

**Opening Remarks on ILSP  
by Mr D. W. Pescod, JP**

Mr. Chairman,

Thank you for giving me this opportunity to make a few remarks.

Before I do so, I want to say that I am mystified as to why Mr. Godfrey did not name me in his sworn statement since it must be obvious to anyone that I was the Permanent Secretary at the time that this project was initiated. Indeed, this has caused me some discomfort since Mr. Godfrey has suggested that by naming me without the protection afforded by a formal inquiry, I may in some way be less than forthright in my statements to members. This is of course nonsense. I want to make it absolutely clear that I volunteer to come here to answer members' questions and do so entirely on my own volition.

First, I want to put this issue into context. At the beginning of 2010, the Internet Learning Support Project (ILSP) was simply one of a number of issues that we were dealing with in OGCIO and in the other four departments under me and the Bureau. Indeed, as far as I was concerned at that stage, there were issues with a much higher priority. My main concern, as far as I can recall, was to ensure that we developed a credible scheme and that it was delivered properly.

Second, I should point out that I had a series of one-on-one meetings with Mr. Godfrey throughout the period he worked for me. These were an attempt to ensure that he fully understood what I expected of him and I had a regular opportunity to discuss issues with him informally. I did this with all of my Heads of Department but in his case, since he came from outside the civil service and did not always act in what I would regard as a predictable manner, I felt this approach allowed me to understand where he was coming from and to express myself to him more directly and in a way that he seemed to respond to. I never kept records of any of these discussions since they were not intended to be formal meetings. I gather Mr. Godfrey took the same approach and did not record our conversations.

I can't exactly remember when we would have discussed the ILSP project or what the context was but I have no reason to doubt that it would have been at the beginning of 2010 as Mr. Godfrey has suggested. This would have been before the budget and of course before I was posted out of CEDB.

As far as the exact terms I might have used during a casual and informal chat, again I can't say with any degree of accuracy, it is so long ago. I can confirm that we did at some stage discuss both the way ahead for the selection of a suitable service provider for the Special Purpose Vehicle and which organizations might be interested. I made it very clear to Mr. Godfrey that he must use an open and fair selection process. I am pleased to see from his submission that Mr. Godfrey did get the message.

Third, I confirm that the FS had expressed a preference for us to use an established service provider for the new Internet Learning Support Programme and that iPro-A had been discussed during the Task Force meeting, with the FS agreeing that they would be a suitable choice.

I must stress that as far as I am concerned, there was nothing wrong with the FS indicating a preference, particularly since Mr. Godfrey had raised the point that iPro-A were very interested in the project in his submission to the Task Force. As far as I was concerned, iPro-A would have been a suitable service provider based on their track record of involvement in the District Cyber Centre Project. I would add that I never felt under any pressure to favour any particular service provider. Nor did I indicate to Mr. Godfrey that he should give any advantage to iPro-A or any other organisation.

I fear that this issue has arisen from a personality clash between Mr. Godfrey and Ms. Tse. If this is the case, that is most unfortunate but it certainly does not to my mind justify the allegations of political conspiracy. I prefer to think that this merely demonstrates a high level of disappointment from a dedicated officer that a project that he was very personally involved with from the earliest design stage was not perhaps taken forward in the manner that he felt was most appropriate. If this is so, it is sad but from my perspective, the involvement of political officials in this exercise was not excessive or improper but within the bounds of the normal interplay between the Political level and the civil service.

Thank you