

STATES OF JERSEY

Economic Affairs Scrutiny Panel Employment and Training Opportunities in Jersey Review

MONDAY, 28th JULY 2008

Panel:

Deputy G.P. Southern of St. Helier (Chairman)
Deputy A. Breckon of St. Saviour
Connétable M.K. Jackson of St. Brelade
Deputy J.A. Martin of St. Helier
Mr. R. Kenyon OBE (Adviser)

Witnesses:

Senator P.F.C. Ozouf (Minister for Economic Development)
Mr. A. Sugden (Deputy Chief Officer for Economic Development)
Mr. S. Pritchard (Director, Business Creation and Growth, Economic Development)
Mr. C. Kelleher (Project Manager, Economic Development)
Mr. P. Bradbury (Director, Population Office, Chief Minister's Department)

Deputy G.P. Southern of St. Helier (Chairman):

Welcome to this public hearing of the Employment and Training Opportunities investigation. I think you know all of us here. This is my officer Mathew Dransfield and this is our adviser Rod Kenyon, who is an adviser on training matters to British Gas and works with the U.K. (United Kingdom) Government on apprenticeship issues in particular. Before we start, I would be grateful if you could each introduce yourselves as we go around just to identify the voices. Because there are 6 of you, if you pay attention to the microphones when you have finished speaking to ensure we get picked up.

Senator P.F.C. Ozouf (Minister for Economic Development):

Okay, I am going to introduce myself, Philip Ozouf, Minister for Economic Development. One member of our team is Hamish Galle, he is work-shadowing Economic Development and me for a few days so Hamish is coming to experience

what it is like to be grilled by a Scrutiny Panel. Hamish will not be answering any questions unless we want a particular perspective from a **[Interruption]** but Hamish is here in an observatory capacity. I hope that is okay.

Mr. A. Sugden (Deputy Chief Officer for Economic Development):

I am Andrew Sugden, Deputy Chief Officer for Economic Development.

Mr. P. Bradbury (Director, Population Office):

Paul Bradbury, Director, Population Office responsible for Regulation of Undertakings law and Housing law.

Mr. S. Pritchard (Director, Business Creation and Growth):

Sean Pritchard, Director of Business Creation and Growth.

Mr. C. Kelleher (Project Manager, Economic Development):

Chris Kelleher, Project Manager at Economic Development.

Senator P.F.C. Ozouf:

I should also say, Chairman, that Mike King is sorry that he cannot be with us this morning, they have a corporate management board away day today. So he would like to be here and certainly there may be some issues that we may follow up on during the course of our deliberation this morning which Mike can come back on obviously, ably assisted by the Deputy Chief Executive, Andrew Sugden. But as you know, Chairman, Mike King is leading, from an officer point of view, a lot of the skills work.

Deputy G.P. Southern:

Yes, my understanding was it was a busy day for everybody today. My apologies for the absence of one of our members, Deputy Lewis, who is sadly quite ill at the moment. A heavy cold has turned into a chest infection. Before we start, I just want to seek your agreement that Rod is able to ask questions obviously of your officers and of yourself directly.

Senator P.F.C. Ozouf:

As always, ask the questions to me and I will field out the questions.

Deputy G.P. Southern:

The new protocol suggests that that is a way forward.

Senator P.F.C. Ozouf:

No problem with that.

Deputy G.P. Southern:

Really I suppose the starting point for the moment is the initiative which you are calling the Skills Executive. I think this is an easy one, would you like to describe the process of the formation of the Skills Executive and where we are?

Senator P.F.C. Ozouf:

I will do that and I think there is a paper which, as I understand it, you might not have had in your evidence pack. We considered a paper on the Skills Executive at the Council of Ministers last November and are happy to share that with you. Unfortunately you have not seen some of the background but we will talk you through that. Before doing so, can I just say a couple of things about the background of skills, Economic Development's role in that, why we think it is important, and for my own part I very much welcome the review that you are doing. It goes without saying that skills are at the heart of a productive economy. We can as the States, I think, significantly influence the development of skills by education, training policies, provision of investment - public and private. I do think that there is work to be done in improving the way that we deliver skills in the Island and we deliver in the way that we provide skills provision. At the heart of the genesis of the Skills Executive is a common approach, now joining up the 3, it could be said under the previous committee system of government, almost slightly disjointed approach to skills: Education in their previous silo, Social Security with their silo in terms of Job Centre and their employment responsibilities, previously Economic Development and prior to that Industries and, of course, then prior to that Social Security with the Training and Employment (T.E.P.) partnership. I think that there are some lessons to be learnt about the experience of investing in skills and what we do with skills in the Island. It goes without saying also, I would have thought and hope that we would all agree, all

