



**Chief Executive's second
six-month report
to the States Assembly**

24 January 2019

Introduction

This is my second six-monthly report to States Members, on the main areas of my activity as Chief Executive of the States of Jersey and Head of the Public Service. This report, which is also being shared with States of Jersey employees, the media and islanders, via the gov.je website, is part of my commitment to greater transparency and accountability of the public service.

In this report, I am providing a progress update on the issues that I covered in my first report, but also referencing the priorities I outlined in [One Island, One Community, One Government, One Future](#).

The report is therefore structured according to the following sections.

1. Due diligence and legacy issues
2. One Government structure
3. Long-term vision
4. Leadership
5. Creating a Team Jersey culture
6. Office modernisation programme
7. Modern IT and digital services
8. Commercial Services
9. Financial management
10. The Jersey Standard and performance management
11. Governance
12. New States Assembly and Council of Ministers
13. Children
14. Improving community and voluntary sector partnerships
15. International economic engagement and Brexit
16. Channel Islands partnership.

1. Due diligence and legacy issues

Due diligence and legacy issues

In my first report, I explained that the Transition Team (October 2017 to March 2018) carried out some detailed reviews of the States of Jersey's operations, finance, policy, management, governance and communications arrangements, the findings of which were shared with the then Chief Minister, other Ministers, States Members, Scrutiny and senior colleagues. These findings were used to inform my planning for the modernisation and restructuring programme of the States' public services.

I inherited a number of ongoing issues, many of which were revealed by the due diligence work, and some of which have come to light through other routes, while others are historic, but have never been properly tackled.

During the second six months, the new leadership team has continued the due diligence process to further examine the operation of the public service, working in partnership with contractors (such as KPMG and EY) and a small number of interims, especially in finance and IT. This has uncovered significant further issues, which are being addressed by departmental leaders. In particular, IT, where we have secured a partnership with EY to speed up the work on modernisation of services, and the use of digital technologies. We have unearthed major service problems and are seeking funding to remedy these and establish a platform for the future.

Further legacy issues

These include dealing with inequalities and anomalies in pay, terms and conditions; structural failures in Finance and IT; and Children's Services. The latter issues are dealt with in subsequent sections. In this section, I will concentrate on pay, terms and conditions, which has been a complex and constant issue throughout my time as Chief Executive.

Pay, terms and conditions

Following the rejection by most employee groups of the workforce modernisation proposals that I inherited, the States Employment Board (SEB) approved my proposal to negotiate a two-year pay deal with the different pay groups for 2018-19. SEB established the approach and provided officers with a mandate to negotiate offers within the financial constraints set in the Medium-Term Financial Plan.

These discussions took place over the summer and autumn, and were led by a senior industrial relations expert, who was brought in to add capability and capacity to the HR team. The pay offers sought to provide higher increases for the lowest-paid, to address legacy issues of unequal pay between groups of workers. SEB was consulted frequently, and unanimously approved the offers made at every stage of the negotiations.

In November, as in previous years, pay offers were implemented for Civil Servants, Teachers, Head Teachers and Uniformed Services, since the offers were not agreed by unions and union members and SEB agreed that we could not offer any further increases. However, revised offers were made to Nurses, Midwives, Manual and Energy Recovery Facility Workers – within the same budget total.

Manual and Energy Recovery Facility Workers narrowly voted to accept the offer in December, while Nurses voted to reject and Midwives voted to accept the offer in January. We also made adjustments to Teaching Assistants (who are currently within the Civil Servant pay group), who were given the same backdated pay offers as Teachers and Head Teachers.

These negotiations have been very difficult, as unions have understandably sought cost-of-living pay rises at least in line with inflation, which was simply unaffordable within the financial envelope allowed under MTFP2, especially once it was revealed in October that there is an emerging £30-40 million structural budget deficit in 2019-20. Discontent among some groups culminated in a two-hour strike on 7 December and a further two days of industrial action on 14 and 15 January 2019.

Having taken the terms and conditions elements out of the 2018-19 pay offers for most groups, in November we announced – with the approval of SEB – that we would run a collaborative process with all key stakeholders in the first three months of 2019, to agree the priorities to achieve revised terms and conditions that are fit for purpose and will address pay comparability issues across the public sector.

We want to stimulate a genuine and proper debate with trade unions representatives, senior leaders, politicians and employees. We will then negotiate with our union colleagues, with a view to implementing any changes by no later than 1 January 2020. This review will not bring Workforce Modernisation proposals back onto the table, but will develop new, clear and understandable proposals which help all States employees to do what we are here to do. In parallel, SEB also agreed to seek mediation through the Jersey Advisory Conciliation Service with employee groups with which we remain in dispute for 2018 and 2019 pay issues.

This is critical, since we need to resolve legacy pay, terms and conditions issues if we are to meet our aspiration to be a good, modern employer which values its workforce. In some instances, these issues go back nearly a decade and are not just about financial matters alone.

2. One Government structure

In my first report, I summarised the restructuring proposals on which we consulted for 90 days, in March to May 2018, and the changes I made following feedback, which fed into the final structure which I confirmed on 14 June 2018. As part of this process, I have reduced the top two tiers of senior leadership from 66 posts to 40.

The process for migrating from the old public service departments to the new departments began on 18 June, since when DGs and Directors have been working to design their new departmental structures, in line with the One Government structure and principles summarised above.

