

STATES OF JERSEY



DRAFT STATES OF JERSEY (TRANSFER OF FUNCTIONS No. 8) (MISCELLANEOUS TRANSFERS) (JERSEY) REGULATIONS 201- (P.46/2015): COMMENTS

**Presented to the States on 4th December 2015
by the Corporate Services Scrutiny Panel**

STATES GREFFE

COMMENTS

These Comments relate to *P.46/2015 Draft States of Jersey (Transfer of Functions No. 8) (Miscellaneous Transfers) (Jersey) Regulations 201-*. The review of P.46/2015 has been broken down into sections with relevant Scrutiny being undertaken separately by Corporate Services and the Economic Development Scrutiny Panels. These Comments focus solely on the transfer of Jersey Property Holdings from the Department of Treasury and Resources to the Department of Transport and Technical Services.

These Comments are based on evidence gathering from Concerto Partners LLP who acted as expert advisors to the Panel. Further information on Concerto can be found at the end of these Comments.

Lack of business case

The Panel is concerned that the decision for the transfer of functions is political as opposed to what is best for government. The lack of business case and feasibility study only strengthens the Panel's concern that the decision is being made on a "follow the man" strategy.

The Panel was informed that governance looked extremely relaxed and it was unusual that all parties seemed to be acting as if the transfer was happening, yet the legislation had not been formally approved. Concerto did not find there to be a co-ordinated plan and there did not seem to be any joined up transition plan for the proposed transfer. In addition, there was no business case or feasibility study undertaken examining options in terms of scope or timing.

"...it is interesting that there is no business case for this change, so we were looking around to see what the Government's process was for it and, in a typical way, it might have come from a Ministerial expression of wishes or directive but it seems like the civil service has not quite caught up with that. There is not a business case and there has not even been one retrofitted to the policy..."¹

The Panel asked Concerto their thoughts on the lack of feasibility studies and they explained that although they did not know the Jersey political environment very well, from what they had seen, it looked like there was purely a Ministerial desire to make the transfer happen. They went on to say that although the "Ministerial Desire" process was not uncommon in the UK, there did not seem to be anyone in Jersey who stepped back to look at the options and draft a business case. *"...to me looking at this from the outside, it seems like a done deal and nobody stopped to question it..."²* Discussing the lack of feasibility regarding the transfer of something as profound as the Island's assets, most of which are in JPH, Concerto told the Panel *"...I have been working across Governments for at least 15 years on various major programmes and would say that was really surprising. I wasn't expecting to see this, I was expecting to see a lot more rigour and subsequent analysis..."³*

Doing a business case may just be too late but defining the new end state and developing a purposeful transformation approach to the transition would be my recommendation at this stage.⁴

¹ Transcript page 4 – Concerto 07/08/15

² Transcript page 7 – Concerto 07/08/15

³ Telephone call with Concerto 19/10/15

⁴ Transcript page 7 – Concerto 07/08/15

Public Sector Reform

There is concern amongst the Panel that 4 of the central areas for reform (Procurement, Human Resources, Information Service Delivery and JPH) would be scattered between 3 Ministries. The Panel did not see this as being a major drive for reform with responsibility for these areas being effectively between 3 managers. Concerto agreed stating it was not ideal if trying to transform the Government. *“...I did have some problem with the amount of synergies which were being sought, you know there wasn't a great appetite for transformation and I think basically Jersey is missing a trick by not regarding it as a transformation programme...”*⁵.

The Panel notes that Concerto perceives the transfer to be a missed opportunity for change and believe more could have been done to use the transfer as a catalyst for public sector reform. The Panel was advised that doing the transfer without vision and planning in place will potentially mean the States lose that missed opportunity. Again this raises the Panel's main concern that the transfer is a political decision rather than a business one.

Following the man strategy

The Panel explored the prospect of the changes being driven by individuals rather than business focused. The Panel was informed that during its evidence gathering, Concerto had heard from numerous people a “follow the man” strategy was being used and believed this to be due to the fact that the Minister involved in part of the transfer was previously responsible for JPH. Although the advisors could see logic to this understanding, they did not see it as a sustainable process. The Panel asked Concerto their opinion on what they would envisage happening post-election 2018 when there is a likelihood that roles and positions would change. Concerto explained there would need to be strong Ministerial leadership and the integrated Department would need to be reorganised and stable by then *“...much before then...”*⁶.

Conclusion

The Panel do not believe that the proposed transfer of functions is the optimal solution. Although the “follow the man” strategy may be seen by some to be logical at present, the Panel believe the structure of the overall transfer should have feasibility studies to support it and a robust business case in which different options are evaluated. The Panel perceive the transfer to be a political decision rather than a business one. The Panel is of the opinion that such key decisions should to have a clear business case behind them. To date, this has not been done.

Amendment

The Panel has lodged an amendment ([P.46/2015Amd.\(2\)](#)) to ask that the States allow the asset and strategic side of JPH to remain within Treasury and Resources. The amendment states that all functions are transferred to Transport and Technical Services save those that are listed in Standing Order 168 which will continue to remain within Treasury and Resources. Further details are in the Panel's amendment.

⁵ Telephone call with Concerto – 19/10/15

⁶ Transcript page 13 – Concerto 07/08/15

CONCERTO PARTNERS LLP

For the purposes of its review, the Panel undertook the services of Concerto Partners LLP. Concerto are a small and medium enterprise (SME) consulting group with a history of advising public and private sector organisations on strategy, planning and managing organisational change, often in relation to improving asset management.

The Panel was advised by Matthew Symes, Partner and Ben Burke Davies, Director. Matthew is a civil engineer and has been consulting in property and construction for most of his career. He has advised many organisations on corporate restructuring of their property functions and arranging delivery solutions for property functions, including the Royal Mail and Direct Line Group. He has worked on major projects, including the mobilisation of the Olympics for 2 years, and has been recently working with HS2 on their delivery strategy. Matthew also did work with the Office of Public Works in Ireland undertaking a capability and capacity assessment of their property function. Ben Burke-Davis has had a career in the civil service with 10 years in the M.o.D. (Ministry of Defence). He was then head of strategy in the Government Property Unit, the G.P.U., for mainland U.K. (United Kingdom) and has also spent time restructuring portfolios and property solutions.

In 2008, Concerto helped develop the principles behind the formation of JPH's strategic property portfolio planning approach which gave them familiarity with the subject area.

These Comments have been compiled by the Corporate Services Scrutiny Panel and are formulated by the verbal evidence received from Concerto. Concerto have endorsed these Comments prior to presentation. Concerto interviewed widely across the States organisations involved in the transfer and although they believed there to be some benefits, there did not seem to be a strategy in place to track and implement them. Departments seemed fatigued as the process had gone on for quite some time with Concerto finding it surprising that a "business as usual" approach was being adopted in both Departments. It was also surprising that both Departments were acting as if the change had already happened without the legislation being approved. Concerto were informed there was no business case or appraisal undertaken for the transfer and were of the opinion that the States had effectively done the transfer before any actual vision plan.

Benefits of the Transfer

- Project managers were deemed a "scarce commodity". Bringing them together in 2 Departments would give Jersey greater strength and depth allowing flexibility for people to have more varied careers as they move from topic to topic.
- The transfer as proposed is to a Minister who has had previous experience with JPH.

Non Benefits of the Transfer

- No business case has been brought forward for the transfer.
- No joined up transition plan for the transfer potentially leading to missed synergies.
- The Islands assets would be moved without any appraisal undertaken.
- Transfer seems to be proposed on a "follow the man" strategy rather than best for reform.