



Scrutiny Office

Public Accounts Committee

FRIDAY, 15th APRIL 2016

Panel:

Deputy A.D. Lewis of St. Helier (Chairman)
Deputy S.M. Wickenden of St. Helier (Vice-Chairman)
Deputy J.A. Martin of St. Helier
Connétable C.H. Taylor of St. John
Mr. G. Drinkwater
Mr. R.J. Parker

In attendance

Deputy Comptroller and Auditor General
PAC Officer

Witnesses:

Chief Executive
Director, Strategic Procurement

[13:02]

Deputy A.D. Lewis of St. Helier (Chairman):

Welcome everybody and thanks for giving this issue so much interest. I thank the Chief Executive and Head of Procurement for coming to talk to us today. For the purposes of the record we will just go round the table and introduce ourselves so it is on the recording. If we could start with Deputy Martin.

Deputy A.D. Lewis:

Thank you very much. I am just going to start with some preamble and then we will start going into questions and if the media could stop filming at that point. Obviously you are welcome to stay and listen and interviews may be given later on if required. Firstly, again, welcome. This particular subject has created quite a lot of interest among a number of sectors of the community, not least the political scene and the media. We are going to be discussing here today how Financial Directions are followed or not and how the Codes of Conduct are. I am just going to start with some preamble for the sake of the record. F.D. 5.7, that is Financial Direction 5.7, is the area we are going to look at particularly today. It lays out the terms of expenditure on trips including: "Departments that must ensure that procedures appropriate to the extent of travel undertaken are in place for capturing any benefits accrued to staff from staff travel. Preapproval is required in line with departmental schemes of delegation. For all travel, including the purpose of the trip, fully flexible tickets for a flight or train journey, flights other than in economy class or wrapping a personal trip around a business trip." The Code of Conduct indicates among other things that staff should: "Exercise prudence when planning trips. An employee should ask himself or herself: 'Is the action I intend to take legal and does it comply with the States policies and approved practices? Does the action feel right? Could it be justified to those outside the States? Could I be compromised in my dealings with others as a result of my intended action?'" What we are looking to understand in this review and today's hearing is whether Financial Directions 5.7 have been adhered to, together with the relevant Code of Conduct of officers when booking travel and accommodation or whether Financial Direction 5.7 is fit for purpose. We will also focus on the value for money and the purpose of the trips taken on behalf of the States. Finally, we will want to ask some questions around the centralised booking system which is set up to save money and time and standardise travel and accommodation booking arrangements throughout States departments. So that is in summary what we are going to attempt to achieve today. Thank you. If you could discontinue filming, that would be great. Okay, we will each be asking you questions and there may be supplementaries that come up in between. Today really is just to try and capsule that information that I just described in the opening preamble. So we are going to start off with ... we have 3 things: Financial Directions, whether they have been followed or not; value for money; and then we are going to look at the centralised booking system. So those are the 3 things that we are going to cover today. I am going to start off with Financial Directions and if I could just direct this to the Chief Executive. What is your understanding, Chief Executive, of Financial Direction 5.7 and the Code of Conduct in respect of this area of expenditure in the States?

Chief Executive:

Financial Directions are pretty clear. Whether it is 5.7 or any of the other ones, they are clearly set out. They are a subset which are released by the States Treasury and certainly under the Public

Finances Law there is a requirement for Financial Directions. F.D. 5.7 is what it is. There is no argument about that. How departments and how officers travelling, going back to travel, have applied them is something which I am sure we will go into in more detail. But it is there. We also need to just look at some of the recommendations that have come out in the Comptroller and Auditor General's previous report, which we have been in front of you before, which is about how these need to change. So the question that is in my mind is what are we doing for the future? We can look back and we can unpick why this flight costs this, was it value for money? We will no doubt talk about that in the hearing. The question in my mind is what is right for the future. How do you create an environment and the right level of governance and compliance that enables travel, in this particular case we are talking about today, to be correct and appropriate for the nature of that travel? How do you make sure that if it is prescriptive you adhere to it and, above all, which I think is the key, which we discussed yesterday, Chairman, when you came to visit us, was this is not just about one particular element of the States of Jersey. I will describe it as we go through but there are 4 elements to why our travel arrangements work or, as some may view, have not worked as well as they should. There is not one simple answer and we need to be able to understand those 4 key elements, how they have operated under the current Financial Direction, and how we think we might need to make some changes, both with the Financial Direction and with our own policies to make sure there is a more cohesive coherent way of managing travel for the future.

Deputy A.D. Lewis:

Are you satisfied generally then that the Code of Conduct and the F.D. that we are talking about are being followed or adhered to in regard to travel and expenditure? I think it is important we try to keep it at the right level today, but I will go into a specific example.

Chief Executive:

I will say right at the outset today, my own department has not complied with the absolute letter of the law of Financial 5.7.

Deputy A.D. Lewis:

But they received exemptions that are perfectly valid as well though?

Chief Executive:

It is very clear in my department, clear from the evidence we have provided you, is that when politicians travel, politicians travel business class. If I apply 5.7 by the letter the officers who are going to support those politicians on overseas trips travel economy. Now we have made the decision, and it is supported by respective Ministers, that the officer supporting him will travel with him business class. Now, where we have made a mistake, and be absolutely open about it, is we

have not necessarily signed off a particular piece of paper that has given that specific exemption in accordance with the detail that is required. So very open about it. The principle has been supported, the politicians who have been travelling have valued the support they have had from the officers, and it has been agreed right at the very outset that that combination of travel will exist. But we have not necessarily complied to the last letter. So being very open, that is where we are. In terms of whether that is the right policy for the future, and whether that is right, is something which we need to open up for debate and discussion. On the whole though, if there is a policy within a department and that policy is supported by the respective Minister/Chief Officer, then it is their responsibility to comply with the respective codes.

Deputy A.D. Lewis:

That is one example of some non-compliance. Are there others that you would highlight as either non-compliance or perhaps not fully in the spirit of the guidelines?

Chief Executive:

I think we could spend the whole of this session debating that particular point. Some might argue that there might be something that says value for money. Now is that value for money, you book the cheapest ticket possible and that is value for money, but then you apply the risk factor that if you have booked that cheapest ticket possible and you have a delay you do not only have the delay but you lose your entire flight when you could have booked something more expensive that gave you the flexibility to change.

Deputy A.D. Lewis:

We have some questions about that later. But while we are on the point, we will be interested to know, and I am sure you cannot tell us today, but it will be interesting to know just how many trips have been cancelled. So if it is quite a small percentage that have been cancelled does that justify always purchasing fully flexible obviously much more expensive tickets in the first place? Also we would quite like to get sight of your insurance policies which of course in some cases will insure against delays.

Chief Executive:

I have not got any information here.

Deputy A.D. Lewis:

I know you do not,

Chief Executive:

But is not the number of cancellations that will be ... because it will be very small. It is how many days a year do we have fog that stops us all, all the usual things living in Jersey. That is not the issue. It is how many times do we have to change because a meeting has been rearranged, the visits have not worked quite as we intended them to.

Deputy A.D. Lewis:

But again the same principle applies. How many times does that happen? Is there a record kept of that? Because what we are interested to know is how often is it relevant to buy a fully flexible ticket because often in the private sector you will buy the cheapest ticket and you will lose some of them for exactly the reasons you are talking about, but overall, over the period of a year, it is usually a lot less expensive to do that and lose a few rather than pay full price.

Chief Executive:

We will need to look into that in detail.

Deputy A.D. Lewis:

That is something we would like you to look at.

Chief Executive:

But again we just need to put in context, if we are talking about overseas long-haul travel the volume of overseas long haul compared to our normal travel is so small in comparative terms, both in volume and cost, then we just need to put this in context.

Mr. R.J. Parker:

On that, is this an issue, John, that if you book through an agent on a cheap ticket, which has restrictions, you can only adjust that ticket by going through the agent whereas if you have a full fare you can go direct to the airline? If you had made the cheap ticket purchase yourself, okay, you can then deal with the airline directly. I wonder if that is an issue in relation to the type of contract you have.

Chief Executive:

To be honest, I do not know the answer to that question. We need to look into it, as to what the arrangements are, unless Caroline knows the detail of it.

Director, Strategic Procurement:

We do need to just double check your question, but my understanding is, if you need to change your ticket the arrangement we have with HRG, everybody carries their or should carry their

personal number and they can talk directly to the classic team, which is the real person, it's not online.

Deputy A.D. Lewis:

That is a 24-hour service?

Director, Strategic Procurement:

24-hour service. So wherever you are in the world if you want to change your ticket or you need to make your arrangements ... change your arrangements because of an unforeseen incident then you can do that ringing the classic team, so that is not the reason for ...

Mr. R.J. Parker:

Okay, I thought I would bring that up.

Deputy A.D. Lewis:

Similar flexibility of course would be attributed to premium economy as against business class. That is perhaps one of the reasons why sometimes business class is used because it gives full and flexible tickets normally. Is consideration given to premium economy as an example of flexible tickets as well? There does not appear to be many premium economy tickets booked on the spreadsheets you gave us.

Chief Executive:

No, I think premium economy is one area we have to examine for the future. Is there better use we can make of premium economy and business? But again there is a question about how do you create a travel arrangement that suits those who are travelling because I am sure anyone who has travelled long haul will know when the curtain goes up between business and premium economy you cannot go between the 2.

[13:15]

So if I have got a politician sitting in the front and I have an officer sitting in the back they cannot talk to each other for 14 hours. I am not saying that is right or wrong, all I am making the distinction is if you are going to use different classifications of seats on a plane you just need to make sure that in doing so ...

Deputy A.D. Lewis:

I think you stated very clearly the reasons why sometimes they travel together, and I do understand that. Some might not accept that as bona fide but I do understand why that would

happen. There is also the opportunity with a number of airlines, although I think B.A. (British Airways) might be the exception, is that for a few hundred pounds you can change the ticket rather than lose it all, depending again on the class of fare that you book. I assume that your current provider factors that as an option where necessary? So it gives you flexibility but at a price.