Each of the new departments is at slightly different stages in the process, depending on the size and complexity of the department and the extent of the changes involved from the previous governmental structure. I anticipate that all new departmental structures will be in place by May 2019. The new structure will support Ministers in whatever portfolios they hold.

Office of the Chief Executive

External Relations and **Financial Services and Digital Economy** have transferred into the Office of the Chief Executive. A new **Communications Directorate** has been established and most posts filled, following a formal internal consultation and subsequent internal and external recruitment exercise.

A **Chief of Staff** was appointed and started in September, and a **Ministerial Support Unit (MSU)** was established over the summer, to assist Ministers in discharging their roles effectively and efficiently to deliver the One Government model and the long-term strategic framework. This unit reports directly to the Chief of Staff.

The department has reviewed governance arrangements and systems across government, in order to support more effective working across the public service and provide a more streamlined service to islanders. This includes developing improved relationships with Scrutiny, the Comptroller and Auditor General and the Public Accounts Committee. These have been agreed with the Council of Ministers and are being rolled out across the public service.

No further restructuring is required for the Office of the Chief Executive, although some permanent roles are still under recruitment, including the Director of Communications and Head of the MSU.

Chief Operating Office

This new department brings together several enabling, back-office functions that were formally part of the Chief Minister's Department, including **People and Corporate Services, Modernisation and Digital** (including the former ISD), and **Commercial Services**.

The aim is to improve the support that all departments and teams need to function effectively, as well as to bring greater rigour to programme delivery and commercial contract management.

The **Chief Operating Officer** took up his post in October, and an external partner, EY, was appointed in November to support the modernisation and digital programme after a number of key legacy issues were identified.

The department plans to launch a consultation on Tier 3 roles in the new structure in January 2019, and to implement its overall structure during March 2019.

Customer and Local Services

The new department is bringing together the operation of services for islanders from across government, through face-to-face, phone and online channels, to provide a seamless, one-stop-shop for customer services. It is also developing local service delivery in partnership with Parishes, the voluntary sector and community groups.

It is widening and deepening its insights into customer needs, expectations and behaviours, for both islanders and businesses, in order to inform improvements to service delivery. This includes better understanding of how customers interact with specific services, understanding their satisfaction and complaints, as well as their

requirements at different stages of their lives and in response to life events, such as births, marriages and deaths. This has involved visits to other organisations in Jersey and the UK, to understand how they better use customer insights and information to plan their services for the future.

In September, the department shared its vision for '**one front door**' for customer services with staff from customer-facing teams across government. In October, the one front door service went live, with customer-facing colleagues from **Taxes Office, Treasury Cashiers, Passports, Customs, Planning and Building Control** moving from their former offices into La Motte Street, to work operationally alongside **Social Security** teams, while remaining part of their home departments.

In its first full month of operation, the 'one front door' service handled around 700 customers a day, among whom a quarter were supported by new welcome hosts, without the need to queue, and around 100 a day carried out more than one transaction – immediately demonstrating the advantage of bringing multiple services together into one customer service centre.

In March, the department plans to launch a formal 30-day consultation on the new model and structure with affected staff in Tiers 3, 4, 5 and 6.

Children, Young People, Education and Skills

The department comprises three groups: Children's Services (see section 13); Education; and Young People, Further Education, Skills and Learning. It has developed its vision, values, purpose and priorities, and has been guided in this work by discussions with Ministers, inspection findings, the Children's Pledge, the Common Strategic Policy and the recently-approved Children Plan.

Work has focused on the design of education services for Jersey's children and young people, both through support to nurseries, schools and colleges, and of those services provided directly to children and their families. Renewing service provision is focused on greater co-ordination of all school-facing teams, to support inclusion and the further raising of standards, on the back of improved GCSE and A level results in summer 2018.

In October, the senior team agreed a set of design principles to guide the development of both a functional model, which is predicated on a commissioning approach (plan – do – check – act), and the organisational design arrangements necessary to deliver this operating framework.

In November, the team started detailed organisational design work, focused on the changes that will be required at Tiers 3 and 4, and taking into account the need to be more efficient and respond to demographic and other pressures.

The aim is to agree these detailed proposals by the end of January 2019, and to consult on them and the impacts on Tiers 3 and 4 colleagues in February and March. Depending on the outcomes of the consultation, the structural changes will be implemented either by May 2019.

The Department is also working up a longer-term programme of service redesign initiatives, using the working title of the 'change for children' programme which identifies

the major projects that will need to be delivered in the short and medium term to improve priority outcomes for children and families and modernise the services available to them.

The **Education Review** is carrying out an equivalent process for schools and colleges, and the review team met five times in the second half of 2018, to develop a future-proof framework, involving new structures and career ladders, revised pay spine arrangements, professional development, performance management and working practices.

The review takes into account the unique nature of education and schools, to support the achievement of the department's strategic aims in relation to raising standards, quality of learning and teaching outcomes, as well as consistency with the One Government approach.

One key educational priority has been the establishment of an **Early Years Policy Development Board** (PDB) under the Education Minister. It has been constituted to advise the Minister on how to create the best start in life for every child in Jersey, and the key role that parents, family and the wider community all have in realising this aim. While Early Years is determined as from conception to age 5, the work of the Board is closely aligned with wider work across departments on Early Help.

The new build of Les Quennevais School is progressing on schedule, and 2019 will see the start of both the redevelopment of St Mary's School and the final phase of Grainville School's rebuild.