Members of the States would agree, that why we are trying to improve the skills of the Island is that fundamentally we believe that improving the skills of Islanders leads to a better standard of living for the Island community generally but also allows individuals to reach their potential in whatever field that they choose to. What we have got to do is to create that right environment in order to do that. High skills; there is an unshakable destiny in Jersey's economy developing into a service-based to a large extent but high-skilled economy and that is how we are going to secure our competitiveness, that is how we are going to drive economic growth in the future. We have got very high labour force participation in Jersey. I am sure we are going to discuss this, if we do not concentrate on improving the skills of Islanders then there is an inevitability of needing to bring more people in and we are very, very acutely aware of the need for providing the economy of Jersey with the right level of staff, with the right level of skills. You can import skills but, of course, the primary objective in everything that we do is to improve the skills of the Island generally. I think there are a number of policy issues that we need to concentrate on. We need to concentrate on increasing the incentive or rather reducing the disincentives to work. We need to address the barriers to work. We need to ensure that unemployed receive the right training to enter or re-enter employment; we need to give encouragement to individuals to continue to upgrade their personal skills so that they can reach their potential. We need to improve employment mobility to allow individuals to exploit opportunities that are available in a fast moving economy like Jersey. We also have to encourage companies to invest in training and personal development as a way of increasing productivity and securing Jersey's competitiveness. There is a case for government intervention where, as the economists will always say to us, there is market failure. We have done a number of surveys which clearly indicate to us that there is, to some extent, market failure and that companies and organisations cannot access the right level of skilled employees that they need for own businesses and to meet the recruitment requirements of the Island. This is not only restricted crucially to finance. It manifests itself in Regulation of Undertakings applications from employers trying to find people to employ but those people not being available within the Jersey market. There is the tension of bringing in people but we need to. I think there is, to some extent, some market failure and that is really why we have brought together all of the different States of Jersey activities into the Skills Executive. I can talk about labour participation. That is maybe something that we can address during

the course of our discussions this morning. We can talk about the employment opportunities that are available for different cohorts, different proportions of our labour force, whether this be particularly an issue of female participation rate, school leaver job opportunities. We can maybe segment; you can tell me exactly the areas that you are concerned with and we can respond in terms of Regulation of Undertakings. We have certainly got quite a lot of data on that. We are currently leading the Skills Executive. There is nothing particularly to be drawn from the fact that Economic Development is leading on skills as opposed to Education or Social Security. The Skills Executive will have a rolling ministerial chair, it is envisaged, over the next 2 to 3 years. We are the first ones and we are driving the agenda, certainly in the short term.

Deputy J.A. Martin of St. Helier:

Where do you get this model from, Philip? Has it been tried somewhere else? I am not even sure what the model is because I have heard 2 different versions from Education and Social Security, how many staff, what the budget would be, but we do know that at the moment you will be the overall accounting Minister in charge.

Senator P.F.C. Ozouf:

Okay, can I ask Chris Kelleher who has been spending a lot of time on this. That is the document that was given to the Council of Ministers that was approved in terms of the Skills Executive. Chris, can you talk us through exactly where it came from and what is happening?

Deputy J.A. Martin:

That is a document we have not been given.

Senator P.F.C. Ozouf:

No, and there is no reason why you should not. I thought that it had been published but maybe I am wrong.

Deputy G.P. Southern:

Just before we go on any further, you signed off that Ministerial decision, the Skills Executive. I have seen the one with the 3 signatures on. What was the function of

taking that to the Council of Ministers? It is effectively your decision or the 3 Ministers' decision, is it?

Mr. C. Kelleher:

That is something different. If I can talk to you about the process of how the model came about. In May last year David Greenwood from Education, Sport and Culture and Mike King from Economic Development presented a joint paper on a proposed model for the Skills Executive, as in the general terms being that the body had to be simple, it had to be employer-led and it was a joint pooling of resources from the 3 departments who have responsibility for training and skills. Towards the end of May last year an officer working group was set up with officers from those 3 departments with responsibilities for training and skills and the officer working group was led by Mike King. We looked at a number of options: sort of status quo as we are now, each department doing their own things; we looked at having a government quango; or somewhere sort of halfway in the middle, based on a similar model to what happens within the Children's Executive on the Island, enhancing the model that is there. With that in mind we then engaged with key stakeholders. We had a first meeting to look at the whole model at the end of June last year. Prior to that we had spoken to the 3 Ministers responsible to ask them for their opinion on what sort of model, of the 3 options which one did they prefer, and it was the one that was based round the Children's Executive that they preferred. From the meeting with key stakeholders we drew up a general terms of reference for the officer working group and officers within that group had responsibility to then lead on various areas, one being demand capture which was relating to finding out where the skills shortages are at the moment, as well as where they will be in the future. The second part was to do with information advice and guidance, the drawing together of the resources from both Social Security and Education. The third area was to do with managing provision which primarily was to look at the relationship with Highlands College and how, once we get the information where there are the skill shortages, how we can influence the provision. The fourth part was to do with governance and how we were going to structure the whole body together. The various officers within the group were then required to come forward with proposals for their particular areas and from the demand capture aspect we had 3 subsequent meetings with key stakeholders. We talked to employers from the private sector, we talked to other States departments, and we also engaged