Director, Strategic Procurement:

Yes. On business there are 5 different categories. I am using the B.A. as an example because every airline has its own classification of seats. But certainly B.A. has 5 different classifications in its business class. Some of those tickets have more restrictions than others. As you are booking the cheaper ones go first and then obviously it gets more expensive as the number of tickets in the cabin are taken. So there is an issue around demand, timing, because it is not always as clear cut as you make out.

Deputy A.D. Lewis:

I appreciate that.

Director, Strategic Procurement:

But yes, you are right, there are different classes of business class tickets.

Deputy A.D. Lewis:

Which brings us quite neatly on to the authorisation mechanism, which is what we are effectively talking about here. Do you want to carry on with that?

Mr. R.J. Parker:

John, can you explain the authorisation mechanism excluding - and I take the exception regarding where a Minister and someone is going in economy - how does that work for the travel and accommodation because I assume it works for all the other cases?

Chief Executive:

I think it breaks into 2 distinct camps, which is the normal Jersey/U.K. (United Kingdom) because of the volume of travel we have between the staff going between Jersey and the U.K. and the long haul. Europe probably sits in the middle but I think it more is akin to the long-haul option than it is the short-haul option. If it is short haul then the travel will normally be agreed with the manager that: "I need to go to England for" or: "I have got staff going to England on a training course" or whatever it is. If it is the long haul then something that has been introduced more recently; are you aware of the group called F.E.R.A.G.? Right, just for the record, F.E.R.A.G. is a Financial Services and External Relations Advisory Group. That is made up of the respective Ministers and Chief Officers who are effectively looking at the outward facing side of Jersey. So it is the Chief

Minister, Financial Services, Assistant Chief Minister, Minister for External Relations, Minister for Economic Development and associated officers. It is something that has been introduced quite recently. It is effectively a timetable or a year planner that is setting out the proposed trips. Now that brings me on to something about maybe value for money or something else, is that in analysing some of these trips that we have had in the last 3 years, from the data we have got, there probably are some options, opportunities of saying: "Could we streamline some of those trips a bit more?" Some of them absolutely clear: it is 2 people travelling for a specific purpose on a specific trip. Probably not much opportunity on that but there are some which we might look at and say ... in future by having this year planner cycle we might be able to say: "Can we combine 2 trips into one? Do we need to send officers from this department, that department and that department? Can we combine it and make better use?" That was introduced ... I think the first time we saw the year planner was in autumn 2015 for looking into 2016. I think it is a very good start and it is something we need to build on. My view going forward in terms of whatever we end up with, Financial Directions, policies, practices, et cetera, is that any trip that is more than 4 hours in duration, where the flight is more than 4 hours, needs to come under some form of oversight at the appropriate level, and that needs to be looked at. In particular, when we are looking at the real long hauls, which tend to be, as you can see from the records we have given you, Far East, Middle East and South Africa, and a few to America. Then those need to be looked at from a ... wherever possible, it is not always possible, from a planning perspective. When you look at the breakdown of the flights there are quite a lot which are in relation to policy, which are effectively led by politicians, and there are quite a few that are purely officer led that may have other reasons, so investigative or other purposes. Those clearly are one-offs that are required probably at short notice for particular purposes. They may not be able to be planned as easily as others. The ones I have referred to before probably can be planned a bit more and, having said that, I am very aware, because I was only involved in a discussion last night before I left work. Suddenly a trip that was planned next week has all been changed, they had to change it. That was at 5.00 p.m. last night we have had to change it this morning.

Mr. R.J. Parker:

Is there an audit trail where there is a signature somewhere to authorise that expenditure?

Chief Executive:

Certainly in F.E.R.A.G. those meetings are minuted, so is there a piece of paper that authorises that particular year planner, for everyone, no, but it is a minute that says: "We have agreed that" or we have asked officers to go away and do some more work on it. In terms of each flight that is booked, then it has to go through the formal approvals process. So it will go through ...

Deputy A.D. Lewis:

Can you describe that formal approval process, John?

Chief Executive:

The officer will have authorisation within our Financial Directions on financial limits, and each department will have a scheme delegation. So if those schemes are in place and are adhered to by the department, the Accounting Officer, then it should automatically put in place the controls that are required, that require, in this case flights, to be approved at the appropriate limit.

Deputy S.M. Wickenden:

Is the scheme of delegation published anywhere so we can see where that has been done? So is F.E.R.A.G. within the scheme of delegation, seeing as it is a fairly new thing?

Chief Executive:

I do not think it is published in terms of open public, certainly it is ...

Deputy S.M. Wickenden:

Internally, is it?

Chief Executive:

Internally it is held by the Treasury. Certainly in my career as a Chief Officer both at T.T.S. (Transport and Technical Services) and in Chief Minister's, the first thing I do when we go through an election cycle is present the scheme of delegation to, in my case now, the Chief Minister, or in a previous case, my Minister, and say: "This is the scheme of delegation with all the various authorisation limits. Are you happy with it?" If so, sign it. If not, have discussion, will change it. I think those exist in most departments but that is certainly how I operate and I think is the right way to operate.

Mr. R.J. Parker:

Are there any situations where you have to, as the Chief Officer, approve any travel?

Chief Executive:

There are now. But I have put that in place as an interim measure until our new policy is clear. So what I ...

Deputy A.D. Lewis:

So before that, if a senior officer was travelling they were able to authorise their own travel?

Chief Executive:

It is an Accounting Officer's responsibility for accounting of the Chief Officers for their travel. Now in, I think I can say, the vast majority of cases were Chief Officers travel I have always known about it. Have I actually had a piece of paper from them to sign and authorise? No. Because I trust them to consider their travel.

Deputy A.D. Lewis:

But you are saying now, since maybe recent circumstances occurred, you are now authorising particularly that high value travel for senior officers?

Chief Executive:

What I have said is that while we are in the stage of reviewing our travel policy and creating a new revised travel policy, then what I have said is all accounting officers must ensure they are aware of the travel for their staff where the flight is more than 4 or 5 hours. So it is effectively saying if you are travelling U.K. or close Europe then you authorise within your own department. If you are travelling beyond that, which is the longer long-haul flights, then you have to make sure you have got authorisation in place within your department, as the Chief Officer, and as a Chief Officer you have to bring that to me now.

Deputy A.D. Lewis:

But that was not in existence until recently?

Chief Executive:

No.

Deputy A.D. Lewis:

That is useful to know. Coming on now to another question which Deputy Martin is going to ask.

Deputy J.A. Martin:

You talk about planning ahead, John. It appears that some flight reservations are not made significantly in advance to take advantage of the more competitive fares in contravention of the policy. So what monitoring is undertaken to ensure that compliance with the policy is adhered to, and then what sanctions are imposed when the rules and any others are broken?

Chief Executive:

I will answer first and then Caroline can add on. I would expect that a Chief Officer who is an Accounting Officer will look at their travel arrangements in their department and wherever possible plan it ahead and book it ahead at the appropriate fare, price, et cetera. I am very aware that an

awful lot of the travel that comes out of the Chief Minister's Department, if it can be arranged with sufficient time, then they obviously get the most economical ticket they can that is appropriate for that travel. But as I have just described to you, even last night at 5.00 p.m. we were looking at having to change a travel arrangement next week on a long-haul flight. So that will have to have been booked today for next week. So are there sanctions? I would expect the Chief Officers and Accounting Officers to be looking at the appropriate time limit of booking their flights, where they can do so in advance and it is safe to do so. Where there is a risk, and certainly on quite a lot of the travel that I am aware of that happens within Chief Officers, Financial Services, External Relations, quite a lot of that travel is relatively close in terms of timescale.

Deputy A.D. Lewis:

So it is reactionary?

Chief Executive:

Some of it is reactionary.

Deputy S.M. Wickenden:

From the information that we were given, I have just done a quick search on the Chief Minister's Department, easily 80 per cent of those flights that were booked over the last ... I think it was 2012, discounting Ministers, so it is just officers, have been 9 days and less before, so it is not really showing that you are doing what you are saying, looking very much in advance there, John.

Chief Executive:

On the contrary, that is exactly what I am saying. Is that the vast majority of our travel is booked when it is reactionary because most of the staff that you are looking at in Chief Minister's are there to support a Minister on a specific trip. That is where the vast majority of our travel comes. So a lot of that travel - 80 per cent, 20 per cent - probably sounds about right. But it is known about in advance so it is planned for in advance. But quite a lot of it is not because most of my travel in my department is officers supporting a politician going on a trip.

Deputy A.D. Lewis:

You are saying that the vast majority of your trips it is difficult with your department to plan in advance? Is that what you are saying?

Chief Executive:

I have not looked at the 80:20 split you just described, but a lot of the travel is relatively short notice because a Minister might have to go off and sign an agreement somewhere. They might have planned a trip but a meeting at the appropriate level has been changed therefore they have

held off for as long as they can until they know the exact details of that ministerial visit. A lot of the visits that take place at ministerial level are sometimes also in conjunction with Jersey Finance and the financial services industry. A lot of those trips do tend to not be confirmed in terms of meeting arrangements until 2 or 3 weeks beforehand, in which case it is sometimes quite difficult to book the trips.

Deputy S.M. Wickenden:

I mean if you take your own personal business diary, I know if I take mine, in the next 2 weeks it is full. So trying to sort out something at the last minute would be very difficult. So normally I would have thought it makes much more sense to plan usually at least probably about a month in advance.

Chief Executive:

Most of the planning takes place a month in advance for a visit but very often the timing of them does not take place until a couple of weeks before. So it might be if you flew on this date you would miss an opportunity for a particular meeting which has just been arranged because we can fit one in at 6.00 am or 8.00 a.m., and if you land at 9.00 a.m. it is too late. Whereas if you went on an earlier flight you could have got there. So, yes, they will know about: "We are going on a trip to X" but very often the itinerary for that trip is not confirmed until a couple of weeks before so the flight times can vary somewhat.