Work has also started to review the educational and skills provision available to the business community and public, with a view to streamline and improve these services. The review of enterprise and employer engagement is a cross-government project led by the Director of Education, which will feed into the Economic Development Plan and the Island Plan. The review of the tertiary education strategy on island is underway and will conclude in Q2 of 2019 to form the basis of policy and legislation development for the further and higher education and skills agenda.

The new Director of Young People, Further Education Higher Education and Skills began a cross-departmental review of arms-length organisations and voluntary sector functions and services, with a view to ensuring effectiveness and efficiency of the various services delivered to the public. Engagement of the business community and public is encouraged and is influencing the process to be demand-led.

Justice and Home Affairs

The department has developed a vision, objectives, priorities and a structure for integrating public protection and law enforcement with criminal justice and offender management. It brings key 'blue light' and emergency services (including **Police, Fire and Rescue, Ambulance Service, Field Squadron, and Emergency Planning**), together with **Customs** and **Immigration** and ultimately aims to bring the **Prison Service** together with the **Probation Service** for an integrated approach to offender management and rehabilitation. This latter area is still the subject of discussions with Ministers and the Bailiff.

The department has already shared its proposals with unions, staff and some key stakeholders. Following presentations and endorsement by the Council of Ministers and the States Employment Board, the department intends to announce and consult on the new model and structure in January and begin a formal 30-day consultation with affected staff in Tiers 3 and 4.

In the meantime key initiatives such as establishing a Combined Control Centre for the 'blue lights' and emergency services is progressing and will be launched by the end of January 2019.

Health and Community Services

The department has developed a vision, a new model for health care in Jersey, and a stronger clinician-led organisational structure where appropriate that will support delivery of the new model. This does not replace the P82 agenda, but is designed to deliver that agenda more effectively and efficiently.

The model has four care groups:

- Prevention, Primary, Intermediate and Social Care
- Women, Children and Family Care
- Secondary Scheduled Care
- Secondary Unscheduled Care.

It also involves four cross-cutting service groups:

- Mental Health
- Quality and Safety
- Clinical Support Services and Cancer
- Non-Clinical Support Services.

Following presentations and endorsement by the Council of Ministers and the States Employment Board, the department announced and began a formal 30-day consultation on the new model and structure and with affected staff in Tiers 3 and 4 on 3 December. This has now closed, and we are reviewing colleagues' responses. An interim Director General has been leading the department since the summer, although a new, permanent DG will take up her post in spring 2019.

States Treasury and Exchequer

A **Finance Transformation Programme** launched in April, which is leading work on both the restructure and modernisation of the department and its ways of working. This work, which is well advanced, is also being supported by consultants, EY in a separately-procured commission. This has started to highlight a significant number of areas where essential key work is needed to improve key financial management practice. This work is being shared on an ongoing basis with the appropriate Scrutiny Committee.

The new department comprises the following groups:

- **Strategic Finance**
- **Performance, Accounting and Reporting**
- **Treasury and Investment Management**
- **Risk and Audit**
- **Revenue Jersey.**

Consultation on Tiers 3 and 4 roles began in July, but was suspended during the pay negotiations. It resumed in November and closed in December. A consultation with Tiers 5 and 6 colleagues will begin in February 2019 and complete in March.

In parallel, **Taxes Office** has led a modernisation programme to create **Revenue Jersey**, which will bring together the collection of a wider range of taxes and duties, as well as delivering online platforms to make it easier for customers to serve themselves.

Growth, Housing and Environment

The new department has brought together the knowledge and expertise of three previously separate departments to create an organisation that manages Jersey's natural and urban environments; supports and promotes business and innovation, culture and sport; provides essential infrastructure; and protects the quality of life and safety in our island through the licencing and enforcement of regulation.

Growth, Housing and Environment (GHE) has established five divisions, and has agreed their individual visions:

Natural Environment – providing scientifically-based evidence which underpins government policy and legislation, and informs the public and industry sectors, safeguarding our land and marine environments, and our natural and farmed flora and fauna.

Operations and Transport – maintaining our open spaces, gardens and amenities; managing and maintaining the island's transport, traffic and road systems; and managing our waste, sewerage and recycling facilities.

Regulation – protecting islanders by delivering socially-responsible regulation; preventing unfair commercial practices; and providing statutory functions, including planning and building, trading standards, licensing, vehicle standards, food safety, water quality, and noise, waste and pollution prevention.

Property and special projects – providing well-maintained, safe, legislatively-compliant and financially-sustainable property estate for the States' administrative and operational accommodation requirements; and the delivery of major capital projects which support the continued provision of high standards of service to the public.

Economy and Partnerships – developing and diversifying Jersey's economy by working with organisations in the private, arms-length and voluntary sectors, and with States-owned utilities, and supporting sport, the arts and heritage through provision of strategies, grants and subsidies.

GHE's leadership has also established an overall vision: to secure and deliver high-quality services for the island in a commercial way. To achieve this vision, a review has begun which will determine the most-effective method for bringing GHE's resources together in a way that has a commercial focus and continues to deliver quality services to the island.

The department plans to announce and consult on the new model and structure at the end of January, and to begin a formal 30-day consultation with affected staff in Tier 3 later in Q1.

