

FINAL

**INSTITUTE OF DIRECTORS
LUNCH CLUB**

**SPEECH
CAN THEY HEAR ME AT THE BACK?**

12 JANUARY 2010

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1. I do not normally speak in public: my reports should speak for themselves. But the Institute's invitation came at a good time. Today I am publishing my Annual Report. I am also publishing my programme for the next few months. This is a good time to look back at how things have gone. But above all, this is a chance for me to share some of my frustrations: and in particular the messages that I fear I have not got across.
2. You all will know something of what I try to do. Basically, I look at the propriety, efficiency and effectiveness of the States and report on what I find. Sometimes I report that things are going well and sometimes that they are going badly. The purpose is to provide a spur to improvement.
3. In 2009, my most significant reports were my investigation of foreign currency exchange risks arising from the Energy from Waste project and my review of financial management within the States. I am obviously going to be interested in financial management. I believe that it is crucial to achieving the best value from the States' resources. These reports have contributed to the re-structuring initiatives announced by the Treasury Minister and the Treasurer.
4. My report on management of the Health Department attracted less attention but pointed to the need to focus on strategic management and not just operational management in what is the second highest spending department.
5. Jersey Heritage Trust came into focus in the autumn. Leaving aside the details of the Trust's position, to my mind the most important outcome of that work was the light it shone on the way in which the States relate to the many organisations which depend on their grants.
6. There were a number of other reports of less significance: of which I will just mention one or two. I have produced reports on the way in which the States manage funds given or left to them. I know that some think I wasted my time doing this. I did it however, because the States have a duty to look after these funds. If they were not going to do this they should

never have accepted the gifts or legacies. You can tell a civilised place by the way it honours its obligations.

7. For 2010, the main highlights of programme will be to establish a regular assessment of the quality of the States' financial management which should demonstrate the achievements of the Treasury's structuring plans, to review the cost to the States of the Island's pharmacy services, to follow up the Jersey Heritage work by reviewing the Economic Development Department's relationship with the International Air Display and to review asset disposals during 2009 to check that the States are achieving best value in their disposals. Currently, at the request of the Public Accounts Committee, I am also reviewing the States' management of sickness absence
8. Whatever subjects I cover, for my programme to encourage improvement, my reports must be accepted as being impartial: recognising the good as well as the bad. I feel that I have failed if I cannot get a balanced message across.
9. Here I come to my major frustrations: which are all to do with messages that have proved difficult to communicate.
10. My first bugbear is that everyone in the Island finds it easy to believe the worst of the States. The Island does not seem not so ready to believe the best.
11. There are times when I have good messages to communicate: people doing good work, departments providing valued services. For example, last autumn I published a report on data security and found that there were weaknesses in the States' performance. But I also found in the Education Department a team working hard with Mario Lundy's encouragement to protect the security of data on the schools' network. I said so in my report: but little attention has been given to the merits of their efforts and commitment.
12. This is a problem for me: because it matters that my work should be even-handed. It is a problem for the Island because the people who provide us with good services should feel valued.

13. My second bugbear is related to the first: because everyone is so prepared to believe the worst, the effect of criticism is disproportionate. If I criticise a department or an official, my criticism will attract public attention and officials can easily feel unfairly hounded.
14. Do not get me wrong, criticism is a part of my trade. If I find bad performance then I must point to it: and do. But if the effect is disproportionate then the chance of improvement in performance can be limited because the result is that officials will become more and more defensive rather than more and more productive.
15. My third bugbear is that the Island sometimes seems to want everything for nothing. It may just be human nature. Perhaps we all want the earth and would prefer not to pay for it. But the point is that providing world class public services in a small jurisdiction will always be expensive. There will be few efficiencies from scale and the burden of fixed costs will remain high. This does not mean that there are no efficiencies to achieve but it does mean they are likely to require major change either in the range of services to be provided or in the way in which they are provided.
16. My fourth bugbear is that the management of the States is sorely under-valued. Managing public services in a small jurisdiction in a poor economic environment is not a cakewalk. Expectations will always run ahead of capacity. Blemishes in service will be easily spotted. People will often be dissatisfied. Achievements – especially the less tangible and less visible achievements - will not always be recognised.
17. The result is that management of the States can at times be a thankless task.
18. I think we should consider how the Island might show that it appreciates good service and good performance in the States perhaps we should consider annual awards for Excellence in the States. Even a public celebration of the work of the States that has served the island well and of the people who have been responsible.
19. We should aim to recognise excellence in service by the States – wherever it is found. Whether it is the men who have been gritting the Island's roads throughout the night or the lawyers who draft the Island's laws. The Island would be the poorer without the States' services: for all the blemishes that properly get so much attention.

20. I am not suggesting that we ignore the times when things go wrong or when reasonable expectations are disappointed. Nor should we ignore the times when money is wasted. It is just that I think we should value the times when things go well.