Deputy A.D. Lewis:

Judy, do you want to drill down any further on that?

Deputy J.A. Martin:

No.

Deputy A.D. Lewis:

I am just interested to know that if non-compliance occurs, for example, you get repeat offenders, let us say ... "offenders" perhaps is too strong a word. But people that are clearly not attempting to try and plan themselves well. We would hope that most of our senior managers are doing that. But clearly some are not. If that pattern is occurring do you spot that or does it not really get washed up until somebody decides to do an audit? Because if you had a repeat offender that clearly is not organising themselves terribly well, and is booking flights at very short notice when a cursory glance would suggest that why there is maybe an opportunity not to do that, would you have a system that spots that? If you do, what would you do about it?

Chief Executive:

I think it is fair to say in the past I would not have had it because I do not oversee individual flights.

[13:30]

Deputy A.D. Lewis:

This is minutiae for you, I am not suggesting it is necessary.

Chief Executive:

In the future, clearly we need to make sure that there is some form of monitoring of how we are operating. I think it comes back to an area which maybe we will go into now. It is about the relationship between the organisation and the principles behind why we are travelling, what we are booking, and where we are going. Making sure we get that right. Who is booking? It is this, you are the intelligent client from our perspective but equally, on the other side, it is making sure we manage the relationship with our provider correctly. Are there parameters within that booking system that need to be changed/tweaked? As we saw yesterday there is a debate about how that operates. When you look at it on the face of it, it works quite well. But there might be conditions around how it is set up today that we could make work better.

Deputy A.D. Lewis:

We are meeting the Chief Internal Auditor later but the spreadsheet you provided us, an excellent spreadsheet. We only finally got it yesterday but it is clear there as to what advance bookings have taken place and what have not. I would hope that the Internal Auditor would dip into that, perhaps a year after the event, and spot ones that: "Well, why has that department made so many last minute bookings." You have got a good explanation, you are part of that time, but perhaps somebody like Education that perhaps are planning in a different way, they are doing it too, what is the answer?. So would you hope that the Internal Auditor would do that time of dip?

Chief Executive:

I think coming out of whatever our revised policy is, it is not just a revised policy as to how you start the process off at the outset. It is how you follow it through and then what can we do to change the management information reporting on the information that we will then publish? But it is certainly my intention that we will publish travel information on a far more frequent basis. The only issue I have got with it, we just need to work out internally how we do it, is, as I described to you earlier and yesterday, is that we have got the organisation, we have got the travel system and we have got the financial system. The easiest way for me to do it is ask Procurement to press a button and it will produce these big spreadsheets you have got. The trouble is those spreadsheets

are not the true reflection of the true cost to the taxpayer and I cannot publish that information because it is wrong, so I then have to reconcile ...

Deputy A.D. Lewis:

But you did say yesterday that there were some things in there that perhaps policies need to change to prevent occurring there, like spouse travel, for example, being booked in the government system and other anomalies such as upgrades that perhaps should be done by the individual rather than the system.

Chief Executive:

That is what we have to look at, because if I publish this information, I am publishing it as it comes off the system. If there is an upgrade because it says: "Person X travelled business class" I then have to go into our financial system and it will show me that person X then paid the difference between economy - which is in compliance with 5.7 - and a business class ticket, so the cost to the taxpayer is not what is showing on this sheet, it is what is shown on my ledger. That is not an easy ... that is not something I can do automatically at the moment.

Deputy A.D. Lewis:

We have digressed slightly. We are going to come on to some questions about that later anyway.

Deputy J.A. Martin:

Can I just ask a follow up for that?

Deputy A.D. Lewis:

Certainly.

Deputy J.A. Martin:

You said about publishing and the taxpayers' money. Is it your intention under the new policy to have everything transparent and published either on a quarterly basis or half-yearly basis so these questions do not have come out of the blue, that anyone can go into each department and see - I totally agree with what you are saying - what the taxpayer has paid, not the difference, but what ...

Deputy A.D. Lewis:

As they do in the U.K. now.

Deputy J.A. Martin:

Yes, it is an open door.

Chief Executive:

That is certainly where I want to get to. It is very easy for me to say it. It is going to be slightly harder doing it, where we do not end up with a cottage industry of trying to reconcile every last transaction, but we have got to come up with something which is just giving a fairly good indication, and accurate, of what is the scale of travel. The volume of travel is huge because of our location.

Deputy J.A. Martin:

Yes.

Chief Executive:

But it is important, I think, just to emphasise that when you look at the volume of travel in terms of transactions, since 2012, since we started the new contract, 32,800 flight transactions - that is £4.69 million - and then of that, the number of business class travel and the number of overseas travel is about ... I think it is 11 per cent and 1 per cent at cost, if I can find it. So in terms of scale and cost that we are really talking about, the vast, vast majority is Jersey/U.K. and a very small proportion is the overseas business travel.

Deputy A.D. Lewis:

So describe it then, it was 33,000 transactions?

Chief Executive:

32,800 transactions.

Deputy A.D. Lewis:

The total value?

Chief Executive:

£4.69 million ...

Deputy A.D. Lewis:

Over what period?

Chief Executive:

... of which 465 flights were business class, which is 1 per cent in number and 11 per cent in value. We are talking about a very low proportion in terms of the total number of transactions.

Deputy A.D. Lewis:

Okay, we are going to go on to value for money now as the next theme and Scott is going to kick us off with that.

Deputy S.M. Wickenden:

I just want to say that ...

Deputy A.D. Lewis:

Just for the record, one of our other lay members, Gary Drinkwater, has just entered the room, for the record. Welcome, Gary.

Deputy S.M. Wickenden:

Yes, so on the value for money side, which you have given us some examples just then and other examples of how business travel can be undertaken, obviously when I have looked through these spreadsheets that we have got here, transactions above £500 for flights - and just for officers, so I have taken out any Ministers again - there were 114 business class flights, 185 economy and 32 premium economy, so it kind of spreads out between over economy, almost 50 per cent was in business class above the £500. Could you just give us a kind of summarisation, because there might be more, on how it is okay for business class travel to be justified for States officers? You have given some examples when there is a Minister. Are there ways why they would be travelling business class?

Chief Executive:

I have obviously answered questions for my own department, there is reason for it. Other departments need to be able to show that there is reason for that. Now, some departments will say they have authorised it with their Minister. That should be then clear in the scheme delegation or certainly they need to be able to show that. There is one department, in particular, which is quite a big department, where they have a lot of overseas travel. It will show up on the spreadsheet as business class, but they only pay economy. That is why it is important to understand the difference between what you see published on that spreadsheet and what is the cost to the taxpayer. They say to their staff: "If you want to travel business class, you can and we will book it for you, but you pay the difference." So those numbers, I am sure they are correct from the spreadsheet, but they do not reflect the true cost to the taxpayer.

Deputy S.M. Wickenden:

So on that, obviously we got the rough sheet that does not show the actual changes where all the money has been paid back, but also while we have been asking for information from departments, we have got information out of the other accountancy system that should be a bit more accurate,

that shows when business class has been paid and what it is. Now, in one of those departments there were 33 entries over the last 2 years, and when you take flights, hotels and expenses into it, for 33 people to travel it cost the taxpayer £174,473 for 33 flights, of 33 travels, so that goes across the board. Most of them, I would assume by the values, are all business class. Now, do you think that all 33 flights, £174,000, is an exceptional amount?

Chief Executive:

I really cannot answer that question, because until I see where the flight was to, how long it was and what the distance was, I cannot answer that, I am sorry.

Deputy S.M. Wickenden:

I am afraid I was not given that information either.

Chief Executive:

If it was 33 flights, £174,000 here to Paris, clearly no. If it is from here to wherever ...

Deputy S.M. Wickenden:

We have got obviously Beijing, Malta, Abu Dhabi, Hong Kong, New York within these areas, but there was also another department who did the same kind of New York, Las Vegas, around the world long-haul flights, and they had 45 entries and it cost £66,000, so they had more entries. In fact, their flights, from the offset here, none of them even went over £1,500, whereas in the other department, you could barely see anything that was under £2,000.

Chief Executive:

That is probably because the 45 over £66,000 is economy and the 33 over £174,000 is business class.

Deputy A.D. Lewis:

That is correct.

Chief Executive:

There has got to be a question as to ...

Deputy S.M. Wickenden:

One is your department, the other one is Health and Social Services. Quite why Health and Social Services are going to Buenos Aires, Chicago, Perth in Australia, Las Vegas, New York I am not quite sure, but it just says: "Professional meetings, doctor" but that is a question for another day. But the fact is that they all appear to be economy, either that or they are sponsored by a

pharmaceutical company, we do not know, but they are low cost, they are only £66,000, but we have got more flights and it is 3 times the price.

Deputy A.D. Lewis:

Less flights.

Deputy S.M. Wickenden:

Yes, sorry, less flights. That is why we were curious.

Chief Executive:

As I say, I think there is clearly a difference if it is economy and business class and that is what makes the difference.

Deputy S.M. Wickenden:

Do you think it is a culture thing; that it seems to be not across the board, this culture change that needs to have happened?

Chief Executive:

No. As I have said, I think it is important to recognise that in my department, which is the 3 departments, Chief Minister, External Relations and Financial Services, the staff travelling are, in a large number of cases, travelling with their respective Minister and the decision has been taken internally that it is appropriate for those staff to travel business class, hence the volume and the number of flights and business class costs. When we look at the role of those staff, be they Ministers or officers, and we put it in context of what value are they bringing to Jersey on the external promotion of Jersey and the impact it is having to support the financial services industry, we need to be looking at ... we are talking about relatively big numbers in terms of cost of flights, but in terms of value to Jersey, it is making a significant contribution, where I am sure ...

Deputy A.D. Lewis:

We will come on to value contribution later, because ...

Chief Executive:

Chairman, I think this is important, because ...

