

2024.09.10

2.3 Deputy B.B. de S.DV.M. Porée of St. Helier South of the Minister for Sustainable Economic Development regarding guidelines to small businesses to transition to the ‘living wage’ (OQ 149/2024):

Further to the announcement that the minimum wage will be set as a ‘living wage’, will the Minister advise what guidelines will be provided to small businesses to ensure that they are fully aware of all the steps they are required to take to access the proposed Government package to help employers transition to a higher minimum wage; and when will the guidelines be available?

Deputy K.F. Morel of St. John, St. Lawrence and Trinity (The Minister for Sustainable Economic Development):

I thank the Deputy for her question. Further information on the Living Wage Transition Fund will be published in the coming weeks. This will let businesses know more detail about the different packages available, the activity that grants will look to support and the application process. All details on the process will be communicated to businesses, including small businesses, by the end of the year, to raise awareness of the support available ahead of the grants going live in January next year. In the meantime, we have been, for a number of months, liaising with professional bodies in the Island, such as the Chamber of Commerce, the Jersey Farmers Union, the Hospitality Association, *et cetera*, to apprise them of the details, so that they can inform their members as well.

[9:45]

2.3.1 Deputy I. Gardiner of St. Helier North:

Thank you for the Minister for giving details for the businesses and small businesses. Would the Minister advise if the charitable sector would be included in this Living Wage Transition Fund?

Deputy K.F. Morel:

Very good question, I thank the Deputy for that question. The answer is that, yes, charitable organisations will be able to access at least some of the funds, and the reason I say at least some of them is because one of them, for instance, is a revamped Tourism Development Fund, so that would be for visitor economy businesses. Unless there is a charitable organisation operating within the visitor economy, it then would not be able to access that fund. But certainly other ones, such as productivity support, scheme training and so on, they will be able to access it.

2.3.2 Deputy I. Gardiner:

Thank you for the Minister, and it is good news that the charitable sector would be included. I know until now it was engagement with the businesses and the Minister had meetings. Have any meetings taken place to explore transition to the living wage with the charitable sector?

Deputy K.F. Morel:

Personally I have not had any personal meetings with them. I would have to check with officers as to whether they have had or not but I will find out and be able to tell the Deputy. I fear the answer is actually we have not.

2.3.3 Deputy J. Renouf of St. Brelade:

Building on that question, can the Minister give assurances that the funds that will be put in place will be available and targeted, not just at the obvious rural economy and hospitality sectors, but at all businesses, particularly small businesses operating in other sectors so that they are also targeted and made aware of the possibility?

Deputy K.F. Morel:

What I can say is that is absolutely the case, that certainly certain elements of the funding will be available to all businesses in the Island and there will not be a distinction as to whether they were a

minimum wage payer before or not. The opportunity that arises with this move to the living wage is the opportunity to move towards a more resilient and robust economy. We want to do that by helping businesses become more productive and therefore taking away some of their reliance on labour, which should therefore reduce the impact of the minimum wage. Funds such as the productivity support scheme will be absolutely available to all businesses, particularly small businesses, and they are the ones that we would be seeking to support. So there will not be the case that some businesses will not be able to. But obviously, where there are themed funds, such as the aforementioned Tourism Development Fund, that would be only for businesses within that sector of the economy. But the productivity support scheme will be available to all.

2.3.4 Deputy J. Renouf:

I wonder if the Minister could explain a little bit more about the way in which he is going to ensure that the funds are targeted in such a way that they do not disadvantage businesses that are already paying the living wage and will now be competing with businesses that are being subsidised to pay the living wage.

Deputy K.F. Morel:

I am very pleased with that question and I thank the Deputy. The reason is because the Deputy used the word 'subsidy' and the whole point of this support scheme is that it is not a subsidy and it is not targeted solely at businesses that pay the living wage or currently pay the minimum wage. The support scheme is there to help businesses, organisations and employers become more productive, and that is where the opportunity to have a more resilient and productive economy lies. These funds will be available to all organisations that employ people, and there will be no distinction as to whether the organisation paid the minimum wage or did not pay the minimum wage. This is neither the subsidy for the minimum wage, it is grant giving to enable businesses to become more productive and resilient.

The Bailiff:

I have Deputies Jeune, Southern, Ozouf and Warr. No further supplemental questions. I am sorry, I am not taking any further beyond that.

Deputy S.M. Ahier of St. Helier North:

I am sorry, Sir, I pressed my button and I thought you nodded towards me.

The Bailiff:

I am afraid there were a number of people who pressed their buttons and unless I absolutely fix your eyes and nod towards you, Deputy Ahier, I am afraid I did not actually see you. It is one of those things.

2.3.5 Deputy H.L. Jeune of St. John, St. Lawrence and Trinity:

Deputy Renouf and then the Minister's answers actually helped with a number of questions; so very short. The Minister mentioned that it would be grants. Will there be a mixture of grants and loans - we are about to talk about agricultural loans later - or will it just be grants within this package?

Deputy K.F. Morel:

I thank the Deputy for the question. At the moment it is envisaged to be a matched grant, so a proportion paid by the employer and to some extent matched by the Government. That is how it is envisaged at the moment, but the actual ... with what we are looking at, at the moment, it is perhaps something along the lines of 75 per cent from the Government, 25 per cent from the employer.

2.3.6 Deputy G.P. Southern of St. Helier Central:

A minor question but it might be an important one. I thought I heard in the Minister's answer him refer to information will be available in the coming weeks, plural, and it might have been week, which is a vast difference. Which was it? Was it in the coming weeks or coming week?

Deputy K.F. Morel:

I thank Deputy Southern. It is weeks, plural; so end of this month, beginning of next month.

2.3.7 Deputy P.F.C. Ozouf of St. Saviour:

Deputy Southern has asked the same question as I would, but may I just clarify, for the avoidance of any doubt - I am just looking at Standing Orders in the Public Finances Law - there are limitations on the ability for Members to amend propositions brought by the Council under the Public Finances Law, this presumably deals with funds and other matters. Could the Minister clarify beyond doubt kindly whether or not all of the information for the setting up of all of the funds and the detail will be available in that month that he says, because we are 11 weeks away from the Budget and there are limitations about when things can be amended? I think that is what Deputy Southern was wanting. So could he maybe set out a timetable of what is going to come out when, so Members are clear?

Deputy K.F. Morel:

I thank the Deputy because I think that is an excellent request, and certainly we will make all that detail available. Like I said, it should be at the end of this month, beginning of next month.

2.3.8 Deputy P.F.C. Ozouf:

The Minister said ... I know he is being careful. He said "should be". Will he upgrade that to a "will be" in order to facilitate the Assembly being able to make necessary scrutiny arrangements and amendments as necessary?

Deputy K.F. Morel:

I say "should" purely because if a piece of information was missing at the point of publication then that is why I say it. So the intention is that all the information will be available. In the event that an error means that something is not available, that is why I say should. The intention is absolutely to make it all available to everybody in the States Assembly and outside. There is no intention to hide anything or hold anything back, but obviously sometimes errors occur and that was the sole reason for the word "should".

2.3.9 Deputy D.J. Warr of St. Helier South:

The Minister has mentioned about ... we are talking about the transition to a living wage and talked about productivity gains. Are there any support mechanisms in place or will there be some in place for those employees unfortunate enough to lose their jobs as a result of these productivity gains?

Deputy K.F. Morel:

That would be a question better placed for the Minister for Social Security. From the perspective of this support scheme, I do not believe there is any element which is aimed at employees who lose jobs as a result of it. They would be passed into the social security system and would gain access to funding that way, not through this support scheme.