

## **Terms of Reference**

### **ARM'S LENGTH BODIES AND STATES OWNED ENTITIES GROUP” (“ALB & SOE GROUP”)**

#### **Purpose**

To establish an “Arm’s Length Bodies and States Owned Entities Group” (“ALB & SOE Group”) to support the effective coordination and development of arrangements (including performance monitoring and reporting) between government and bodies owned by the public.

This would cover both the Arm’s Length Bodies and the States owned entities, as referred to in the scope section below.

The Group will ensure the continued operational independence of the bodies (ensuring they can continue to be agile and innovative organisations) while aiding the Ministers who hold individual responsibility for these bodies, in whatever capacity, in discharging their functions by providing a clear and effective framework for relations between Government and the bodies.

#### **Background**

The States Assembly approved P65/2022, “Monitoring of Arm’s Length Organisations and Green and White Papers”, on 10 March 2022.<sup>1</sup>

This agreed to establish a committee, comprised of both Executive and non-Executive States Members, to monitor the performance of Arm's Length Organisations (ALOs) and to support responsible Ministers and the Assembly in fulfilling their duties.<sup>2</sup>

P65/2022 in substantial part was based on the findings of the Democratic Accountability and Governance Sub-Committee Report 3, which reflected Members concerns about “a lack of oversight” and “lack of governance and accountability” and recommended that there should be a supervisory committee which would monitor the performance of ALOs.

The new Group can build on the work producing new Memorandum of Understanding between the Minister for Treasury and the wholly States-owned entities, published in April 2022, which ensured that the terms are broadly consistent across the different entities, considering how arrangements can be extended to other bodies.<sup>4</sup>

The work of this new Group will be supported by the work of officials who meet to discuss issues relating to governance.

This will aid increased and coordinated political oversight across government.

#### **Responsibilities of Ministers**

Ministers have individual responsibility for their portfolio, which involves external bodies in many cases, and are accountable to the States Assembly for how they discharge these responsibilities.

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<sup>1</sup> [P65.2022 p.65-2022 amd.pdf \(gov.ie\)](#) (as amended)

<sup>2</sup> This decision, of the last Assembly, required this matter to be debated by October 2022, which would have required lodging over the summer following the election. This proved impractical.

<sup>3</sup> [r.23-2022.pdf \(gov.ie\)](#)

<sup>4</sup> [r.56-2022 \(re-issue\).pdf \(gov.ie\)](#)

Notably, the Minister for Treasury and Resources is shareholder for a number of investments and delivery arms of government, such as the States of Jersey Development Company, Jersey Water, Jersey Electricity, Andium Homes, etc, exercising the rights and being responsible for any liabilities attached to the shares under the [Public Finances Law \(2019\)](#).<sup>5</sup>

A number of other Ministers have policy responsibilities that are driven in part by these owned companies, for example, Andium Homes is the main delivery arm for social housing in Jersey, which is a core responsibility of the Minister for Housing and Communities. This requires joint working with the shareholder.

Other Ministers also have responsibility for agencies which further their policy aims. For example, the Minister for Sustainable Economic Development has responsibility for a number of agencies designed to support economic growth, such as Jersey Business, Digital Jersey, Visit Jersey, etc.

There are many synergies between these bodies, but they remain the individual responsibility of a single Minister; and taken as a whole, they have been established for very diverse purposes and operate independently of each other.

With this in mind, the proposed new Group is being established to deliver consistent arrangements for governance, monitoring, reporting purposes, and to align strategic delivery between the government and these bodies.

These consistent arrangements will better aid individual Ministers in discharging their responsibilities, whether they will do that individually, or in other advisory fora.

In that way, this new Group does not detract, dilute, or confuse existing accountability arrangements for Ministers - but instead aims to support them by providing a well-governed relationship with Government.

### **Main functions**

The main functions will include the following:

- (a) To review and improve the quality and consistency of arrangements between government and the bodies in various aspects, including:

Governance and accountability in these arrangements, including transparency arrangements, clarity of lines of political accountability, and relevant appointment processes.

- (ii) Monitoring by government of activities and reporting by the bodies, including in relation to performance and delivery
- (b) To consider arrangements between Government and ALBs to support alignment between their activities and the delivery of the Common Strategic Policy and other policies agreed by government and the Assembly.
- (c) To supported continued operational independence of the bodies.
- (d) To balance the above alongside other objectives, including return on investment, and value for money to the public.
- (e) To promote accountability to the States Assembly via the accountable Ministers, alongside building trust and confidence directly between the bodies and the Assembly.

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<sup>5</sup> The Memoranda of Understanding between the Minister for Treasury and Resources and the wholly owned States-Owned Entities are detailed in [r.56-2022 \(re-issue\).pdf \(gov.je\)](#).

- (f) To put in place frameworks to support the above.

## **Scope**

In terms of scope, the ALBMG can consider all ALOs and States owned Entities (SOEs); and other entities as the Committee defines.

The initial remit will cover the following:

### ALOs (as defined in the Public Finances Manual):

- Digital Jersey
- Visit Jersey Limited
- Jersey Sport
- Jersey Arts Trust
- Jersey Arts Centre Association
- Jersey Opera House
- Jersey Heritage Trust
- Channel Islands Brussels Office
- Government of Jersey London Office
- Employ Jersey (Jersey Employment Trust)
- Jersey Finance Limited
- Jersey Business Limited
- Jersey Advisory and Conciliation Service
- Jersey Consumer Council
- Jersey Citizens Advice Bureau

### SOEs:

- Andium Homes
- Jersey Post
- JT Group
- Ports of Jersey
- States of Jersey Development Company
- Jersey Water (partly owned)
- Jersey Electricity (partly owned)

Other groups may be added as created, identified, or as appropriate.

## **Membership**

The membership the ALBMG will include the following States Members:

- Chief Minister (or delegated Assistant Chief Minister)
- Minister for Treasury and Resources (Chair)
- Minister for Sustainable Economic Development
- Minister for Housing and Communities
- Two non-Executive States Members

Other Ministers will be invited where matters related to their portfolio are under discussion.

## **Meeting Frequency**

The group will meet twice a year, and otherwise as required (especially in the initial stages), including receiving annual reports.

