

Deputy Chief Minister |
Minister for Economic Development,
Tourism, Sport and Culture



19-21 Broad Street | St Helier
Jersey | JE2 4WE

By email

30 September

Dear Chair,

Thank you for your letter dated 9 September.

I am grateful for the opportunity to elucidate the relationship between my Ministry and the relevant arm's length organisations (ALOs) and States owned entities (SOEs). These groups provide many essential services on behalf of Government and liaise closely with relevant Departments to ensure their priorities align with Government strategy and Ministerial objectives. I believe we have good working relationships with each and that they understand their responsibilities to work in-line with Government, and departmental objectives. The forthcoming Common Strategic Policy will provide important direction to ALOs and SLEs in this regard as it will enable them to focus their priorities against the Government's objectives.

For ease of reference, the ALOs relevant to my portfolio are:

- Jersey Business Limited
- Visit Jersey
- Jersey Consumer Council
- Jersey National Park
- Jersey Products Promotion Limited
- Jersey Heritage Trust
- Jersey Arts Centre
- Jersey Opera House limited
- ArtHouse Jersey
- Jersey Sport

Additionally, I also have responsibility for a number of regulatory bodies:

- Jersey Competition Regulatory Authority
- Channel Islands Financial Services Ombudsman
- Jersey Gambling Commission
- Jersey Office of the Information Commissioner

In your letter you raise a number of specific questions which I have endeavoured to answer in detail below:

Their economic objectives and how they dovetail with the objectives of your department(s) and the Government as a whole?

The Department for the Economy maintains formal partnership agreements with each of the ALOs relevant to the Department's work. These cover a range of agreed practices and ensure that each ALO aligns its work with wider Government policy. The partnership agreements require each ALO

and SOE will produce an annual business plan setting out their respective objectives. These business plans are submitted for Government, and in several cases Ministerial, approval before they can be finalised. Officers evaluate these business plans on a range of criteria including their interoperability and synergy with Government priorities.

The Ministerial direction you will take in relation to these bodies, including if or how that direction differs from the previous Government and/or your predecessor?

My officers are invited to attend the board meetings of a number of ALOs in an observer capacity. These are typically Digital Jersey, Jersey Sport, Visit Jersey and Jersey Business among others. They ensure that I am able to provide direction directly to the leadership within these ALOs. I am also pleased that my Assistant Minister, Deputy Lucy Stephenson attended, in person, the most recent board meeting for Jersey Sport.

I have met with and asked the Treasury officials responsible for managing the relationships with our SOEs to ensure officers from the Department for the Economy are included in their regular shareholder meetings with the SOEs relevant to my portfolio. This will be on top of the existing day to day working relationship between Treasury, Economy and the SOEs. This will ensure that the shareholder and policy functions within government are aligned.

As Minister I will be re-establishing the appropriate cross-Ministerial groups which have, in the past overseen certain workstreams across ALOs and States owned entities (SOEs). Amongst these are the Ports Policy Group which, although established within the Government's MoU with Ports, has not met since 2017. This Ministerial led group will be reconstituted and begin meeting before the end of this year to provide guidance and support to the work of PoJ.

What work is being undertaken or planned to measure ALO/SOE performance (over and above the guidance on Annual Reporting standards as set out by the C&AG)?

The relevant officers within the Department for the Economy will also undertake a detailed grant appraisal twice per year which provides an opportunity to evaluate the performance of the ALO against their business plan and KPIs, their alignment with Ministerial priorities and their provision of information to the department and to the Ministerial team. The performance of SOEs is, as you would expect, a matter for Treasury as the shareholder representative.

What work is being undertaken or planned to set ALO/SOE performance targets to align with overall Government targets and priorities?

As part of the business plan process, there is a requirement to align ALO key performance indicators (KPIs) to the Council of Minister's common strategic policy.

The Government also established in August of last year an Arm's Length Bodies Oversight Board (ALBOB) comprising senior officers from across Government (including the Department for the Economy). This Board oversees a number of workstreams seeking to ensure a common approach is taken to maintaining strategic alignment and good governance across all major ALOs and SOEs. One of the key workstreams of this Board is to develop an assurance framework which will enable Accountable Officers to receive the necessary assurance that ALOs are acting in line with Ministerial

and departmental objectives. This framework is envisioned to be in place by the end of 2022 with further development during this Government's term and will compliment and standardise the existing bi-annual governance checks.

How you will ensure Ministerial Accountability is maintained, where certain aspects of the points above are effectively delegated to a civil servant?

Delegation of functions is a widespread practice within government, particularly for operational matters, I correspond daily with my senior officers to provide input and receive updates on matters across the portfolio including the management of ALO/SOE relationships.

As noted above, my officers attend the board meetings of a number of ALOs in an observer capacity and work closely with them to provide direction and input. I have met, and will continue to regularly meet with the ALOs relevant to my portfolio and look forward to drawing on their expertise, particularly in areas such as tourism and the Technology Accelerator Programme.

The Treasury Minister (or Assistant Treasury Minister where delegated) is responsible for signing off on the strategic business plans of SOEs directly. Where these entities are relevant to my portfolio, I will be liaising with the Treasury Ministerial team.

Additionally, cross-Ministerial groups, such as the Ports Policy Group will also be important in this respect, providing direct, Ministerial, oversight and direction for key ALOs and SOEs.

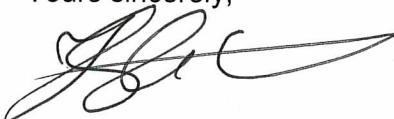
How the PWC Review of Shareholder Governance findings and recommendations will be adapted to cover other ALOs and SOEs beyond Jersey Telecom and Jersey Post?

It is important to note that it is the Treasury Minister who, in all instances, acts as the ultimate Government shareholder representative for SOEs. The PWC review informed the updated MOUs which were developed and published by the previous Government in [R.56/2022](#). The Arm's Length Bodies Oversight Board, has set out workstreams which now include all previous C&AG/ PAC recommendations.

I would add that the Treasury Minister may be better placed to provide additional detail on the shareholder functions of Government and how best practice is ensured across SOEs.

I hope the above provides clarity to the questions you have posed.

Yours sincerely,



Deputy Kirsten Morel

Deputy Chief Minister

Minister for Economic Development, Tourism, Sport and Culture

E k.morel2@gov.je