Strategic Policy, Performance and Population

The new department's purpose is to lead strategic policy, planning and performance across government, to help achieve the ambitions of islanders for the future. It has five key functions:

- To ensure **integrated policy development** across government
- To provide **strategic performance management and insight** on the work of the public services
- To ensure **strategic and long-term planning** is delivered to a high standard
- To provide an **effective foresight function**, including horizon scanning
- To support the department's **arms-length functions**.

The new department brings together policy professionals from across government, to deliver co-ordinated, evidence-based policy options for Ministers, with a focus on improvements for customers and islanders. A radically-overhauled Performance Framework will be introduced, monitoring and driving service improvements and improving accountability – helping islanders to understand what the government delivers for them.

Corporate planning will also be improved, through annual delivery plans, a rolling four-year Government Plan and a longer-term Island Plan. The department will work in partnership with a wide range of organisations, including arms-length functions, local business and the voluntary sector, to ensure that we support our partners and listen to views of stakeholders and the needs of our customers in devising policy, developing corporate plans and delivering services that make a difference.

The department's leadership has established its priorities for 2019 and a proposed structure. It plans to announce and consult on the new model and structure in February 2019 and begin a formal 30-day consultation with affected colleagues. The implementation phase for Tiers 3-6 is currently scheduled for March/April 2019.

3. Long-term vision

A big part of the second half of 2018 has been the development of a long-term vision for a modern public service, through supporting Ministers to develop their Common Strategic Priorities and developing the sequence of interdependent longer-term plans – the Government Plan 2020-23 and the new Island Plan 2020-30.

Departments contributed specialist expertise, coordinated by a team from Strategic Policy, Performance and Population, to support Ministers in workshops and plenary sessions throughout the summer and early autumn, and they have also been working in the last two months of the year to develop the Transition Report for 2019, which was lodged in the Assembly in December.

Meanwhile, I have continued personally to articulate the vision contained in [One Island, One Community, One Government, One Future](#) in meetings, communications and through the target operating model work that I have overseen across government. (See section 11 for detail on governance and section 12 for engagement with the States Assembly and Scrutiny).

4. Leadership

In my first report, I highlighted that the need to strengthen our leadership capability and capacity was one of the issues that emerged in the due diligence reports.

Recruitment

Over the past six months, we have undertaken a major selection and recruitment exercise for the senior leadership structures for One Government.

This has been led by the Jersey Appointments Commission, and has involved technical and psychometric assessments a combination of face-to-face interviews and extensive and evidence-based technical and psychometric assessments. All successful candidates were appointed unanimously by the interview panels, which included subject matter experts and independent Jersey panel members. I participated in 21 of the panel interviews for these permanent roles.

We have made permanent appointments to:

- 8 Director General roles:
 - 5 internal appointments
 - 3 off-island appointments
- 22 Group Director and Director roles
 - 13 internal appointments
 - 9 off-island appointments, including one Jersey returner
 - 6 Director roles are currently under active recruitment
 - 4 Director roles are in a recruitment planning phase
 - (3 of the Director roles still to be recruited to permanently are currently filled by off-island appointments on fixed-term contracts).

In three Director recruitments, the panel has paused recruitment, owing to the shortage of high-quality applicants who could be shortlisted for interview. We want to recruit the very best, and in some cases only one or two candidates met the minimum standard we expect. Rather than interview just these candidates, the Jersey Appointments Commission has instructed a review and rerun of these recruitments, in order to secure a wider field of candidates, and has asked that current interim arrangements covering these roles are extended in the meantime.

The current Tiers 1 and 2 structure chart is [here](#) on gov.je.

A full report by the Jersey Appointments Commission will be published shortly, which details the full recruitment arrangements to date, in order to ensure maximum transparency.

Leadership development

The recruitment, which balances in-house appointments with new recruits, aims to provide for more effective succession planning for the most senior roles. But we have also put a programme in place to support senior leaders to grow their capability. We secured external specialist support to conduct thorough developmental reviews of senior leaders' technical and leadership capabilities, which I have extended to the second tier, and which involves ongoing discussions beyond the initial assessments. This will enable the leadership team to be better supported in their development and help with the period of change.

Corporate Strategy Board members (myself, the DGs, the Group Directors for External Relations and Financial Services, the Chief of Staff and Director of Communications) are also meeting quarterly with an external facilitator, to help us to develop our effectiveness as a team.

In addition, we have established a monthly **Senior Leaders Group** (40 leaders in Tiers 1 and 2) and a quarterly **Senior Managers Group** (around 200 leaders and managers in Tiers 1-3) where we discuss strategic issues and provide learning and development interventions, to help these groups to grow as a cadre of public service leaders. This will help longer term to build proper succession planning and to develop tomorrow's future senior leaders.

Finally, leadership development features in the **Team Jersey** culture change programme, which launched in October (see section 5 below).

Chief Executive's engagement programme

I have continued to engage in an extensive programme of internal ('Meet the Chief') and external visits and events, in order to be a visible leader, championing reform and role modelling the leadership behaviours that I believe the senior leadership of the public service should be exhibiting.

In the first half of the year, as I itemised in my first six-month report, I was engaged in a significant number of internal team visits, to hear about how the States works and delivers services; to hear first-hand from frontline staff about the issues they face; and to start to change the culture of the organisation. I also went to meet a range of stakeholders to learn about them and their relationship with and views of the public

service (this is in addition to the many meetings I have held with external stakeholders on policy, operational and funding issues).