Deputy A.D. Lewis:

It is an important point and internal investment is what we are talking about here. We have got some questions about that later, because we are very curious to find out about that. But if you just want to carry on, Scott, going into ...

Deputy S.M. Wickenden:

No, I think ...

Deputy A.D. Lewis:

Are you happy with that?

Deputy S.M. Wickenden:

I think we have kind of covered it.

Deputy A.D. Lewis:

Okay. So if we come on to the Connétable, a question about card holders.

The Connétable of St. John:

Yes, slightly differing from that is how many States officers hold B.A. Gold or Silver cards and can you talk us through what is required to obtain and retain those cards?

Chief Executive:

The simple answer is I do not know, because they are personal cards, they are not corporate cards. The number of points you have to accrue are available on the internet. It is publishable, you can download it.

The Connétable of St. John:

Right, so leading on from that, the States themselves collect points.

Chief Executive:

Oh, right.

The Connétable of St. John:

Can you talk us through that?

Chief Executive:

Yes, I will maybe ask that ...

Deputy S.M. Wickenden:

Before we get to that point, can I just quickly point out that in the Financial Directions, 2.1.10 of 5.7, it says: "Points must always be accrued to the States of Jersey first. Departments must ensure that procedures appropriate to the extent of travel undertaken are in place for capturing

any benefits accrued to staff from States travel.” Is there a procedure in place to capture the people that have their cards and have the benefits put on top?

Chief Executive:

Right, can I come back to that bit of it? In terms of our contractual position with accruing points, I will start, but I might have to ask Caroline, because she is the technical expert on B.A. and the points system. It is when we book our flights through our travel company, the points that we accrue on the B.A. business side of it comes straight to us, so we have a very large number of points.

Deputy A.D. Lewis:

How many do you have?

Chief Executive:

1.5 million points, I think. So we have a large number of points in store to be able to pay for future flights for officers, politicians, so we have got those in store ourselves. Every time ...

Deputy A.D. Lewis:

When did you last redeem those?

Chief Executive:

I am not sure. We have used 350,000 recently.

Director, Strategic Procurement:

I have got the list.

Deputy A.D. Lewis:

So 1.5 million air miles is equivalent to about 200 flights to London.

Director, Strategic Procurement:

Yes. The last time we used them was in 2015, 19th May.

Deputy A.D. Lewis:

That was the last time you used points?

Chief Executive:

So we have got a lot of points we can use. It is obviously about the availability of seats to use them on, but that is a separate question. But going back to the original question, so we have got

the points that we accrue through the B.A. business system, which comes straight to us. If an individual is a personal card holder, they will then get some points attributed to them.

Deputy A.D. Lewis:

So they get the points as well as your corporate card?

Chief Executive:

This is where I just need advice in terms of I am not sure if it is the same number or it is depending on the ...

Director, Strategic Procurement:

They do if they are a B.A. card holder, so they do. If they are travelling for business, we get points and we collect those centrally, as John says, so we can use them for long-haul flights, if they are available on that long-haul flight.

Deputy A.D. Lewis:

It does not just have to be long-haul flights, you can use them for anything.

Director, Strategic Procurement:

No, you can use them for other flights.

[13:45]

But historically we have collected them for long haul; that has been our sort of unwritten policy, if you like, because obviously you get better value for your money, your points, for the long haul, than ...

Deputy A.D. Lewis:

But you can also top up by £20, £30 and end up ...

Director, Strategic Procurement:

Yes, you can.

Deputy A.D. Lewis:

... buying a flight to London for £20 because you have used 2,000 air points.

Director, Strategic Procurement:

Yes, you can, but in terms of when somebody travels, if they are a B.A. card holder of some sort, then they will accrue points on their own card. That is correct.

Deputy S.M. Wickenden:

Now, you get more points if it is fully flexible, because you are paying more for a premium on a fully flexible flight too, do you not?

Director, Strategic Procurement:

You do get more points if it is a more expensive flight, yes.

Deputy A.D. Lewis:

Those points are going to the card holder as well as the centre?

Director, Strategic Procurement:

As well as the centre, yes.

Mr. R. Parker:

I did look on the website. You are right, there are X number of tier points to get various different cards, so you have a situation whereby if someone gets a Silver card, it benefits them to 50 per cent extra Avios points. If they have a Gold card, it doubles those Avios points, so you have sort of a perverse scenario whereby you could say it could be beneficial for a person to go on extra flights, because obviously you have to have so many tier points within a year ...

Deputy A.D. Lewis:

To keep your Gold card.

Mr. R. Parker:

... to keep the Gold card, so the way it is structured.

Deputy A.D. Lewis:

I might bring it on to a question that Judy has got here.

The Connétable of St. John:

Sorry, I did not hear. Just for record, I did not hear the answer to that.

Chief Executive:

Sorry, we are dodging around trying to answer the Connétable's question. I think I would go back to your question, Connétable.

Deputy A.D. Lewis:

Come back to the Connétable's question initially and then we will go backwards to where we want to get to with those points. So if you would like to comment.

Chief Executive:

Right, so I would describe the B.A. system as there are 2 methods of collecting points. One is through our B.A. business, and as we have just been discussing around the table, more about the individual accrual of points. What we need to do as part of the new policy going forward is determine a simple way of looking at the points that the individuals have accrued, which we have not in the past, so we need to look at that and come up with a simple mechanism, because we could make this another cottage industry if we are not careful. Equally, I am very aware that an awful lot of staff who are travelling on these long-haul flights are doing so over the weekend in order to be somewhere for Monday. I have then got to think about what is a fair and proportionate method of compensation. I am not saying they should just get all the flights, all the points and keep them, but I have got to consider what is a fair and proportionate recompense or recognition for the fact they spent their entire weekend travelling for us and we do not pay them for it.

Deputy A.D. Lewis:

It is often the conversation that is given in the private sector.

Chief Executive:

Absolutely, so we have just got to make sure that what we come up with for the future is fair and proportionate.

Deputy A.D. Lewis:

But also it does not give a perverse incentive to book certain carriers and certain fares at certain times of the year.

Chief Executive:

Absolutely, and as we saw yesterday, Chairman, one of the issues we have got with the system is when we ask for a flight from Jersey to Beijing or Abu Dhabi or wherever it is, the system will predominantly give us Jersey to London, London to X, therefore it pretty much automatically diverts to our national carrier, B.A., because they are the ones who give us that through route and will give us the protection of if we miss or have to change that flight, they take ...

Deputy A.D. Lewis:

Also give you the points.

Chief Executive:

Absolutely, and give us the points, yes. What we need to look at, and this is part of looking at the policy, our travel policy and our relationship between ourselves as an organisation and our contractual relationship, if we say: "No, our default position is on long haul" and we say to our travel company: "Only book us London to X and we will take care of that Jersey to London bit" which is fine, then we just need to be very clear about we are taking the risk. Now, as you asked before and we need to look at, what is the level of cancellation change that would mean we lose that leg of the ticket, because those tickets are anything between, depending where we are going, talking a couple of thousand pounds plus. So there is a question to ask which we need to look at more, which is do we take the risk that we book Jersey to London, but in doing so we put at risk - and we are prepared to take that risk - of losing the London to wherever leg and have to pay? Then not only have we lost the cost of that flight, we are then there on the day and we need to get someone out to X, so no longer have you got cheap flights because you could book them 3 months ago, you are booking full fare, which could be double what we originally booked. So it is not just a simple ... but I do take your point, Chairman ...

Deputy A.D. Lewis:

But over a period of a year, it will balance out.

Chief Executive:

... we do need to look at the fact that our default position is if you put in Jersey to Beijing, it will pretty much - not always - give you that route. But when you look at the analysis we have given you on the long haul over £500, you will see quite a lot of other carriers being involved, but predominantly it is one main carrier, no question on that.

Deputy S.M. Wickenden:

I have done the figures, so out of the 334 flights that I have done, again taking out the Ministers, 205 of them were British Airways, 30 were Flybe and 30 were easyJet, so when it goes to the Financial Directions, of trying to make sure that it is ... this is when I take the full classification out of the spreadsheet you gave us, so ...

Chief Executive:

No, sorry, I was talking about a separate issue here. I am not interested in the Flybe, easyJet, I am interested in B.A., Virgin and Emirates on the long haul. I am not interested in the short haul, I

am interested in the long haul, because that is where the difference is. That is where the risk is. That is where we expose ourselves to risk.

Deputy A.D. Lewis:

But two-thirds of your flights, 205 of them were British Airways out of the 334 and that does not include the World Alliance, and I am talking here Lufthansa, Iberia, American Airlines, all of which get Avios points. They are also in there as well.

Chief Executive:

I am repeating myself. The point I am raising is our current system does default. If you put Jersey to Abu Dhabi in, it does tend to - and we saw it yesterday when you saw the system - it takes us through the B.A. system. We need to think for the future, if we take that default position out, which we can easily do, we take the risk and we then use London to ... and we can use any carrier we want. Now ...

Deputy A.D. Lewis:

Would it be fair to say that there appears to be a culture here among your senior executives that predicated towards a favouritism to British Airways?

Chief Executive:

No, I would not agree with that. That is, I think, an inappropriate comment, Chairman, because it is our system that does it. I am sorry, I think that is inappropriate. I am sorry, Chairman ...

Deputy A.D. Lewis:

Even though there is an incentive ...

Chief Executive:

... you are pointing a finger at officers ...

Deputy A.D. Lewis:

But even though there is an incentive here to acquire points?

Chief Executive:

I think that is inappropriate, Chairman.

Deputy A.D. Lewis:

But that is what the evidence is suggesting.

Chief Executive:

I am saying our system is what is causing it, not our staff. We have an organisational issue which we need to make some changes to and we have a contract and a system we need to change. To immediately infer that it is our officers who are making the decision, there might be some of that, but when you look at the system - and you saw it yourself yesterday - you put in that flight route and that is what it comes up with. That is not an officer's fault. If you need to change our system, we will change the system.