with schools, both talking to head teachers and also had some students who came along to one of the sessions. We then brought that back together. We had another meeting with the 3 Ministers to ensure that they were happy with what we were proposing. We then showed our proposal to another stakeholder meeting with a number of people there to get their opinions and then we presented the paper last November to the Council of Ministers where it was agreed. The agreement which was signed by the 3 Ministers is the partnership agreement to say that. Obviously within ministerial government they have responsibilities but for the purposes of skills and training this is an agreement whereby they will work together. That was what was published.

Deputy G.P. Southern:

What does that entail? That entails building a budget, entails who is responsible for what?

Senator P.F.C. Ozouf:

There is a discussion to be had about this. I think this is work in progress and your timely review of where we are and the development effectively of policy. I think where we are heading is that we will in the new system of government -- in my view, I think there are clearly lessons to be learnt from the experience of the Children's Executive, as I am sure that you were thinking when we were mentioning that.

Deputy J.A. Martin:

When you mentioned it, yes.

Deputy G.P. Southern:

It has not proved particularly effective, I do not think, has it?

Senator P.F.C. Ozouf:

Well, that is right. The idea is absolutely right that you effectively join up the thinking and the areas for children, the different departments that are responsible for children, and you pool and you communicate. In the new system of government that is what it is all supposed to be. Now, you have effectively a skills focus in 3 different departments. The question is, short of merging those 3 departments - unconscionable

- how do you either move some of the responsibilities of those individual departments and how do you effectively get them to work together? Some of the responsibilities are still always going to sit in different departments. Education is all about skills. Okay, it is becoming more focused about skills as people are getting into secondary school and beyond, but effectively that is the job of Education. We in Regulation of Undertakings and the discharging of our duties in relation to job licences is always going to be within E.D. (Economic Development). The Minister for Social Security is always going to be responsible for low income support, for effectively putting in place the incentives to work in a low income support situation. Those are all 3 duties which should be co-ordinated and communicated. My view is that you create the Skills Executive with one Minister leading. It does not matter, I think, who the Minister is. I think in the new system, I will be recommending at the end of this year that there should be an Assistant Minister appointed with a specific remit for skills and acting, effectively, as an Assistant Minister in those 3 different departments to ensure that those things are joined up. You need good communication at a political level; you need buy-in at the political level; you need to have a common goal about what you are trying to do and what you are trying to achieve; and obviously from an officer point of view there needs to be some clarity in terms of reporting lines.

Deputy G.P. Southern:

You talked in your introduction about the silos of the previous approach. How effectively do you think this has been delivered in the past?

Senator P.F.C. Ozouf:

This is work in progress so the silos are now and of course it will take a number of years before we -- and it is a constantly evolving situation, ministerial government. You never stop evolving, remodelling, focusing on the things that matter. What is clear is that there is more work to be done in the area of skills. In terms of joining up, for example, the Regulation of Undertakings and decision making and what is going on at Highlands in terms of students seeking job opportunities, we are much more joined up. I see very much my role as bringing the universe of employers much closer to the universe of skills provision with the States of Jersey and we do that through Regulation of Undertakings. For example, there is a debate to be had about the course provision. If you take, for example, financial services, we jointly - that is

the Minister for Education and I - have been involved in organising our departments and funding, for example, the foundation degree in finance. One thing I wanted to say is that this is not only about qualifications, skills is not only about qualifications obviously. What is clear in the world that we live in is the inoculation of an O level or an A level or an H.N.D. (Higher National Diploma) or a degree is not the qualification that is going to take you through the whole of your working life. The issue of providing qualifications and the right courses is something that is moving.

Deputy G.P. Southern:

Can I just come back to my question. I understood that under T.E.P. there were 3 departments working together or 2 departments working together, that there was supposed to be already joined-up thinking in delivering (a) apprenticeships and (b) skills level. Is that the case? Are we talking silos or have we already tried to co-ordinate?

Senator P.F.C. Ozouf:

Sean has been involved in T.E.P. so he is the best person to comment on that.