In the second half of the year, I have continued my visits, but I have also had to focus on the recruitment of new staff, which has included a lengthy shortlisting and interview processes for senior recruitment. I visited the following internal teams and external stakeholders.

Date	Details	Internal / External
1 August	Jersey Ambulance Service	Internal
9 August	Visit Jersey	External
10 August	St John's Parish Hall	External
15 August	Marine Resources	Internal
16 August	Dewberry House, Sexual Assault Referral Centre	Internal
16 August	Jersey Finance	External
22 August	Jersey Employment Trust/Acorn	External
29 August	Jersey Arts Centre	External
7 September	Morier House	Internal
10 September	Highlands College	Internal
18 September	Jersey Business, Enterprise Week	External
20 September	Institute of Directors Annual Debate	External
24 September	Victoria College	Internal
26 September	Jersey Water	External
26 September	Acorn Enterprises – Opening of Reuse Centre	External
1 October	Maritime Operations	Internal
4 October	Occupational Therapy, Overdale	Internal
4 October	Probation Service	Internal
7 October	OneGov Awards	Internal
10 October	St John's Primary School	Internal
11 October	Arthouse Jersey	External
15 October	Jersey Heritage	External
8 November	British-Irish Council, Isle of Man	External

In 2019, in addition to continuing my own visits, I am also embarking on a programme of 'Ask the Chiefs' events, where I will meet groups of employees from across the public service, alongside DG colleagues, where we can be asked about anything of concern to employees.

Chief Executive's strategic priorities

From the outset of my appointment, I worked according to a set of strategic objectives which were agreed with the former Chief Minister, In November, my new strategic objectives were agreed and announced by the current Chief Minister, which build on those to which I had already been working, and which will determine my priorities through to the end of 2019.

These are:

- One Government and Modernising Public Services
- Organisational Change and Team Jersey
- Developing a Stronger Focus on Customer Services
- To continue to build and develop good working relationships with the Council of Ministers, States Members and Scrutiny Panels
- Financial, Performance and Business Management
- To promote and support the economy of Jersey both internally and externally.

My performance will be assessed throughout the year using a range of financial, operational, customer service and other data. The Chief Minister has also confirmed the appointment of one of the world's leading business psychologists as an external facilitator, to gather third-party feedback to supplement performance data, and provide an impartial report on my performance to the Chief Minister.

5. Creating a Team Jersey culture

Structural changes alone cannot deliver a modern, innovative, customer-focused public service without developing a culture that is based on teamwork and collaboration, openness and transparency, learning, innovation and appropriate risk-taking, combined with respect for customers and for each other.

These, combined with the necessary changes in behaviours, will take time to deliver and are a key long-term part of the modernisation of public services in Jersey.

Investing in our people

I have instigated a review of a range of our HR policies, at the behest of SEB, including codes of practice for bullying, harassment and whistleblowing (which we launched in January 2019), to ensure that employees have the right support tools in place to help them do their jobs. I have also introduced a wellbeing programme, which will be developed further across 2019, which includes a 'Be Supported' helpline.

We have also launched 'Our Conversation: Our Goals' an interim individual performance review process in January, as part of our culture change, which will evolve into a permanent outcomes-focused process in 2020.

Team Jersey programme

In parallel to the One Government restructuring, I commissioned the Team Jersey programme – a significant investment in engagement, behaviours and culture change that will touch every employee repeatedly over three to four years.

This programme, which was approved by the States Employment Board and the Council of Ministers, started in October, with presentations to senior leaders, and to COM, and a “Big Conversation” began in November, with groups of staff from across departments and grades coming together in focus groups, as part of the discovery and co-design phase.

These focus group events are guiding the delivery of the programme over the next three to four years. The programme is designed to develop a positive working culture across the States of Jersey, giving managers and staff the training to develop their skills and develop better working across teams and departmental boundaries.

To date, 641 leaders, managers and front-line colleagues have attended these events as part of the first phase of the Team Jersey Programme, which runs to the end of February 2019. We have also had 80 applicants to become part of the Team Jersey Leads Programme. Our Team Jersey Leads are culture champions, who will have an important part to play in building on the best aspects of working at the States. These are voluntary roles to create and support a positive culture in our workplaces, as well as shape our future ways of working.

The programme also draws on the findings of the first all-employee ‘One Voice’ survey for nine years, which found that only 50% of employees are engaged with the States of Jersey, that 58% say they are proud to work for the States, with only 36% feeling a strong personal attachment to the organisation and only 36% of staff would recommend it as a great place to work. Those findings have helped inform the issues to be discussed in the Big Conversation focus group sessions.

The Team Jersey programme will also complement the office modernisation programme (see section 6 below), which aims to bring more teams together to collaborate, initially in an interim headquarters, and in due course in a single government building, where the majority of leaders, managers and back office colleagues will work together.

This change in the culture of the States will develop over years, not months, and it requires a sustained and positive commitment by States leaders and managers and by our political leaders. It is not easy to deliver and the results will take time to come through, but it is the only way to underpin sustainable change in any organisation.

Internal communications and engagement

Throughout the year, we implemented some significant changes to how we engage and communicate with our people. In July, we set up a new Internal and Change Communications team, as part of the new Communications Directorate, to work with Departments to improve the information flow to colleagues.

The team also ensure that staff hear first about anything that affects them (rather than via the media), and in a direct, adult-to-adult tone. This is in line with the States’ first Internal Communications Plan, developed and approved to address the

Communications Audit and Review findings, which focuses activity on building collective leadership, listening and building integrity and supporting and making sense of change.