Deputy A.D. Lewis:

So you are quite content then that officers that hold Gold cards are not incentivised to use them to book British Airways as a presumption when they can? That is what card is there for, as an incentive. It is a marketing incentive.

Chief Executive:

The question in my mind is if our system comes up with the options and then the officer makes a decision ... **[Alarm sounds]**. Right, I will start again.

Deputy A.D. Lewis:

Sorry about that.

Chief Executive:

If the system is giving you a list of options which is: "Cheapest flight by carrier X, most expensive by B.A." and the officer makes a conscious decision to go for the most expensive because it gets more points, then I absolutely agree with you. At the moment, our system gives you that option. Where I think we have got to make some changes is we have to take that default position away.

Deputy A.D. Lewis:

But the officer does not question that then, he does not get that system that says £6,000 and he does not go: "Maybe if I went Emirates, it might be a bit cheaper"?

Chief Executive:

That is where ...

Deputy A.D. Lewis:

He just accepts what the system says?

Chief Executive:

That is where I agree with you, I think that is where we do need to change our bit of the system.

Deputy A.D. Lewis:

But surely an Accounting Officer should look at that and say: "This is a lot of money. This is public money. I have a responsibility as an Accounting Officer to question that"?

Chief Executive:

If that has not happened, then it needs to happen in the future, and there is certainly some questions that would be between the officer, whether it is the Accounting Officer or the officer booking it, he is saying to the agent booking for them: "I need the options, not automatically go to what comes out at the top of the list."

Deputy A.D. Lewis:

So a change of culture then in the way that you book it?

Chief Executive:

Absolutely.

Deputy A.D. Lewis:

Okay, thank you.

Mr. R.J. Parker:

John, I think following that is that you have looked at the system, and went through it yesterday, and you spotted that there was an issue with the system. You have got Accounting Officers who have been looking at utilising that system on a regular basis for a number of years but have not done anything about that or brought that difficulty up.

Chief Executive:

Yes, but equally, I am not sure that it is purely the Accounting Officers who are going in and looking at the system. I think we have ...

Deputy A.D. Lewis:

They are the ones authorising the booking.

Chief Executive:

They are the ones who are authorising it. I think there is a question as to have we put enough rigour and challenge into the way in which we book some of our flights? I am absolutely clear on that.

Deputy S.M. Wickenden:

I think it goes back to the Financial Direction on travel and accommodation has not been getting followed as stringently as it is supposed to have been, or even in the spirit of it sometimes, it looks.

Chief Executive:

All right. As I say, I think there are some areas we have got to look at for the next policy.

Mr. G. Drinkwater:

John, just one question. The thing it keeps throwing up in my mind is the conduct. I have seen here the Code of Conduct we have had supplied. That is where you need senior people to take that code issue and interpret it, even if you have got the rules and regulations, and that is one of the things that just keeps niggling at the back of my mind: has the Code of Conduct in terms of the individuals, the senior individuals ... and it refers to: "Does the action feel right and could it be justified outside of the States?" That is where the feeling, I feel, does not quite get interpreted right. Do you think the policy has been adopted in that way?

Chief Executive:

I think we need to look at the policy in our next iteration of the new policy. I think it is appropriate, I say no more than that on this one.

Deputy A.D. Lewis:

Thank you for that. We are going to move on now to ... we talked about return on investment for this sort of expenditure, so Scott has got some questions on that.

Deputy S.M. Wickenden:

So what mechanisms do you have in place to measure value for money in respect of travel and sustenance?

Chief Executive:

I think I am going to have to compartmentalise some of our travel arrangements. If it is for the law officers, the States of Jersey Police having to travel on a criminal investigation, it is very difficult to determine. It has to happen, and if you look through the list, there is quite a lot of travel for specific purposes, so I will segment those out, because it is very difficult to take those out. There is a lot of travel you have seen for health and health doctors and consultants and surgeons. They have a requirement to maintain C.P.D. (Continuing Professional Development) and they also have a requirement to modernise ... well, not modernise, but to adopt to new procedures and standards, so they have to travel and they probably have to travel to the centre of excellence where that training is provided, hence you see a lot of travel for health in that area. Value for money to us as

citizens of Jersey, the value we get as citizens is we get hopefully the best treatments available to us. So I am trying to break this down into fairly big elements, one over there, one there.

Deputy A.D. Lewis:

So would you regard those centres of excellence as being places like Las Vegas, Korea, Delhi? Are they centres of excellence?

Chief Executive:

You would have to ask the question of Health, but if that is where the training is given for a particular type of surgery, then yes, but you have ...

Deputy A.D. Lewis:

Yes, we will be asking Health on that one.

Chief Executive:

I cannot. Yes, exactly. So I think that then brings us back to probably the third ... I mean, what I am talking about here is the long-haul overseas, not the Jersey to London type travel, so this is the long haul I am talking about. On the third sector, it is probably all to do with the economic development and financial services industry. Is it possible to identify the value for money on a flight by flight basis? Very difficult. If you look at the broader context and you look back at the McKinsey report, the McKinsey report was very clear. We put a lot of money and investment into the McKinsey report and that was very clear: one of the outcomes was Jersey as a financial services industry is well-represented abroad by Jersey Finance, because they are the promoters, the regulator and the industry go out there, but the one area they are not represented by is Government, and very often in opening up new markets you need to have that Government representation. So we have put that in place. The Chief Minister, the Council of Ministers and the States, for that matter, have approved a Minister for External Relations and a full role as a Minister.

[14:00]

Therefore, by the very nature of that role, it is about outward external promotion for Jersey. When we look at the financial services industry and we look at some specific flights of ours in my department, and we have officers going out regularly on those trips supporting Jersey Finance, undertaking business in support of Government's role for growing the economy, then yes, very successful, huge return on the investment. When you look at the growth in the financial services industry jobs market over the last 2 years, we are now employing more people in financial services than we were before 2008, I think, so somewhere along the line the ingredients to make sure that

Jersey maintains its position and those officers flying out on trips supporting Jersey Finance and the industry on promotional events, absolutely a huge success and I would - and I know Ministers will - defend those flights to the absolute hilt; absolutely critical. If we do not do it then our competitors will do it. So on that area, absolutely. As I say, can I get it down to: "This flight cost X thousand and therefore that promotion won us that much business"? No, of course I cannot.

Deputy S.M. Wickenden:

Yes, I think the next one was do you task departments to demonstrate evidence on internal investment or value for money on the cost of overseas visits? So you cannot do it in some instances because it is a bit of a gamble, you go out there and it has paid off at the moment, but do you do it in other departments?

Chief Executive:

Again, I come back to my 3 areas. Some of them it is not really possible to because of the nature of the travel required, some where there has been travel, and there is some long-haul travel which was promoting Jersey's education system in China. Now, it is not a huge amount, but there are a few flights for teachers and I think there are some for children going out there to China. In terms of our culture and the organisation for our young people, and building those platforms for the future of education, children and links, huge value in terms of pure monetary terms, very difficult to quantify.

Deputy A.D. Lewis:

We fully accept that there is value here both intangibly and tangible. Clearly, in financial services there is some tangible value there but that can often take many years to realise, we fully accept that. But we are curious to know when you go to a conference consistently, say, take the money conference in South Africa, is there consistent business coming in over those 4 years? Do you still need to go to maintain those relationships or should certain trips that you have always been on be reviewed and are they reviewed?

Chief Executive:

I am not going to talk about specific trips. It is not appropriate to do so and I have written to you on that.

Deputy A.D. Lewis:

I am not talking about individual. I am talking about conferences and specific events that are of benefit to the Island, of course they are, but ...

Chief Executive:

In a general term, if we can demonstrate that having visited a particular conference, which has driven or developed internal development or bringing business to Jersey, yes, absolutely. So in some areas I am aware of some business that has relocated to Jersey, and it is not particularly the area you were mentioning because I am not going to talk about that one in particular, but there are some areas where we have promoted external visits where companies come over, started up very small with relatively small business, a few employees, and that has grown over the period of 3 or 4 years to 10, 15, 20 employees, some of who are earning £150,000-plus a year, stamp duty on property, et cetera. So by attending some of those conferences are we sowing those seeds that some of them will germinate and some will not? Yes, absolutely. The benefit that we get is continued inward investment into Jersey. Can we say that every one of those conferences is worth going to, because does every one of them, for all the seeds we sow at them germinate; we cannot. It is very difficult to answer. Overall, when we look at the number of businesses that have relocated to Jersey and the number of employees that the industry has taken on in the various sectors; there is mining, oil, gas or financial services, we have seen a steady growth. Hence our jobs in the financial services industry are now higher than they were pre-2008. So somewhere along the line in the whole mix something is working for us.

Deputy J.A. Martin:

To follow on from that, John, you said Jersey Finance and the industry used to go out and now you send politicians with officers. So could Jersey Finance Centre, because they are heavily subsidised I think to the point of £2 million already by the taxpayer, could they not tell us what was the benefit in round terms, pre-McKinsey, when you did not have officers and Ministers but now you have. Somebody must be evaluating sums. I know it is hard but if that was what McKinsey said and they said you would bring more money in by sending a politician with Jersey Finance and some officers, it has now been, what, 2 years, 3 years this has been going on.

Chief Executive:

Three.

Deputy J.A. Martin:

If it is not us doing it surely Jersey Finance should be doing some yearly reporting to say this has gone up in which parts of the world and which interests and this is down to ...

Deputy A.D. Lewis:

Jersey Finance do, I think. I do not know whether Economic Development do or not.

Chief Executive:

Yes, can I just correct ... right. Sorry, can I just correct what you said at the beginning, Deputy? The Ministers and our staff go and they accompany Jersey Finance or the industry on these trips. It is not that we have taken over from them.

Deputy J.A. Martin:

No. My question was, what is the difference before and after?