Mr. S. Pritchard:

The background to the T.E.P.: there were 3 committees that sat on the board and there was pre-ministerial government, and Philip has just made reference to how, with ministerial government, a Minister can work with another Minister and pull together a programme such as the finance degree in a very short period of time. With the old T.E.P. board there was a representative from the committee who sat on the board and then making those decisions and bringing forward those changes was more challenging as a way of introducing new programmes. So it was at that time, pre-ministerial government, that the T.E.P. board decided that it was not working as well as it should do and that the board should step down. The chairman resigned to give ministerial government the opportunity to take forward the skills agenda and we are now starting to see the kind of things we have just seen in terms of the finance degree happen quite quickly in comparison to what it would have done previously with the old structure.

Connétable M.K. Jackson of St. Brelade:

Just to pick up on that, and without wishing to dwell on the past but I think it is important just so it can be cleared up, we seem to have a situation between the demise of T.E.P. and what we have got today. Would you consider there has been a little bit of a lapse, probably due to the interregnum of the change from committee government to ministerial, that we have not been really doing enough? We have not been producing apprenticeship schemes; we have not really been doing the sort of things that the Skills Executive has now put in place that we should have been. Have we got a gap which we are now catching up?

Senator P.F.C. Ozouf:

If the report card, if the metric which you measure the success of skills, is a growing economy, an economy which has got full employment, where people have the opportunity of getting jobs in the careers to the extent that that is possible in the Jersey world where obviously we only have a few industries compared to lots of others, then effectively we have done extraordinarily well. We have got unemployment down to historic lows; we have had huge productivity improvement in the economy, not only in financial services but across all the economic sectors. I would say that there has been a great deal achieved. We are one of the most skilled and productive economies in the world, small nation states in the world, producing the results to prove it, but there must be no complacency. While there has been an absence of a board, if you like, in the old T.E.P., it does not mean to say that there has not been a continued focus on delivering programmes, and we can run through some of the programmes that have happened.

Mr S. Pritchard:

Look at hospitality. Bienv'nue was introduced post the demise of the T.E.P. and over 1,300 individuals have been supported so far. The apprenticeship scheme has continued. There are 400, 300, 500 individuals still on the apprenticeship scheme which continues to grow. Introduction of the cadet nursing scheme post the demise of T.E.P., introduction of the undergraduate programme. We did some excellent work last year with La Moye Prison, an investment we have made in providing opportunities for young people who are perhaps lost a little bit in terms of direction at the moment in terms of providing opportunities to come back and re-engage into employment. So, post the T.E.P. there has been an ongoing commitment and some

real measurements of success in terms of the commitments that have been made in terms of training and development. If we look at our employer survey 2007 the results of which demonstrated quite clearly the actual training activity in the workplace had risen from 6 out of 10 employers undertaking structured training to 9 out of 10 employers in an increase within 3 years, so a measurement of success in terms of ongoing --

Deputy G.P. Southern:

Are you saying that that is as a result of initiatives that E.D. have brought about or has that been one of the responses to a skill shortage: "Better improve our training"?

Mr. S. Pritchard:

As a result of all the efforts made by all the different departments across the Island in terms of encouraging employers to increase the amount of training activity provided for their employees.

Senator P.F.C. Ozouf:

For example, the net Cadet Nursing Scheme, a partnership between ourselves and Health and Social Services. I hope E.D. has a reputation of being a corporate, joined-up department that is working with other departments. We might not have had the bureaucracy of T.E.P. or the organisation of the Skills Executive but we have carried on delivering. Sean and his team, under Andrew's leadership, have delivered a great deal in terms of training programmes, of which you have just heard some. If you would like a note, it may be helpful to your deliberations, of exactly all of the different programmes ... because probably we have not shouted about them enough.

The Connétable of St. Brelade:

Absolutely. It is very pleasing to hear that because the impression is that there is a little bit of a hiatus there but that is clearly not the case.

Senator P.F.C. Ozouf:

The other thing that I think has been a real sea change is the way in which we interact with employers at the point at which they are applying for job licences. We have been working through different industry sectors in terms of testing applicants, in

terms of testing companies in terms of their demands for employees, and a revised guidance was published last week that effectively we have already been, over quite some period of time, ratcheting up the training conditionality of Regulation of Undertakings licences. While there is some concern in some quarters about the numbers of Regulation of Undertakings licences that have been given, commensurate with that increasing Regulation of Undertakings has been a real tightening up in terms of the conditionality of them. Paul Bradbury, do you want to explain some good examples of what we have been doing?

Mr. P. Bradbury:

The objective is to use the Regulation of Undertakings tool in concert with other departments and to place conditions on the licence that encourages businesses to train. So, an example of an ongoing operational procedure is that applications for more staff come in, in particular more non-locals come in, there is a weekly case conference with Jersey Enterprise to see which ones they can pick up and encourage in terms of finding local people for those positions or advising the business on avenues and inviting the business or making an assessment as to the training they do. Thereon we can get the application back and place some conditions on those licences. So, some examples are some very large construction companies in Jersey, some large retailers and some small businesses have all had licence conditions placed where they must take on apprentices. The licences we then issue are fairly short licences, one to 2 years, and when they come back we make an assessment as to whether they have met the commitments that we have asked them to do on the licence, the objective, of course, being to encourage more training, in particular apprenticeships, for local people.

