and how we navigate our way through. And we have navigated our way through successfully and I see no reason why we cannot continue to navigate our way through successfully with our current relationship. It is not always an easy relationship because sometimes, rightly, we say – and both U.K. Ministers and Select Committees in the U.K. admit it – that our interests are not always aligned. Sometimes, we have to agree to disagree or we have to challenge each other. I remember 7 years ago, when I first went into my last job, we had to take the U.K. to court over L.V.C.R. (Low Value Consignment Relief) but, at the same time, you could say we spent the last 6, 7 years after that rebuilding those relationships. It is about relationship and that is fundamental, whether you have a high level of autonomy, like we do here, or you are an independent, small country. You still have those issues to face, so I cannot, as we sit here, see the benefit that it might bring.

Deputy S.M. Ahier:

How are you ensuring that Jersey's interests are understood, both in London and the E.U.? I know you spoke about it earlier.

The Minister of External Relations:

We are doing that through Minister/Minister meetings. We are doing it through official to official meetings. We do it in London through our London office and we do it in Brussels through our combined Channel Island office. So, we had the Jersey day in London reception a fortnight or so ago. We had 2 U.K. Ministers there. The year before that we probably had 4 U.K. Ministers but, ironically, we seem to pick the days – a couple of years ago we picked the day when everybody pulled out of the Tory leadership race and the Prime Minister became the de facto Prime Minister, so that was when we had a good turnout of U.K. Ministers. This time, we picked the day when the Foreign Secretary resigned, so we had a smaller turnout of parliamentarians. However, we have been building those relationships, so much so that we can pick up the phone directly with Ministers, we can be frank and open with Ministers, we have got to the point with some of those Ministers that I know now, even at the end of a telephone, that they are not being awkward when they tell me the way the land is lying; they are being honest with me. I need that in order to navigate and decide what position is going to be best for Jersey, and they know, after all these years, that I am going to be honest back with them. We saw that, probably, played out most recently with the Sanctions Bill in the U.K. There were some really difficult conversations there but we knew, because of the relationship, we were being honest with each other. So, it is about keeping that communication open, it is about meeting people face to face.

Deputy J.H. Perchard:

Minister, please could you explain your involvement with the Channel Island Political Oversight Board?

The Minister of External Relations:

When I was in my previous job, the current Guernsey Chief Minister and I decided that, in effect, we had come to the end of our tether with always saying: "We are going to work together on this, we are going to work together on that," and then, with no disrespect to officials at all, officials were working down their particular track of doing what they thought was best for each Island, almost in isolation. So, Gavin and I said: "Come on, this is no way to deal with these issues. Let us set up a formal structure," so, for 6 months, officials across the 2 Islands have been meeting and that culminated last month in the first political oversight meeting. Obviously, there has been a change of jobs but the 2 Chief Ministers, the 2 External Relations Ministers and Ministers whose portfolios might be the subject of discussion at the meeting – so, the Deputy of St. Ouen and a Health Minister from Guernsey – came over to talk about health issues, because health is an area where we both spend many tens or hundreds of millions of pounds, we do not quite replicate the services on each

Island for each community, yet we have a fundamentally different approach to secondary health care. So, one of the good proposals coming out of most recent political meeting is that we will develop a Channel Islands health authority. That will be an authority of officials and over it there will be politicians and that will then drive some fairly fundamental questions about: "Do we both need to offer identical services to all Islanders, bearing in mind Islanders already have to leave the Islands to get some treatments?"

Deputy J.H. Perchard:

Thank you for pre-empting one of my supplementary questions. Do you have any other key priorities for the next 6 months arising out of that meeting?

The Minister of External Relations:

Yes, the officials I am with today already co-operate really strongly with their Guernsey counterparts. Our new Chief Executive is, obviously, newer than the one in Guernsey but he has been there only for about 2 years. They now are strongly working together so we have a work stream about policy development together.

[11:15]

You might remember, prior to the election, we both ended up in a good place with the G.D.P.R. data protection legislation. However, we are not where we should be, if we are frank, because we started together, we started thinking about the policy together and then, because we have a different law officer, law drafting set-up, to Guernsey, at that point it diverged so we end up with 2 laws achieving identical things, because they have to under the directive, but the laws are very different. So, we said: "Okay, we need a really strong policy development stream to this work so that we stick together throughout all of that," and that is going to be challenged, to my mind, with the code of conduct legislative changes that we need to bring forward. So, we have worked really well together up until the point where we are going to be doing the law drafting. We then need to use this new structure to stick together on that law drafting because, by the time it had got to both Gavin and me, it was too late for the G.D.P.R. thing. And secondments. I am a great believer in secondments – I know officials are not always – simply because it helps you understand what is happening in Guernsey and for Guernsey, likewise, and it gives you go-to people with whom, again, you have built a relationship; you can pick the phone up and say: "Look, I am having a problem over here. Can you try and find it out for me?" because you know them.

Deputy J.H. Perchard:

Obviously, it was unfortunate that we started off on this track of having a shared information commissioner who then resigned from post and then took up post as Guernsey's information

commissioner. It was incredibly unfortunate that that fell apart in that way. What steps will you take to ensure that this does not happen in other areas?

The Minister of External Relations:

You are absolutely right. That should never have happened. It comes back to my point that by the time the matter came to Gavin and me it was already in train and decisions had been made much lower down the line that it was not possible for either of us to overturn. I think Former Senator Routier and his opposite number in Guernsey both felt that wrong decisions had been made but it ended up with an inevitability about it. This is why we set up the overarching officials group for all of these things to flow up to and for senior officials to be apprised of every joint working scheme that is happening, with a strong political oversight. The Chief Minister of Guernsey has contacted me over the past few days about a piece of work that I will now take up with officials about joint working. It is working better but it will be very much in the eating of the pudding.