Chief Executive:

Well, the difference was ... the McKinsey Report was fairly clear in that it said you have got your external promotion by your industry but in many areas where you want to open up new markets many of these markets do want to see the Government. Therefore, the bit you are missing is, you have got a very strong promotional arm but your Government arm is not present in a lot of this promotion. That is what you need to bring up. That is what we have done. So the combination, and can I answer the question, and I think the answer is, I do not think anyone can because the environment we were all living in was a very different environment in the financial services industry and the world economic market to the market we are living in today. All I think I can say to you, and I am sure Ministers will say the same and officers will say the same to you as well who do this work, is there is a lot of work, it is hard work, to maintain our position in the economic world and the global world to maintain the element of business we are attracting. Have we been successful? Absolutely, because of the growth we have seen in jobs. So as part of the ingredients in the mix for that success, I think we would all argue that part of it is the fact we have put in place, albeit at cost, a programme of Ministers and officers going out and supporting industry. We specifically, as a result of that, as you know, 3 years ago now we employed a director for Financial Services, a new post. That director travels a lot. One of the big travellers. Is that value for money? Absolutely, and I think anyone who goes away without recognising the value that that officer and other officers who do that work for us would be very mistaken if they do not think that is adding value. It is huge value for Jersey. Clearly, Ministers are going out and doing their political support for Government but those officers are the absolute linchpin to support our financial services.

Deputy A.D. Lewis:

I think we would agree with you that the Jersey finance industry, particularly in recent times, throughout the difficulties we have with the industry generally, globally, it has been a remarkable success. However, though, before you put in place an authorisation mechanism for Accounting Officers to authorise, through you, that travel, were you aware of how many delegates were going on these trips because ... and I just have the question, I know if you go to China there is an expectation by the Government there that you have a bit of a posse with you, that is the way the culture is. In other places it might be a bit different. For example, in South Africa 3 went; a

Minister and 2 officers. Do you think it is always appropriate that so many go and were you aware of it before you started your authorisation process?

Chief Executive:

In terms of the big numbers, and I think it is very clear from the spreadsheet, there is one trip, which was to China, where quite a large number of delegates from different sectors of our industries went out there. On a promotional visit it served its purpose. If I was looking at it today I think I would ask some questions. Did we need to send that many people out there?

Deputy A.D. Lewis:

Were you doing that before or is that something that you are doing now more than before?

Chief Executive:

No, I was personally was not doing it before. I was relying on Accounting Officers and departmental officers, who were arranging these trips, to apply some prudence to how many people do we need to send. Looking at that spreadsheet there are a couple of trips I would ask the question, did we need to send that many?

Deputy A.D. Lewis:

As are we. So we are on the same page on that. That is fine. Thank you.

Mr. G. Drinkwater:

Mr. Chairman, can I just ask ... coming back to the policy, if we accept that once the decision is made to go, I have no problem, how sure are you you lock down through the senior management, the forward planning, in terms of booking the flights because we have seen a little bit of example that we are slipping? So Procurement should say, right, sign off, we are going to go to China or Abu Dhabi and we are going to take 5 executives; we book 5 executive flights the minute that is signed off at senior level. I sense that is not happening.

Chief Executive:

I think that is correct. I think that in terms of where we have been the decision on the number has not always been scrutinised as tightly as it could have been, should have been. That is what we have got to look at but it does come back to the slight difficulty we have got in the organisation that we have got a number of departments who are travelling and there is the example I referred to earlier about our F.E.R.A.G. Board now being almost that ... clearing house is the wrong word but it is that central board who will now start looking at all of the long haul for the financial services industry because that is their role. So that is why I am quite careful to compartmentalise our travel

areas. Some of those are not within our control for obvious reasons. Some are within our control and that future planning is something we have got to look at.

Deputy A.D. Lewis:

Okay. We are now going to go on to our final theme which is about the centralised booking system which we spent some time going through yesterday, and thank you for your time yesterday on that. So we are going to go on to the theme there which is, we are trying to establish a bit more about the system and how it works for you and whether it is working appropriately. So our understanding is that the standardising of the centralised booking corporate contract travel was established to provide better value for money, speedier access to information and a faster booking process but also a reduction on back office administration and travel expenses because you have got a lot of different departments doing a lot of different things here and there is back office reconciliation that has to happen, we accept that. We would like to find out whether you are satisfied that it fulfils this purpose, those 3 key purposes, and how you think it is doing that and is it doing it in a satisfactory fashion at the moment? Those are the 3 core things that you told us it needed to achieve, to have the system in the first place.

Chief Executive:

There is a lot of anecdotal views of "I can book it cheaper". So our system says you can book it for this: "I can get on Expedia or Bookafly.com, whatever it is, and I can get it cheaper." Now, I say it is anecdotal. My challenge back to anyone who says that to me is: "Show me the evidence", because my question is, you might look at the front screen of that Expedia or whatever flight and it says: "You can fly from X to X for X pounds" but if you followed it all the way through the stages where you have booked your seats, you have booked your luggage, you have booked your this, you have got your airport taxes, et cetera, because at the end, many people do not get to that end stage, you have added on a lot of money. Now, what we have been doing since last year is we have had, in our Procurement Department, a team of people who, every week, purposely try and break the system for us, which is they will get on to the ...

Deputy A.D. Lewis:

So how long is that going to be going on for?

Chief Executive:

I think we started in ...

Director, Strategic Procurement:

We started it last year.

Chief Executive:

July, was it, last year we started?

Director, Strategic Procurement:

Yes.

Chief Executive:

July, is my spreadsheet showing it? So we purposely said, sit on ...

Director, Strategic Procurement:

That is when we started recording it with screenshots. We had done that previously but we just had not recorded it so formally but we do have all the screenshots to show us as well ...

Chief Executive:

So try and break the system for us, in that: "Go on to Expedia, whatever, and book a flight from A to B, make sure you get all the costs captured and then look at what our travel supplier provides." You can see the reds and the greens and in the main there is no difference and we had 188 flight comparisons between July 2015 and March 2016, which would have totalled a cost of £134,000; 4 were more expensive, totalling £1,540; 74 were cheaper on our system, totalling £4,456 and 110 were equal. It does not matter who, I am always hearing this argument about it is cheaper on this. Well, if it is give me the evidence because our evidence is...

Deputy A.D. Lewis:

Do you ask your officers for that evidence because we have had similar anecdotal evidence from your officers and ...

Chief Executive:

Yes, I have and I have not had it.

Deputy A.D. Lewis:

Okay. Because they do claim that and you did do a Survey Monkey, I think, to work out what the satisfaction levels were among your team.

Chief Executive:

Yes.

[14:15]

Deputy A.D. Lewis:

I have not seen the results of it but I understand that it did not come back that favourably in terms of what people thought of the system.

Chief Executive:

No, that is correct. People do not like the system.

Deputy A.D. Lewis:

So do you think that is just a cultural thing and what can you do to change that?

Chief Executive:

Well, I think it is a cultural system of why people do not like the system because it is providing ... not providing, it is putting controls in place and I think we are demonstrating here that we might not like it, and I do accept some of the criticism from the users that we do need to make the interface and the system easier and have some better definitions or defaults on them. So I accept some of that but the hard evidence is the system does appear, from what we have got here on flights; we have got a whole range of flights. We have tried Hong Kong, Dubai, Beijing, Brussels, Manchester, Cape Town; we have tried it on a whole range of flights. The evidence we have got off the system, from July 2015 to now does not support the anecdotal view that Expedia is a lot cheaper: "Go and let me book it on that."

Deputy A.D. Lewis:

Okay. So you are completely satisfied but not completely; you are satisfied with the system generally. You believe it needs a few tweaks and we will come on to training in a minute with another question for you.

Chief Executive:

Yes, absolutely. I think there is a combination of we need some tweaks on the system, because we have already discussed some of the issues about the default positions, and we need some training and one thing we do need to have is ... I use the word "rules" but I think we have got to have some clear definitions. If you are booking, and you saw it yesterday, Chairman, a flight, Jersey to London, it is perfectly reasonable and it is probably right to do so, that the right level of people with the right training can book online because our online system is very good; it is straightforward, it is simple. It gives you easyJet, Blue Islands, so you can pick what you want, where you want to go. The minute you go beyond that to Beijing, Hong Kong, wherever it is, long haul, I think we have got to put in a title rule and I think that title rule is, you do not book that flight using the online bit of the contract. You use the ... what is it called?

Director, Strategic Procurement:

I think it is called the classic team which is the keeper.

Chief Executive:

The classic team, which is the consultant side of it. So you go to the experts. Now, having said that it is no good just saying to anyone on our side of the team: "You go to the classic team." We need to have some - I will call them super users - trained up from our side as the intelligent client. It is quite easy to do that because the vast majority of our long haul pretty much comes out of Cyril Le Marquand House because it is Financial Services, External Relations, Economic Development, so it is quite easy to have a couple of people in Cyril trained up as the super users who can be the intelligent client with the classic team. That is the sort of change we have got to make and then we just have to say: "If you are booking it, anything over 4 hours, whatever that cut-off point is between domestic and long haul, that is where you go. You do not go that way. You go that way."

Deputy A.D. Lewis:

So you are generally satisfied with the system is what you are trying to say.

Chief Executive:

I will be satisfied when we have made some changes. I think there are some changes that need to be made.

Deputy A.D. Lewis:

Okay. One of the key things about it as well, it is supposed to give you management information. Are you satisfied that it is giving you adequate management information or could it do better?

Chief Executive:

I have got a lot of management information that I never had before, pre-2000 ...

Deputy A.D. Lewis:

Is it good enough though because you were saying that there was a lot of anomalies in there that made it quite difficult to give to us, for example?

Chief Executive:

Well, we are not going to get over that. It does not matter what I do to this contract with the supplier it is not going to get over our own anomaly, which is that figure that is on there is what comes off the supplier's flight cost. It does not necessarily reflect the cost that goes on to our ledger. That is not something we are going to be able to solve easily. We might be able to. They might be able to make some tweaks to talk to our ledger system, I do not know, but we have just

got to be very careful and make sure we are analysing true information. This bit of it is what it is. That is the travel booking company saying to us: "This particular flight would have cost you £1,000, whatever it was, if you took it." What we have then got to do is make sure we get that link back to our system and that is not just for flights; that is for all the other areas as well.