Deputy G.P. Southern: Has that not always been the case? That was the justification for R.U.D.L. (Regulation of Undertakings and Development) in the first place. It has always been the case that of course we would put conditions on them, they have to train. Are you saying that is something different now to in the past? You did mention, Philip, you had just signed off the new conditions or whatever. What was it again?

Senator P.F.C. Ozouf:

It is basically the new guidelines. They are effectively what we have been doing for some time but it is documenting the guidelines for Regulation of Undertakings and --

Deputy G.P. Southern:

Presumably we can see that?

Senator P.F.C. Ozouf:

Yes, absolutely. It was put on your desks last week.

Deputy G.P. Southern:

The principle is have you not always been doing it, and if you have not why not?

Senator P.F.C. Ozouf:

I have got quite a good perspective on Regulation of Undertakings, having been responsible for Regulation of Undertakings for the last 2 and a half years and interregnum for 2 years but I was on the Industries Committee before. I would say that while in the old world of committee government, where committees were discussing applications, I think it is fair to say that we have now tightened up and are more demanding in terms of the requirements because we understand much more about what training opportunities exist. If you take construction, for example, we developed some informal ratios that the requirement for people to have apprentices, they will get a number of non-qualified staff because they need them for their contracts, for their work, but they have to take a one-in-so-many in terms of apprentices. We want to see all the apprentices, and there has been a lot of good work done with the Construction Council in terms of encouraging Highlands to be putting on construction courses. We want to see all of the large contracting and construction companies soaking up all of those individuals that are at Highlands that are seeking work in construction, and that is not simply the skilled trades but that is giving these young people an opportunity to get real work experience so that they can rise through the ranks of these construction firms. There are quite a lot of unhappy employers in terms of the conditionality that we put. You can just see by the nature of the discussions that we have had with big construction companies and the appeals that we do and the fact that we put people on 2-year licences because we are not quite

satisfied with the amount of apprentices we are doing, the summary is that we have tightened up.

Deputy G.P. Southern:

Can you produce evidence of this tightening up? You said you have been doing it for some time.

Senator P.F.C. Ozouf:

This has been an evolving thing over the last 2 to 3 years. There is a much more iterative relationship between employers and Regulation of Undertakings and that is something that happened as a result of ministerial government is typically an application would be made. We are also much more joined up in the way the Population Office is now; (j)s are dealt with in the same office as Regulation of Undertakings so they are looking at the situation of a (j) application for a construction company and looking at their overall training provision. We have brought in all of the large construction companies and we have taken them through the mill in terms of what they are doing for training provision. There was a lot of concern about job opportunities for bricklayers and carpenters and electricians and the other trades. So, as we had expected, we have sent some pretty harsh messages out to construction companies that we expect people to be employing local people and the numbers speak for themselves.

Deputy G.P. Southern:

That is what I am asking. If we were to take a snapshot of 3 years ago before ministerial what sort of picture would we be seeing and the numbers today?

Senator P.F.C. Ozouf:

Construction is a pretty dynamic industry. It goes up and down in terms of the cyclical economic cycle when there is a lot of construction around. But if you take, for example, the construction sector, if you take construction and quarrying together, if you take the figures at the end of December 2007 there were 4,800 people working in that sector of which 450 were non-locally qualified, 4,330 were locally qualified, as defined by Regulation of Undertakings, with 30 (j) categories. That is up from December 2000; that is an extra 300 locally qualified people in work.

Mr. R. Kenyon OBE (Advisor):

How many apprentices?

Mr. C. Kelleher:

At the moment we have got about 140 apprentices. Well, to clarify this, we run a programme called the Jersey Apprenticeship Scheme where businesses take on apprentices and in return for on the job training and also to subsidise the cost of the actual training, be it through Highlands College or off Island, they are entitled to a sum of money. So we have approximately 100 people in the construction industry doing various trades from plumbing, painting and decorating, electrical engineering, trowel trades, carpentry and joinery, and the rest is made up of hairdressing and the motor trade and we have got a small number in the catering industry.

Mr. R. Kenyon:

Sorry, that 140 is your total for the Island and construction is 100?

Mr. C. Kelleher:

Yes, 100 of those 140, but then there is also the apprenticeship scheme which is the day release course which is run at Highlands College. It is entirely up to employers if they engage with ourselves and help the apprentice with the training, completing their logbooks, which is part of the requirement of the Jersey Apprenticeship Scheme. So there are a lot more apprentices. An example is with the hospitality industry, going back to last year there was something like 30 people attending the day release at Highlands College but there was only one employer who was coming through our scheme. That is not because we were not being proactive in contacting these businesses, we contacted them on several occasions and said: "Do you realise there is a grant available to take on apprentices?"