As a result of these changes, there has been a ten-fold increase in internal news via the intranet from a year ago. We conducted the first all-employee 'One Voice' survey for almost a decade. We implemented the monthly Senior Leaders Group and quarterly Senior Managers Group meetings, and held the first One Gov staff awards in November, to celebrate excellence by public servants, for which there were 326 nominations. The judging panel for the awards was made up of colleagues at every level from across the organisation.

A project is also currently underway to implement a new intranet 'front window', which will enable all staff to access internal news and employee policies on any device, and provide comment on stories as part of an improved two-way conversation in the organisation.

6. Office modernisation programme

An integral part of the modernisation of the public service is the consolidation and modernisation of its fragmented and outdated estate, to improve collaboration and efficiency, reduce costs and help establish a single organisation. During the first half of the year, we reviewed our current estate and identified the potential to consolidate back-office staff in a single building, as well as to move customer-facing staff together into the La Motte Street office, to create a 'One Front Door' for customer services (see Customer and Local Services in section 2).

I established and chair an officer-level Office Modernisation Programme Board, to guide these important changes. In the second half of the year, we identified and secured an interim head office in Broad Street, and from the autumn the estates team began the refurbishment works needed to bring the office up to the standard required.

In November we announced the timetable for the sequenced moves. Under the current plans, Taxes Office staff are moving to La Motte Street in January 2019, while around 30 Customer and Local Services staff will transfer from La Motte Street to Eagle House. Around 500 staff will then move from Cyril Le Marquand House, other leased buildings and South Hill, into the Broad Street office in February.

A small number of staff will also move from other offices into Broad Street, including departmental senior leadership teams which are currently based in the hospital and Highlands College. Maritime House will be used to consolidate other services that cannot fit into Broad Street. This will enable closer working and more collaborative decision-making between Tiers 1 and 2 leaders across government.

Broad Street will also provide new, better-quality accommodation for Ministers, where they will be co-located with the Ministerial Support Unit.

Once Cyril Le Marquand House and South Hill are vacant, the sites will then be available for clearing and redevelopment, potentially for housing or other appropriate uses.

In the longer term, work is underway to identify a permanent government headquarters in St Helier, to which staff from Broad Street, La Motte Street, Maritime House and other offices would eventually move, further improving collaboration and efficiency and thereby consolidating our office estate. This would release a range of sites for leasing, sale or redevelopment. The issue has been discussed with the Council of Ministers and a business case is to be brought forward later in the new year.

7. Modern IT and digital services

Despite Jersey being a world leader in gigabit fibre infrastructure, we still lag well behind other countries in providing online services to customers, as well as in the quality and effectiveness of our own internal, IT and digital infrastructure.

During the year, we have continued to work with international partners in developing both Digital ID systems and a new tax revenue management system, but we have made little progress in delivering meaningful new online services for islanders. The first new online service using the Yoti ID authentication is expected to go live in January, when islanders will become able to change their address online, if they move. However, our online services are a long way off where they need to be.

In addition, our own internal IT infrastructure platform and kit is woeful. With too many unsupported legacy systems, outdated and non-integrated IT processes, we have a significant operational deficit which needs to be urgently addressed.

To accelerate the necessary IT and digital transformation, we have brought in some temporary expertise to strengthen leadership capacity, as well as recruiting a Chief Operating Officer with considerable experience of leading IT and modernisation change. They have identified some serious weaknesses, which can only be addressed through both significant investment in upgrading our infrastructure, and through bringing in, long-term, further capability and capacity to deliver projects to time and budget.

We have secured a partner for our modernisation and digital programme – EY – to help us to identify and implement the necessary investments and process changes, and to develop our approach to digital government. EY will work with us over 15 months on a contract worth around £2.2 million.

They are assisting us to develop a new organisational structure for Modernisation and Digital, establish a corporate portfolio management office, create an IT and digital strategy for the whole of the public service and identify the common technology needs and capabilities across the organisation to maximise efficiencies. They will be working alongside existing staff in Modernisation and Digital directorate, and a key part of their assignment is the transfer of skills and knowledge, so that we have a sustainable organisation once they depart.

8. Commercial Services

One of the early due diligence findings last year was that we are not extracting the best value from our commercial contracts, and are therefore not securing in turn, the best value for money for taxpayers, or necessarily the best quality goods and services to support our public services.

The new Commercial Services directorate in the Chief Operating Office has been established to bring more rigour to market development and third-party supplier relationships, strategic and operational procurement, commercial contract management, strategic supplier relationship management and commercial negotiations.

With a new Director for Commercial Services appointed in October, work is now underway to deliver a new commercial framework for the organisation in the new year, with key metrics identified that baseline our current position. The team is also working to deliver a pipeline of procurements with a value worth more than £100,000, which will enable us to strategically develop packages of work and deliver better economies of scale to better leverage our procurement activity in the marketplace.

In recent months, the team led the large-scale tender exercises to support the Team Jersey and Modernisation and Digital tenders, which includes establishing thorough ongoing contract management to ensure deliverables are achieved. They also reviewed the government-wide contract portfolio, to ensure that contracts are compliant with new GDPR legislation, prioritising high-risk contracts with special category data. They have also made progress in the joint working with Guernsey, identifying key areas where we can both align commercially (including IT and lease cars), and recently successfully awarded a joint contract for commemorative coins for both islands.