Deputy A.D. Lewis:

In that management information though, can you tell ... will they tell you, what, if any, override agreements they have got with any particular carrier? So do you know, as you can through regulation, if you buy insurance they have to tell you whether they are getting extra commission? This is not a regulated industry so it is quite different, but are you aware of incentives that that operator receives from specific carriers and hotels? Would they disclose that to you?

Chief Executive:

I am not. I do not know whether Caroline has got it in the contract.

Director, Strategic Procurement:

I can answer that question. The way that the information is displayed for the States of Jersey from HRG is the lowest price. So it does not pick out on preferred carrier and HRG do not have preferred rates so they are loaded into our system. But plus ...

Deputy A.D. Lewis:

Okay. So are you aware of any override that they get at the end of the year, for example, specific carriers?

Director, Strategic Procurement:

I asked them that question this morning and ...

Deputy A.D. Lewis:

I bet they would not tell you.

Director, Strategic Procurement:

Well, it was in relation to how our system is configured. It was not in relation to their business. Other organisations who use the system have it configured differently so if they have particular weekly deals that they want to push all their people towards, it is set up like that. We do not do that. States of Jersey, with value for money in mind, we have asked them to configure the system so it comes up with the lowest price, the cheaper fare first, because that is the order it comes in when you are searching on the system.

Deputy A.D. Lewis:

So as far as you are aware, Hogg Robinson do not have any preferred suppliers that give them specific deals in terms of override, commission it is called in the industry, at the end of the year, retrospects commission in other words, that affects the way that they present information to you?

Director, Strategic Procurement:

I am not aware of any and I cannot comment on that.

Deputy A.D. Lewis:

Okay. So how do you use the management information, John? Are you satisfied that it is what you require at the moment and then what do you do with it? Do you just clear all this, is that it?

Chief Executive:

I think looking forward. I think looking ...

Deputy A.D. Lewis:

So do the 2 systems talk to you by the way? You do not have to do this manually, do you? There is some code that makes it talk to the other system.

Director, Strategic Procurement:

Shall I answer this one?

Chief Executive:

Yes, please.

Director, Strategic Procurement:

So every month we get a download from HRG, so the software ... I will just rewind. So we have billback for the majority of our hotels and so people do not have to pay on departure. So the hotel will bill Hogg Robinson and then monthly we have a download from HRG which is everything paid in that month. Then there is a fancy piece of software which comes into the States of Jersey, it goes into our I.T. (Information Technology) Department who then drop it into JD Edwards. We have expenditure codes which match. So provided the code that the flight has been booked to matches the code which is available in JD Edwards to that particular business unit and there any many, many of them. There are loads and loads of codes and each department codes things slightly differently so each one is set and bespoke for the department. Then the actual invoice paid is dropped in electronically. So there is no manual reconciliation whereas previously there would have been paper invoices trying to be reconciled.

Deputy A.D. Lewis:

So you are happy that this system helps immensely with your back office operation?

Director, Strategic Procurement:

Yes, it does. But the point that you have raised about reconciliation and the difficulty ... well, not the difficulty but the information we have given you has been in 2 types effectively.

Deputy A.D. Lewis:

Five actually. We have 5 different presentations from the different departments ...

Director, Strategic Procurement:

Okay. Well, that is departmental because departments did their own returns, did they not?

Deputy A.D. Lewis:

They did and perhaps with hindsight they should have asked you guys to do it. If they had done would we have got one simple spreadsheet which we finally got this morning?

Director, Strategic Procurement:

Yes. Well, that is a learning point.

Chief Executive:

Yes, I think we ... the first time we printed the big spreadsheet out we saw the volume and it was the Easter week period and we had a lot of staff on leave, we thought it was easier to say to each department: "You compile your analysis for your bit." I think in hindsight we probably should have said: "No, you supply us the information, we will collate it and try and tighten ..."

Deputy A.D. Lewis:

Yes, some of them are a bit economical with some of the information.

Chief Executive:

We apologise, it is probably not quite as consistent as it should have been but it was just purely the number of staff on leave Easter week, we just had to get the information to you.

Deputy A.D. Lewis:

Well, it is good to know that the system does produce the information and you are then able to adapt it for use with a committee like ours so that we got it in the end. So thank you for that.

Mr. G. Drinkwater:

Mr. Chairman, can I ask one question? This is retrospective but did you have any red flag with the system before? So, at a *de minimis* level say, I do not know, £250 for a hotel bedroom before they go is flagged up to someone else to secondary approve and a flight over, say, £2,500 gets flagged up to not the officer, someone devoid of the system, that can say before that is happening, rather than checking it off after it has happened; that it is secondary signed off by a policy group or a conduct group who say: "No, on behalf of the States this is a red flag. We are not going there."

Director, Strategic Procurement:

You are right, it is retrospective. So HRG, the system does flag things. So, for example, we have a rate cap on hotels in London and if somebody is trying to book above that rate cap it will come up and show that it is out of policy. So it is flagged up then but it does not stop somebody from continuing but we get a report and we can check. We can see where it was out of policy. Secondly, on flights, if not the lowest one is accepted and it has been booked online we can see that as well. If it is booked on the classic team we can see by a report what was offered and what has been taken but it is retrospective. It does not go back to the authoriser as other expenditure might do.

Mr. G. Drinkwater:

Yes, because my point is this conduct, that it is applying the conduct retrospectively which is fine but equally if you do it in advance at a *de minimis* level you can flag up the sensational issues which help government before it happens.

Chief Executive:

I think that is a point that we have got to build in, is that we have been looking retrospectively. If there are flags we can put in the system that says if that flag comes up, we challenge it probably through Procurement, because they are the ones who are the overseer or administrators of the system, and before someone presses the commit button the question would be asked.

The Connétable of St. John:

Can I just ask on that, that because it is retrospective does it happen very often and what action is taken when it does happen?

Director, Strategic Procurement:

In terms of the numbers we would have to look at the numbers for you. I do not have the numbers to hand. I am sure from one of our reports we can give you something. Yes, we can do that. In terms of, is it followed up? The information when it hits JD Edwards is sent to managers for their

information but it is retrospective and what action is taken thereafter is down to departmental level. We would not necessarily ...

Deputy A.D. Lewis:

But if they are repeat offenders would you get to hear about it at Corporate Management Board, John?

Chief Executive:

No, not on the current system.

Deputy A.D. Lewis:

So it is up to departmental managers to do anything necessary?

Chief Executive:

It comes back to the role of the Accounting Officer and the legal responsibilities of the Accounting Officer to discharge their responsibilities. So from a reporting point of view, again, this is retrospective. We have got to take this on board and think about what it looks like for the future.

Deputy A.D. Lewis:

You can learn from that of course and change it.

Chief Executive:

Yes, then the answer is no, I certainly did not get it in the past.

Deputy S.M. Wickenden:

Does it flag up sections? I have just found one here which is a senior officer booked travel for 11 days, a long-haul trip, then cancelled it and got a refund and booked it for 7 days but all on the same day. So this all happened on the same day, booked for 11 days, changed his mind, booked it for 7 but the flight when he finally went for the 7 days cost £600 more than what the one before did. Does it flag up where these kind of things happen so you can turn around and say: "Why did that happen because the cost ..."

Deputy A.D. Lewis:

There is an Accounting Officer somewhere sort of spotting that and reporting on it so that it does not occur again.

Chief Executive:

Without knowing which flight it was, the bulk of those flights are going to be the big ones, the long haul, and the majority of the staff who travel on them are, if not Accounting officers in their own right, they will be senior directors who travel. We do not have many junior staff travelling on the long haul.

Deputy A.D. Lewis:

So you expect them to self-regulate.

Chief Executive:

So we expect them to deregulate in looking at it. Again, I do not know the detail of that one but there might be a good reason why they had to cancel it or change it ...

Deputy S.M. Wickenden:

I just thought I would give you that overall ...

Chief Executive:

... and then all of a sudden, no, it is back on again and that comes back to the point I was raising earlier. Very often a lot of these flights we are booking is: no, it is not going to happen because we have had to cancel a meeting with X, so we cancel. Then we get notification: no, it is back on or we can do it but the time has changed so all back on again. As much as we like to plan it is not always possible with the nature of some of the things we are doing.

Mr. R.J. Parker:

I think part of the thing on that is if it is a fully flexible ticket you would not have expected it have been cancelled and then rebooked on the same day. Is that a problem on the system or was it something that the person, having got the flexible ticket, should have just turned up and had it changed?

Chief Executive:

I think that is probably one where there was not the flexibility in the original booking that meant they had to make the cancellation; oh, back on, then go and rebook.

Deputy S.M. Wickenden:

I would say for this price it was definitely a fully flexible ticket.

Director, Strategic Procurement:

It may have been a ... it could have been a training issue not realising that that has got it now.

[14:30]

Mr. R.J. Parker:

Another question, so you were talking about that the list of all these business class flights does not tie up to the actual expenditure because some of the people have paid the increased cost over their flight, using an economy flight. To what degree do you reconcile to ensure that all the monies that should have been received have been received and tie up with the sort of authorisation process?

Chief Executive:

In one department I know they are very strict on it because their policy ... they stick very closely to the policy, it is economy. If you wish to travel and upgrade you do and their finance function says, you write us a cheque for X pounds, and I think that is probably the biggest department that regularly sees that upgrade from A to B. There are odd occasions when an officer's partner will also travel with them and there will be one flight, the flight will be booked but then they will pay to us. Well, obviously that is followed up and it is paid for by the officer individually.

Mr. R.J. Parker:

But that is controlled by the department rather than there being a sort of an audit trail and a check from a sort of centralised corporate ...