Mr. R. Kenyon:

You were talking before, Minister, about the Construction Council and how you have this relationship with them. If there were a group of employers sat here now and I was talking to them what would they say, other than construction, are the skills issues that they faced? What are the big skills issues for employers and, secondly, how do

you get information from employers in a systematic way about what are the skills needs? It is 5 years down the line you need to be thinking about now, not today's issues in a way. How do you get that information systematically?

Senator P.F.C. Ozouf:

Well, there is the small village issue of Jersey --

Mr. R. Kenyon:

I understand that. I do understand the scale.

Senator P.F.C. Ozouf:

-- which is very helpful but you need some empirical information as well. I will just explain the small village thing. Unlike, I think, virtually any other place in the world every firm must have a licence to employ a certain number of staff, which is triaged into locally qualified people, in other words residents, and people who are recent arrivals. The terminology gets quite complicated but effectively people who have been here for over 5 years and less than 5 years. So every employer, and normally an employer has a 3-year job licence of which they will be able to employ up to a ceiling within those areas and there are fairly tough criteria in relation to some. We run, effectively, a proportion arrangement whereby we have some thumb mark numbers about the percentages of non-qualified to qualified people in different sectors. So, for example, the percentage for non-qualified would be higher in hospitality, higher in agriculture, much, much lower in finance, and much, much lower in construction too. Three-year job licences are constantly renewed. They do not all start from 1st January 2008 to 2011; they are on a rolling basis. So we have got at any one time literally hundreds of employers coming to the Population Office to ask exactly what their requirements are for employees. So we do tend to know on an ongoing basis from the application point of view, which a lot of them are determined politically. So, while the Population officials know, I also tend to know because I am having to deal and I am having to determine applications. So you get a very quick sense of exactly what the short-term requirements for the economy are but also out to 3 years because if you are a construction company you are effectively putting an application in for your 3-year job licence, so you are going to be saying: "We want X number of people." We are tough as old boots in relation to the amount of people that are in the

non-qualified space and so you have to test out to find out exactly what they are. So there is that in terms of a very, very useful amount of information that is available. As far empirical research is concerned, there are 2 reports. Who wants to talk about those?

Mr. S. Pritchard:

There are probably more than 2.

Deputy G.P. Southern:

This is the IFF?

Senator P.F.C. Ozouf:

Yes.

Deputy G.P. Southern:

Yes, we have got all that.

Senator P.F.C. Ozouf:

Jersey Finance? Jersey Finance did some research as well.

Deputy G.P. Southern:

What is the date on that one?

Senator P.F.C. Ozouf:

December 2007.

Deputy G.P. Southern:

Can you just pass it round?

Senator P.F.C. Ozouf:

You might not have had that. It may be a confidential document but you can have it, of course. It might not be published.

Deputy J.A. Martin:

I do not think we have got one of Jersey Finance. We have got the IFF stuff.

Mr. S. Pritchard:

IFF is a U.K. company that runs the national skill surveys and has done for a long time. We have used them since 1994. We have run a 3-year revolving programme right up to 2007. It looks at internal and external skills gaps. So we are trying to find out what employers see as skills gaps for those that are employed within the organisation, plus those that they would like to employ but they have not appointed because of lack of skills. It looks at hard skills and soft skills. We have run it for over a decade now and it enables us to kind of get some trends and enable us to benchmark outcomes against national statistics available from the U.K. We have used it to prioritise efforts and energies, and where we prioritise on activity it looks at both hard and soft skills.

Deputy G.P. Southern:

The last report suggests 2004 to 2007 the skills gap has not been ...

Mr. S. Pritchard:

The big move from 2004 to 2007 was the increase in terms of employer training that has been undertaken from 6 out of 10 to 9 out of 10 employers, which is a very encouraging kind of response. The employers are looking at softer skills rather than harder skills in terms of skills gaps, which I think is consistent with the U.K., and there is a lot more work going into competencies now in terms of assessment for work-based individuals rather than formal qualifications.

Mr. R. Kenyon:

I think I am rapidly starting to understand the village concept which you talk about and how information is in a sense perhaps more readily available than in a larger economy. I guess you are aware that we had Sandy Leitch did some work for the government on what we needed in the U.K. economy in 2020 and there were lots of gaps like number of people with higher education experience. I think we are about 23 per cent - I think you are even lower than that - and we had to get up to 40 per cent by 2020. The number of people with level 3 qualifications was way down on what was needed in an economy. If a similar template was to be put on the Island, what would

that look like? I am surprised at your low figure, and I do not know where I have seen it now.