9. Financial management

In the original due diligence work, we identified that we have outdated and disconnected legacy financial information systems across government, and that we need to replace them with new, integrated information platforms. These will be secure, cloud-based and scalable, so that they deliver business-critical information for all users and can be evolved and grown over time.

Our **Finance Transformation** and **Modernisation and Digital** programmes are undertaking the review and development of this work, and in early 2019 we will bring forward a business case for the investment that we need to make to deliver the integrated platforms we need. We will replace our outdated finance system to provide the ability to integrate finance, commercial and HR/payroll data, to ensure that resources of the States are managed effectively and that money is spent well on the right priorities.

I have also ended the longstanding practice of carrying forward unspent budget into the following year as a claim on contingencies – and have, indeed, eliminated contingencies entirely to enable better financial planning and management arrangements to be developments – and I have brought forward the closure of the 2018 annual accounts by four months.

10. The Jersey Standard and performance management

Every year, Jersey's government oversees the investment of more than £700 million in improving the economic, social and environmental outcomes that drive quality of life in our island. If we want to demonstrate to the States Assembly and islanders that this investment is having an impact, we need to measure and manage the performance of the strategies, services and infrastructure it funds.

The independent policy review I commissioned at the beginning of 2018 found that the necessary corporate performance system did not exist. There are pockets of good practice across the organisation, but if we are to grip operational performance at all levels of the organisation, we need a comprehensive approach that is fit for purpose.

Implementing a new performance framework will take time. We currently don't do it across the States in a uniform way, if at all. We need to build the capacity and capability of the organisation to deliver improved analytical products and effective performance management. This has been the focus of our efforts over the last six months.

We recruited a new Director of Corporate Planning and Performance in October and she took up her post in January 2019. She will lead a dedicated, properly-resourced performance directorate in the Department for Strategic Policy, Performance and Population. The new central team, the first of its kind in the States, will be fully staffed by the spring and will drive the implementation of the new performance framework through 2019 to the end of 2021.

In the meantime, we have agreed the operating model for the public sector performance framework, using the Outcomes-Based Accountability (OBA) approach, which is used in many countries, including the USA, New Zealand and Northern Ireland. In England, the Local Government Improvement and Development Agency has invested in supporting local authorities to implement OBA. We held an introductory training workshop for managers from across the organisation in December 2018 and received very positive feedback.

OBA will be integral to developing a performance culture that creates a line of sight from service activity to impact on outcomes. This approach will also support and align with the new Our Conversation: Our Goals individual appraisal and development system for public sector employees which has been agreed and will pilot in 2019, as mentioned in section 5 above.

The new performance framework will also help to inform islanders and stimulate public debate through the timely publication of accurate, coherent data. A campaign to raise awareness of the Future Jersey website exceeded its targets, attracting more than 19,000 visits to the site, so that islanders could see for themselves the headline 'Island Indicators' that, viewed together, tell a story about advances or change in Jersey. Work is also well underway in producing the 2018 Annual Report and Accounts, in partnership with the States Treasury and Exchequer, to improve transparency and accountability to islanders on the performance, use and impact of government services and public resources.

11. Governance

I have continued to streamline the system of managerial governance in the public service. The restructured the senior management decision-making forums are starting to function well.

The fortnightly Corporate Strategy Board (CSB) provides strategic oversight of the public service and develops a pipeline of proposals, which are reviewed, channelled and refined before submission to Ministers.

The alternate fortnightly Executive Management Team (EMT) is reviewing operational business and performance matters in more detail, including finance, risk and workforce issues.

A new officer-level One Government Board meets monthly, and has oversight of the modernisation programme.

Through these forums, my senior leadership team and I have much greater visibility of issues across the public service and the timely opportunity to intervene effectively where necessary and appropriate. It is also providing the mechanism for better holding people to account on their areas of leadership and responsibility. Following the Machinery of Government changes in April, as Principal Accounting Officer for the public service, I have delegated accounting officer responsibilities to Directors General and a number of Directors, to ensure the continued effective running of departmental finances.

I also attend the Council of Ministers meetings and workshops, as well as meeting regularly with the Chief Minister and other Ministers. The Council of Ministers has also established a One Government Political Oversight Board, which is chaired by the Chief Minister, involving the Deputy Chief Minister, Treasury and Resources Minister and Assistant Chief Ministers. This forum will oversee the One Government modernisation programme, as well as ensuring that funding is aligned to government priorities in accordance with the Government Plan.

12. Council of Ministers and States Assembly

Following the General Election and the election of a new Council of Ministers, I have worked closely in supporting, briefing and advising the Chief Minister and other Ministers, as well as establishing a Ministerial Support Unit, to help provide central policy and administrative support to every Minister.

I participated in the work by Ministers and Assistant Ministers in developing the draft Common Strategic Policy, and ensuring that it was then widely publicised externally. With only minor amendments, the Common Strategic Policy was unanimously approved by the States Assembly – the first time that this has happened.

I have also attended and given evidence as Chief Executive at the following Scrutiny panels:

- 25 July – Corporate Services Scrutiny Panel to update on the One Government programme, senior appointments, office strategy, IT strategy and communications
- 5 November – Corporate Services Scrutiny Panel to update on the work of the States Employment Board
- 19 November – Public Accounts Committee public hearing to update members on the One Government Modernisation Programme
- 29 November – States Assembly briefing to update Members on the One Government Programme.