Chief Executive:

I think there would be an audit ... there would be. There must be an audit trail because if this system is showing that we have booked for officer X to travel from A to B and it is 2 people and it is Mr. and Mrs., or whatever it is, partner, then very clearly there is an audit trail that says: "Internal Audit says you have had 2 tickets. It has cost you X pounds." We want to make sure from an audit perspective there is a reconciliation.

Mr. R.J. Parker:

One could expect that it produces a report. That you would have a report that shows that information that that has been checked.

Chief Executive:

That would be within the department.

Director, Strategic Procurement:

That would be within JD Edwards. The income comes into JD Edwards and it will go against an income code. So that is where there is a need to do a manual reconciliation, I believe. The Chief Internal Auditor is coming later.

Deputy A.D. Lewis:

Some questions for the Internal Auditor I think later but thanks for that. The only other thing I want to learn about the system, and we did mention this yesterday I think, is that there is huge opportunity to use both European and Middle Eastern hubs these days to get much better fares. When we did some dip sampling of our own we came up with examples of still premium travel and with very good carriers, but going via Amsterdam, Dusseldorf, Dubai, for example, which is now a major hub to get anywhere in the world; half the fares that you had on most of your spreadsheets for your long-haul travel with perhaps 2-hour layovers and no requirement to go to Heathrow either. Is that something that you are now going to look at and put in guidance notes because one of my questions to you was going to be about guidance notes for using the system? Do you think they are currently robust enough and things like that flagged up adequately enough for, let us say, the super users who should be thinking about these things?

Chief Executive:

I think it goes back to what I said before, the way our system is set up it gives you that Jersey link all the way through so it does not necessarily take you through those opportunities for hub transfers. What we have got to do in the future is look at, and it could be how we administer the system is, say, we need to understand, what is the potential of London to hub point, hub point to destination? What is the cost? What is the value? Then equally, what is the risk? If we miss it and we are going to have to change it do we lose? How much do we lose? The simple answer: yes, we must look at it. We must make sure that that is built into our costings and our opportunity for saying we can get better value but we, equally, I just have to be ...

Deputy A.D. Lewis:

Measure that against the risk.

Chief Executive:

Measure that against the risk, absolutely.

Deputy A.D. Lewis:

Yes, but there are such significant savings to be had in the dip sample we did, for example B.A. are the only people to fly direct to Cape Town from London. So, yes, you would use them particularly if you inputted Jersey to Cape Town it would come up with British Airways. But you

have only got to look, a cursory glance, at other carriers going via Dubai, for example, and you are more than halving the fare and you are still travelling in business class. So those are the sort of things I would expect an intelligent operator, like you say an intelligent client, to ask those questions. It does not look to us that that is happening at the moment so we would like some insurance that that is likely to happen in the future.

Chief Executive:

I think that has got to happen in the new policy. It has to be got very clear that we take the cheapest flight we can but if our default system is omitting some of those opportunities we have got to build them back in.

Deputy A.D. Lewis:

So the system must default to a certain extent, not the user.

Director, Strategic Procurement:

The online tool is defaulted to direct. If you untick the box it will go ... bring anywhere ...

Deputy A.D. Lewis:

We saw that, yes. You still need an intelligent user, an Accounting Officer that is responsible for public money ensuring that best value is achieved.

Director, Strategic Procurement:

Yes, and there is a training issue in the sense that we ... and we have got ...

Deputy A.D. Lewis:

Okay. So the training issue you intend to address, however ...

Director, Strategic Procurement:

Yes, and that has been exercised but there are lots of people using the system and if they are not regular users they may not always remember to untick the box.

Deputy A.D. Lewis:

Okay. Finally, coming back, right back to where we started at 5.7 and the last P.A.C. hearing was regarding financial management and you stated that Financial Direction 5.7 was very clear. Do you still stand by that?

Chief Executive:

Finally, it cannot be clearer. It says what it says.

Deputy A.D. Lewis:

Do you still stand by that? So you are quite happy that you stand by it and it has been followed and it is accurate?

Chief Executive:

No, that is not what I said, Chairman. What I said was Financial Direction is very clear. What I said at the very beginning of this discussion, and I said my department is one, we have not followed, necessarily, exactly what it said under paragraph 5 point whatever it is. There is a reason why we have not followed it. So is Financial Direction clear? Yes. Is there a reason why we have moved away from it? Yes. Have we, in my department, documented that final little piece that says we have moved away from paragraph 5 point whatever it is to something different? No, we did not but overall we took a policy decision to do that.

Deputy A.D. Lewis:

Okay.

Deputy S.M. Wickenden:

So at a time when we are facing a possible structural deficit and the people of Jersey are being asked to tighten their belts in many different ways do you think it is right at all, in your opinion, that, I am going to put in, Ministers and States officers are travelling around the world on business class flights?

Chief Executive:

I think that the very simple answer is, that is a policy decision. It has to be looked at and Ministers will have to make that decision, that call. That is all I can say. It is a policy decision. We have a policy at the moment. We have used that policy and, as I say, we have moved slightly because of this officer travelling with Minister issue. If we need to revisit it and we need to look at a standard level for everyone then that is a policy decision which needs to be taken by respective Ministers or those who are involved in long-haul travel.

Deputy S.M. Wickenden:

So it is a question for Ministers about their travel that will have to deal with this?

Chief Executive:

I think it is a combination. I am not trying to deflect it from officers to politicians. I am saying it is a decision that we need to look at. Do we standardise? Do we keep what we have got and say: "The rules are Ministers at that end of the plane, officers at that end of the plane", that is it? We can easily do that. Do we say: "Well, long-haul officers can travel premium economy because of

the nature of the business or travel?" Policy will have to make that decision, equally. Very much a political decision. "Politicians, do you want to move from that to that?" That is a discussion we have got to have.

Deputy S.M. Wickenden:

There are a lot of ways we are asking the people of Jersey to tighten their belts to pay for health charges, to pay for refuse charges. We are cutting down things like the nursery fees over a certain amount. We are looking at the taxes and where that goes. We are telling the people of Jersey: "Listen, we are going to need you to be a bit more prudent with your money and sorry, you are probably not going to have as much as you want but we need to pay for these services as we use them." Should we not be saying the same, let us look at this ourselves and say: "Do we really need to spend that extra bit of money when we are asking other people not to?"

Deputy A.D. Lewis:

It is only going to come back and clearly it says: "Does the action feel right and could it be justified to those outside the States?" and we would like to think your officers are following that and are you comfortable that they are for the most part?

Chief Executive:

Given what I have just described to you about the way in which we have adopted the policy; that is how we have adopted it and how we have used it. Going forward, our policy, we have vocally said, needs to change and we will be changing it and we will have to come up with the right classification of fare. But I do want to just stress, when you look at the volume and the cost, yes, there is an opportunity of changing how we do it, and I have no argument with that, but when you look at the total numbers it is £539,000 out of £4.69 million so we just need to put it in context.

Deputy A.D. Lewis:

Out of the £4.9 million though, obviously there is a lot of very small expense there, small flights. Are you completely satisfied that all of those flights and travel have been necessary? Because it becomes a big number, does it not, when you add it all together?

Chief Executive:

Absolutely. Pretty much all of the discussion we have had this afternoon has been on the big numbers and the big flights and clearly we need to look at those and look at any opportunity to improve.

Deputy A.D. Lewis:

Yes, that is the big number.

Chief Executive:

That one is but the other one is even bigger.

Deputy A.D. Lewis:

Yes, the £4.9 million is much bigger, that is what I mean.

Chief Executive:

Absolutely, and what I am ... sorry, we are talking at cross purposes. What I am saying is, we need to look at the £539,000 and we can no doubt make improvement on that and we must and we have talked a lot about hubs and different opportunities but then we have got to look at the £4.69 million and say, are we getting best value? Do we need to travel as much?

Deputy A.D. Lewis:

Could you be Skyping? Could people come to visit you instead?

Chief Executive:

Yes, but what I think we do need to understand is the nature of that travel because I think ... does that cover patient travel?

Director, Strategic Procurement:

No.

Chief Executive:

Okay. So on top of that number we have got patient travel as well. So there is a lot of travel going and coming but also please can we just bear in mind that that number is ... that since 2012 and we will, of course, have seen a very high period in the 2014/2015 period because of the travel arrangements for the Historic Child Care Abuse Inquiry Team. I have not seen it but I suspect when we do an analysis there will be a massive spike in our travel arrangements because of that period.

Deputy S.M. Wickenden:

But it was a Council of Ministers' policy decision to override 5.7 in certain instances where they are travelling and they need an officer with them?

Chief Executive:

No, it was not Council of Ministers.

Deputy S.M. Wickenden:

It is individual Ministers.

Chief Executive:

It would be individual Ministers have said: "I want my officer to come with me" and I am not ... sorry, I just want to be clear, I am not passing the buck on to Ministers here. I just want to be ...

Deputy S.M. Wickenden:

No, but that is the facts. That is the truth.

Chief Executive:

Decision, yes.

Deputy A.D. Lewis:

I will cover that in a minute but just finally, something we have asked for but not received yet, is the element of expense rather than just travel. So there is quite a big item here called expenses which is something else we want to look into and we have asked for this but not received it. Clearly a lot of expense goes into a trip other than just the flight. We have got the hotel accommodation. There are other things as well. So we will, perhaps, talk to you on another occasion and ask for some information on that.

Chief Executive:

I thought we had sent that through to you.

Deputy A.D. Lewis:

No.

Chief Executive:

Okay. We will get that to you.

Deputy A.D. Lewis:

Finally, then thank you for your openness and candidness. We have challenged you with some very difficult questions and you have answered them extremely well and thank you very much for coming today and being so open with us.

Chief Executive:

Thank you.

Deputy A.D. Lewis:

This is what these hearings are about. They are public. We will be producing a report which we hope is going to be useful for you. It is not about beating people up. It is about finding long-term solutions and helping you achieve those. So I must thank you both for coming along and being so open and articulate with us so thanks very much.

Chief Executive:

Thank you very much.

Deputy A.D. Lewis:

With that I conclude the proceedings. Thank you very much.

[14:43]