| States Assembly

States Greffe

Richard Bell
Treasurer of the States

BY EMAIL

1st October 2025

Dear Richard

Follow up questions – Arm's Length Bodies, Grants and Subsidies Review

Thank you for attending the public hearing with the Public Accounts Committee (PAC) on Wednesday 17th September as part of its ongoing review 'Arm's Length Bodies, Grants and Subsidies'. As discussed during the hearing, the PAC had a number of questions that it agreed to send in writing following the hearing. Please see these below:

1. Please can we be provided, in confidence with the risk register for each States Owned Entity (SOE) and details of how these are connected to the corporate risk register held by the Government of Jersey.
2. We note from correspondence with the Chief Executive that updated MOU's with each SOE are due to be presented by the end of September. Please can you confirm this timescale will be met and when they will be publicly available. If this timescale is not going to be met, please can the PAC be provided with the MOU's in confidence ahead of publication.
3. On a confidential basis can the PAC be provided with the most recent board effectiveness reports from each SOE.
4. Please can we be provided with minutes from the quarterly review meetings held with SOE's for the last 12 months.
5. Is there a public service obligation in place for each SOE? If so, can these please be shared with the PAC.
6. Can we also be provided with the remuneration schemes from each SOE and specific benchmarks and performance criteria that they use.
    a) How does each SOE determine the benchmarks to be used and what current comparative organisations are being used?

The PAC would also be grateful of a response to the questions below which follow up on recommendations in the C&AG report 'Oversight of Arm's Length Bodies'. The Executive Response to these recommendations has been included for

Recommendation	R4 Develop performance indicators for ALBs based on States policy objectives including risk appetite, service performance measures and wider policy and value for money objectives.

Risk of Non-Implementation	If this recommendation is not implemented, it may be more difficult to demonstrate how ALBs have achieved intended policy objectives and value for money.
Risk Profile	Low
Other Considerations in prioritisation	Whilst the principle behind this recommendation is accepted, an approach will need to be developed which is proportionate to the resources available to AOs.
Is the recommendation agreed?	Agreed in principle, as relevant AOs should have responsibility for oversight of ALB performance against States policy objectives. A proportionate approach will be developed for inclusion in the PFM.
Improvement theme	Financial governance – update the PFM to provide guidance on oversight of performance of ALBs against States policy objectives.

7. Recommendation 4 (Oversight of ALBs) states that Government will develop performance indicators for ALBs based on States policy objectives including risk appetite, service performance measures and wider policy and value for money objectives. Can you advise the PAC why this was only agreed in principle and how are you taken this recommendation forwards with the SOE under your remit?

Recommendation	R7 Update the Public Finances Manual to: • apply the States owned entities provisions to all wholly and majority owned entities • apply the Arm's Length Organisation section of the Public Finances Manual only to States established delivery entities; and • apply, with suitable adaptations, to all States established independent bodies and office holders.
Risk of Non-Implementation	See R1
Risk Profile	Low
Other Considerations in prioritisation	The PFM applies to the commercially focused entities and Jersey Overseas Aid as there are sections on Specific States Owned Entities and JOA as a specific entity. Of the bodies listed by the CAG as SOEs, this leaves the three offices that operate overseas as administrative enablers under the control of the AO of the External Relations department. As this is the case, the governance risk is assessed to be very low. As far as States established delivery entities and States established independent bodies and office holders are concerned, proposed updates to the PFM included in this improvement plan will clarify applicability to different types of ALB.
Is the recommendation agreed?	Agreed in part.

Improvement theme	Financial governance – update the PFM to clarify applicability of the PFM to revised categories of ALBs by relevant AOs.

8. Recommendation 7 (Oversight of ALBs) states that Government will update the PFM to clarify which rules apply to each ALB type; can you inform the PAC why this was only agreed in part and how you intend to take this recommendation forwards?

Recommendation	R10 Ensure better co-ordination between Government departments and States owned entities (including Andium Homes, SoJDC and Ports of Jersey) for the provision of social housing for purchase, property management of HCS staff accommodation, housing policy and land use policy.
Risk of Non-Implementation	If not implemented, housing priorities will be at risk of not being delivered in the most efficient and effective way.
Risk Profile	Med
Other Considerations in prioritisation	As has been noted by the C&AG, the Strategic Housing and Regeneration team (SHR Team) in the Cabinet Office was established in 2021 with the aim of delivering better coordination between housing policy and States' owned entities. The SHR team exists within the Housing, Environment and Placemaking directorate, which places it alongside the planning policy function, whereby the two teams already work closely together on relevant workstreams. This recommendation is hence in alignment with a need already recognised by Government, and the SHR Team will continue to work in partnership and realise policy alignment with other Government departments and States owned entities, within existing resources.
Is the recommendation agreed?	This recommendation is agreed in principle, however, no specific new action will be put in place, as it is considered that improved co-ordination between these groups is already under way. GoJ will continue to build on existing work whilst recognising, in particular, that the delivery of social housing for purchase remains subject to the regulatory planning process.
Improvement theme	No specific action at this time.

9. The response to Recommendation 10 (Oversight of ALBs) notes improvement of co-ordination between departments and SOEs on housing and land use. As this was agreed in principle with no new action, can you explain why, and set out Treasury's plan working with the SHR team to support and track better co-ordination?

Yours sincerely,

Scrutiny Office | States Greffe | Morier House | St Helier | Jersey | JE1 1DD
Tel: 01534 441080 | Fax: 01534 441077 | email: scrutiny@gov.je

Deputy Inna Gardiner
Chair
Public Accounts Committee