

Government of Jersey
Union Street | St Helier | Jersey | JE2 3DN

Deputy H Miles
Chair, Corporate Services Scrutiny Panel

BY EMAIL

21 February 2025

Dear Chair

Review of the Memoranda of Understanding for States Owned Entities, Ministerial Decisions and Legislative Programme – Follow up

I am writing in response to your letter dated 14 February 2025. Please see the following responses to your request for further information.

Memoranda of Understanding (MOUs) for States Owned Entities (SOEs)

Thank you for your request regarding the involvement of the Panel in the review process for the MOUs for SOEs. While I note the Panel's position on early engagement in the process and appreciate the role of Scrutiny in holding the Executive to account, I do not think it will be practical or appropriate for Scrutiny to intervene during the development of the five revised MOUs in the way proposed.

The current versions of the MOUs were presented to the Assembly in 2022 ([States Assembly | R-56-2022](#)). I should be grateful for the Panel's observations on these and any particular areas that they consider may merit review or which give rise to concerns. We will take these views into account in preparing revised versions. We have, likewise, asked for the SOEs' input into any changes that they believe are necessary or desirable. Please let us have your comments before 20 March to reflect the review timetable.

We are currently preparing revised versions of the MOUs for discussion with the SOEs. As we have previously advised, aside from minor drafting tweaks, our amendments will focus primarily on:

- Making explicit reference to the Board having effective succession plans for the members of the Board and Senior Management;
- Making the requirements in the UK Corporate Governance Code for board effectiveness reviews clearer in terms of our expectations for the SOEs; and
- In terms of remuneration, setting out some of the broad principles that are in the Remuneration Framework, a copy of which is also attached and shared in strict confidence and is not to be published. We are also likely to seek a requirement that approval for pay increases are to be requested within a specified time period, so that the Minister can consider changes consistently across the SOEs.

CSSP do, of course, have the right to review the MOUs once they have been finalised and signed.

Ministerial Decision – Amendments to the Public Finances Manual [MD-TR-2025-30]

As above, I do not consider that it is appropriate or practical for the Panel to have involvement in the development of periodic amendments to the Public Finances Manual. Should the Panel have any comments on the current content of the Manual, including the most recent changes, I would be pleased to receive them although that role is, perhaps, more appropriate for the PAC.

Legislative Programme 2025-2026

Based on the current legislative schedule, it is unlikely that this legislation will be lodged in Q4 2025 as originally anticipated, due to competing demands on law drafting within the broader legislative programme. However, this remains under review and work on the legislation is ongoing.

Should it not be possible to lodge this legislation in 2025, it will be carried over to 2026. While this is not the preferred timeline, the impact is expected to be minimal. The primary purpose of the legislation is to extend formally the FPP's remit to include financial stability – a function it is already performing in a shadow capacity and will continue to do so.

I would be very happy to meet with you to discuss any of these items, if that would be helpful.

Yours sincerely



Deputy Elaine Millar
Minister for Treasury and Resources

E e.millar2@gov.je