Deputy J.H. Perchard:

Is it fair to suggest that the fact that the information commissioner role went from being joint to no longer being joint reflects the different vision for the managing of data between the 2 Islands?

The Minister of External Relations:

That is what some have suggested. There is always a back history to relationships. We might say that the way that we set up a data protection commissioner with a lone individual without a proper oversight and sounding board of independent people was, in hindsight, the wrong approach. Had we done that, that would have eliminated a lot of the frustrations that ultimately led to decisions being made, which led to a point of no return. Having said all of that, the C.E.O.s (Chief Executive Officers) of both Islands have kept open the possibility – I think it is probably stronger than a possibility – of re-joining in a couple of years' time because it will be the end of the contract period of some individuals. However, we can learn a lot from that about first how we set up independent regulators and secondly how we overcome those inter-island differences and difficulties at an early stage.

Group Director, External Relations:

Do you mind if I just say something else on that, Minister? Thinking more widely on the data protection commissioner, there are plans, I think, on both sides, to bring that back together again, which is really positive. However, part of the point of having the Channel Islands Public Services Board, which is chaired by each Chief Executive alternately, is to make sure that, where we are having those sorts of issues on big, important policy areas, they do get held up and they get dealt with effectively. So, those boards are happening very regularly. The next one is at the beginning of September. Taking August out of the picture, they have them every 2 months. The Political

Oversight Board is supposed to happen every 6 months but this is so important that we are going to do it more often than that. So, at the beginning there is a whole pipeline of joint working initiatives covering a range of policy areas that we are looking, now, to do together. The idea is – and I am seeing that in practice – that a joint working ethos will be embedded into policy making from the very beginning. So we will be thinking: "Why should we not do this together?" not: "Why should we?" That is really positive and that will move the dial on how collaboration happens. I also think there are plans afoot to make sure that there are objectives in senior officers' performance appraisals that make sure that we are being judged on our enthusiasm and our success in working jointly with Guernsey.

Deputy J.H. Perchard:

Thank you very much.

The Minister of External Relations:

But the proof will be in the action, of course.

Deputy J.H. Perchard:

Yes, of course. We do have a question from a member of the public that seems suitable at this point. So, Minister, if there is agreement between the governments of Jersey, Guernsey and the Isle of Man on the terms that are wanted following Brexit, do the Islands all want the same outcomes? If not, what are the differences?

The Minister of External Relations:

Some of this ties into what you have just been asking me about. It is really important on the big issues for the Crown Dependencies to stick together just because Brussels and the Code group wants to negotiate one view. They do not want to negotiate 3 different views because they just have not got the time and they will just bat us away. The reality is that the United Kingdom Government is snowed under – might be a non-technical term – but it is incredibly stretched with dealing with Brexit so trying to present 3 totally different potential outcomes is not – for a start, it is not credible. So, we have worked really hard to ensure that we have a united position about what we want. There are some nuances to that because the Isle of Man is in a V.A.T. (Value Added Tax) customs arrangement with the U.K. So, that colours their approach to some areas but, again, some of that will depend, very much, on what the U.K. negotiates coming out of the White Paper. So, the White Paper would currently not be an issue in that regard, in their staying in a V.A.T. union with the U.K., although if the U.K. comes out that would be a problem because they are currently proposing to marry up all of those types of things. If the U.K. falls out and then decides on whatever time it is going to change its V.A.T. rate then that, of course, would be an issue for what they call the common purse arrangements with the Isle of Man. Very broad brush, but when we are sat in front of the

Ministers in the cabinet office and Whitehall we are saying exactly the same things and we have pre-meetings before we go into these meetings, sometimes to decide who is going to say what and how we are going to position what it is that we want, so we can be shown to be aligned.

Deputy S.M. Ahier:

Thank you, Minister. There is only about 5 minutes left and I want to include some closing remarks, if that is all right.

The Connétable of St. Peter:

Can you briefly explain the purpose of the global market strategy?

The Minister of External Relations:

In a nutshell, when we developed the global market strategy – and Tom was seconded and then recruited to help us do this – quite a number of disparate actions were taking place and there was also a recognition that those disparate actions needed to be given much more force within government, needed to be given people and resource to deliver, again, if we were going to have a strong future. So, it was a positive decision to bring all that together. Tom is leading on it and delivering co-ordination. Again, it is about building relationships. So, the stuff that we have done in Africa – rather than its just being disparate, we are seeking to sign memorandums of understanding with countries and having a portfolio of areas where we can work together, not just focusing on either development or financial services but, again, building a much broader understanding of who we are as Islanders; who we are, what our history and culture is and where we can work together. So, it was really based on co-ordinating everything that was happening, increasing those things that were happening while trying to stop the haphazard nature of it, and tiering countries and saying: "Okay, we are going to focus work on these countries here for this particular reason, these for this particular reason; these, we are going to seek agreement with; these, we are going to focus educationally, these, we are going to focus on the cow or dairy sector or these we think we could have good cultural links with," so it was a real co-ordination and a recognition that we were doing lots of really good work but it needed co-ordination.

Deputy S.M. Ahier:

We were concerned about something you said previously: "I am confident that we can enhance and deepen our relationships with economies in the Middle East." Which countries in the Middle East?

The Minister of External Relations:

The ones we already have relationships with.

Deputy S.M. Ahier:

Thank you for that concise answer. I think I will call the meeting to a close on that topic. Thank you very much for your attendance and thanks very much to the public for attending also. Thank you.

The Minister of External Relations:

Thank you very much indeed, Chair.

[11:28]