13. Children

In my first six-month report, I highlighted the concerns that the then Chief Minister, the Children’s Commissioner and I had about the potential ongoing risk to the safety of the island’s children, which caused direct oversight of Children’s Services to be passed from Health and Social Services to me, prior to a full restructure of the Children, Young People, Education and Skills portfolio.

The creation of the new department and the appointment of a Director General with vast expertise in this area, has allowed me to transfer that oversight and responsibility to the new DG and his team. Alongside addressing the Ofsted review of Children’s Services in June, which led to a critical Jersey Care Commission report and the subsequent recommendations in September, the new team have developed a Children’s Improvement Plan, which they have been putting into effect and reporting on regularly. This plan also captures the outstanding actions from the Independent Jersey Care Inquiry, on which we are continuing to make progress, and report to the Council of Ministers.

In parallel, the team – working with Ministers – developed a Pledge to Children and Young People, which has been signed by all Ministers, the majority of States Members and the senior leadership of the public service. The aim of the Pledge is to ensure that children’s interests are kept front and foremost in the minds of those who have responsibility for the care and protection of Jersey’s children. It recognises that the responsibility for the island’s children does not simply rest with social workers and managers in Children’s Services, but that we all – as corporate parents – have an active role to play, even though legal accountability sits with the responsible Ministers.

Work is ongoing to embed and deliver higher-quality and better services for children across the island and regular updates on the targets set out in the Children’s Improvement Plan will be published to monitor progress.

14. Improving community and voluntary sector partnerships

During the past six months, we have continued work to better develop the relationship between the public service, parishes, community groups and the voluntary and charitable sector, through an initiative led by Customer and Local Services.

We have met an extensive range of partners, and undertaken a key consultation and held a follow-up workshop with the voluntary and community sector in September. In addition, a working group among these organisations has continued to meet to build on the outcomes of the workshop and develop a draft action plan for wider consultation with the sector, which will be produced and circulated later in this quarter.

In parallel, we have engaged with the Parishes and the Comité de Connétables on the range of services where closer co-operation can improve local service delivery in a community setting. Our priorities in this area are to:

- build a strong and collaborative partnership with the voluntary and community sector
- work with Parishes to join up services and provide a more coherent local service offer to the public
- develop a more joined-up and local service offer in identified community hubs that complement existing service delivery based on a hub and spoke model.

15. International economic engagement and Brexit

I have supported Jersey in its international economic engagement, both in supporting the preparations for Brexit (the administrative responsibility for which now sits within the Office of the Chief Executive) and with direct overseas activities.

I sit on the Brexit Ministerial Group, which is chaired by the Minister for External Relations, which oversees and coordinates all government Brexit preparations. I also provide oversight of Brexit contingency and emergency planning.

In November, I was part of the delegation accompanying the Minister for External Relations on a government visit to the United Arab Emirates, to discuss investment funding and to strengthen economic and business ties between the two jurisdictions, to establish a first bilateral agreement between the UAE and Jersey.

16. Channel Islands partnership

I have continued to lead – from the officials side – engagement with the States of Guernsey, both bilaterally and through the Channel Islands Public Service Board, which I chair jointly with the Chief Executive of the States of Guernsey. We identified the following range of areas for co-operation earlier in the year:

- Joint working on policy development
- Introducing a shadow Channel Islands Health Authority
- Setting up a joint digital transformation board
- A formal partnership for public sector procurement
- A commitment to sharing data and analytics.

We have made progress in all of these areas, but the most progress has been in Health. In December, political representatives from the States of Guernsey and the Government of Jersey met in Guernsey for the second Channel Island Political Oversight Board on pan-island cooperation, and entered into a Memorandum of Understanding on health, which sets a commitment for both islands to work together where possible while maintaining their own sovereignty over health and care services.

While not legally binding, the Memorandum seeks to build on collaboration, mutual support and shared initiatives to benefit islanders. Particular areas of joint working in healthcare include:

- professional liaison and operational mutual support, where both islands share expertise and clinical resources to support care delivery
- shared procurement for better value
- recruitment opportunities for joint roles
- shared education, particularly in nursing.

Work is continuing on the other priority areas, building on the successful work undertaken to date around Brexit.

Conclusions

This report is a snapshot of the activities that I have instigated, led or overseen during my second six months in post. It has been an exceptionally-busy period, as we have been seeking to make changes on multiple fronts – in structure and governance, in operations and performance, in systems and processes – while also supporting a new government as it establishes itself and its strategic priorities and maintaining business as usual for key services.

My role has been primarily to guide the organisation and its leadership through these changes, providing direction, advice and challenge, as well as continuing to intervene directly on significant issues, and to show visible leadership of the organisation, both internally and externally. It has also been a period where we have started the long process of putting in place the wider leadership capability to lead the organisation forward and create a stronger talent and leadership capability.

The past year has been one in which the States of Jersey has begun its journey of change, beginning with stabilising the organisation to prevent any further deterioration of the systems, processes, operations and services. Next year, we move from stabilisation into recovery, as the changes we have begun to make begin to bear fruit. It is, and will continue to be, hard work and a hard slog, but no large organisation that goes through significant and necessary change can achieve this without a period of upheaval, uncertainty and pain, before the recovery, repositioning and modernisation of the island's public services that follows.