Senator P.F.C. Ozouf:

The 2001 census - which coincidentally I was responsible for so I know a bit about it - reported that Jersey had, in terms of the level 1, level 2, level 3 skills, a fairly low qualification attainment and that was taken at the low end. The census of the Island is taken in the period before Easter. The population of Jersey rises in the summer because of the cyclical nature of the agriculture and visitor economy. Numbers of people in the summer has changed a bit since 2001 because tourism is becoming less cyclical. It is probably 6,000 or 7,000 more people are in work in the summer, so the picture of qualifications in Jersey at the peak of the year is lower. It was a very worrying figure that Jersey invests a huge amount in education but in terms of level 3 and level 4 skills we had a very, very low level. Now, what is the reason for that? The reason for that is quite high levels of immigrant communities working in relatively low skilled sectors - construction, hospitality, agriculture. There is a legacy issue there.

Mr. R. Kenyon:

You would expect level 3 in construction, would you not, levels 2 and 3 in construction?

Senator P.F.C. Ozouf:

You would. We have done a lot more recently. The construction industry has moved quite dramatically in the last 6 or 7 years. A couple of leading construction employers are now much more modern in terms of the way that they are building buildings, in terms of the way that they employ their staff. There has been a whole sea change. I would imagine that that figure is quite different in 2001, partly because of the work of the skills thing. I am going to ask Andrew to comment on some other Jersey initiatives about what we do in order to understand. In terms of the picture for 2020, if you take financial services, obviously a dominant part of the economy, a big producer of economic activity and wealth, we commissioned jointly with the promotion arm for finance a study from the London Business School (L.B.S.) effectively painting a picture of what the financial services industry would look like in

2020, to cut to the chase, and in that report there is a great deal about skills and about the kind of workforce that we are going to need. In terms of financial services, again since the census of 2001 a huge amount has been achieved in terms of upskilling the financial services industry; there has been a lot of consolidation. Total people in work in Jersey is about 52,000, 45,000 people in the private sector of which 13,000, at the last count, work in financial services. The breakdown of people working in financial services has changed quite dramatically. Back in 2000 and 2001 you would have probably seen 3,000 to 4,000 of those then 12,000 people working in finance working in relatively low level administrative functions. A lot of back office functions have moved out of the Island, there has been a consolidation of the industry players. Because we are so difficult in terms of giving people non-qualified staff, the discussions we have with banks are: "Well, is that an activity that you could be outsourcing to the Isle of Man or to a lower cost centre?" We want high value, high earning individuals in Jersey, and local individuals at that, and so there has been a whole sea change. If you look at the educational or skill qualifications of the financial services industry we have got one of the highest penetrations of S.T.E.P. (Society of Trusts and Estate Practitioners) qualified people for our trust business. Regulation has had an unintended consequence of improving the skills of the Island. So there is a lot being done and I could paint you a very clear picture, I think, of where the Island is going in terms of its financial services industry in 2020, having the benefit of L.B.S. report. Can I just ask Andrew to comment on a few other --

Mr. R. Kenyon:

Just before you do, can you comment in the context of where you really do think there are shortages? I understand why your graduate figure, your higher education figure, may be lower here for obvious reasons. I understand why people may go to the mainland and then not come back, but how do you compare, do you think, or have you not done that work?

Mr. A. Sugden:

It is a good question. One of the early pieces of work that the Skills Executive has commissioned is a piece of work from the Learning Skills Network (L.S.N.) in the U.K. which will look at and compare the Jersey picture with the U.K. Obviously it will weight it according to the different size of the community here, the sectors here.

Mr. R. Kenyon:

Yes, for some of the reasons the Minister said, I am sure there will be some differences.

Mr. A. Sugden:

That should be ready in the next 6 to 8 weeks.

Mr. R. Kenyon:

L.S.N. are doing that, are they, for you?

Mr. A. Sugden:

Yes. So hopefully then we will have a comparative picture and then we will have an area of where to focus the efforts of the Skills Executive. Going back to your earlier question about how do we access data, there are a number of initiatives I think which are going to help us in terms of the data capture, and Chris and I have been leading on this area of work. The first important one is just recently Jersey Enterprise, the business support structure here, has been working with R.U.D.L. to look at the front end of the application process.

Mr. R. Kenyon:

That is the Population Office?

Mr. A. Sugden:

Yes. So they have been talking to the companies who may have had their licence applications turned down, they have been talking to companies who may be able to re-engineer their business processes so that they do not need as many non-qualified staff. As part of that process we can ask more specific questions regarding skills and training and they go on to the Jersey Enterprise C.R.M. (customer relationship management) database, so we will have a much clearer picture of smaller companies. In addition to that we are now beginning to look at sector-led research. We are talking to employer organisations such as the Construction Council, such as the I.T. (information technology) sector, the creative sector on the Island, finding out from

them direct what their own needs are as companies and as individuals and as employer organisations.

Mr. R. Kenyon:

They are unofficial type structures, are they, when you say sector-led?

Mr. A. Sugden:

Yes. Part of the work of Jersey Enterprise is to look at cluster development. So we are looking to set up clusters of similar types of industries and with them have action plans for their own development, part of which will include a skills agenda. In addition to that we have other areas where we can get data. Manpower returns, companies are required to fill in manpower returns on a 6-monthly basis, so we can get data from that source. The household survey --

Senator P.F.C. Ozouf:

Can I just interject on that? If you have not seen a manpower survey I have got one here. You might want to see it because it is not only the amount of people that are employed, it is also the vacancies. So you can check the level, you can see where it is going. There is some misreporting of vacancies which is endemic in the system. Employers will always put down the fact that they have got vacancies but that is a sort of statistical thing. You are looking at the changes and you are looking at the different industry sectors. You might benefit from looking at that. It is very interesting.

Mr. A. Sugden:

So the household survey is another source of data. One of the initiatives we are working on with the Statistics Unit at the States and Chamber of Commerce is to introduce an annual business survey. So, again, one of the things there could be skills and training to look at the attitudes within the private sector towards skills investment. I think the most important way where Economic Development and the Skills Executive can get information is by engagement with companies. Since the introduction of Jersey Enterprise dealing with companies on a one-to-one basis we now have a C.R.M. system with over 2,000 companies on it, which is almost 50 per cent of the companies on the Island. So we are in contact with those companies, we

are talking to those companies, we are delivering support and advice to some of those companies on a regular basis. Equally, through a series of events like master classes, communications events, things like websites, online newsletters, there a number of ways in which we can open dialogue and communicate with companies and get a much clearer picture of what is required by the employers out there in the marketplace. I think through a combination of all those different sources, possibly backed up by short surveys on an infrequent basis, we can keep a fairly close watch on what the skills agenda is in the Island.

Mr. R. Kenyon:

I know your definition of a large company is different than the United Kingdom. The problem in the U.K. is what we call S.M.E.s (small and medium enterprises). Some of those S.M.E.s would be your large companies over here but the very, very small companies, micro companies if you like, just do not want to get involved in all this sort of stuff. Is that a problem here? I just do not know. The skills and all that issue, they do not want to get involved.

Mr. A. Sugden:

It is harder for the smaller companies to make the investment, both in terms of monetary investment but also in terms of allowing their staff the time to train and develop themselves. Certainly the micro businesses, the one, 2, 3 employee companies, I think we are trying to help them through things like the master classes where they can come and learn about new approaches to business, they can come and learn about marketing, learn about finance, learn about different aspects of running a business.

Mr. R. Kenyon:

Apprenticeships would surely be helpful there in small companies but they are not prepared, presumably, to invest in the training or whatever. Is there any way of helping micro companies take on apprentices?

Mr. A. Sugden:

No, because I think one of the criteria for the apprenticeship scheme is that they have to have been in business for a certain period of time and have a certain scale.

Mr. C. Kelleher:

Can I just say that with the Jersey Apprenticeship Scheme the majority of employers are small employers who take on the apprentices.

Mr. R. Kenyon:

Right, and small in your definition is below 50?

Mr. C. Kelleher:

Below 10.

Mr. R. Kenyon:

Large is over 50?

Mr. C. Kelleher:

Yes. The last figures I saw at the end of the year, I think we have got 60 businesses on the Island that employ more than 100 people. The demographics are that something like 90 per cent of businesses employ 20 people or less.

Mr. R. Kenyon:

Yes. Sorry, my question is not really on the spot, is it?

Senator P.F.C. Ozouf:

The advantage that we have is that we are very close and we are now much closer to the business community with the creation of Jersey Enterprise. I have been very struck at the success of things like the master classes and it is just the branding of it, it is the fact that you are going to learn something in a very positive way and improving your knowledge of certain areas. It is not a bad thing that you have been on a course for web-based marketing or marketing. You have got to send the signal that learning, improving skills, is a good thing and a positive thing rather than something that is almost a suggestion that it is not -- that it is negative you did not know this before so sending the right signals about skills and training is very important, which is why we put a particular focus on our annual awards for enterprise and we have now got and we have had effectively a skills and Training and Business Award to celebrate getting

a good company that has got a good track record of training and getting them to carry out and getting people -- getting companies to apply for the fact that they have got a really good training in business. It is sending all the right signals. Just one thing, on graduates. It is a bit of a hobby horse of mine I have to say because I do question personally, I want to test Education's figures. I am 38 and I went through the Jersey education system and I look around to see how many of my cohort are back in Jersey after having been to university and I am just wanting to ask Education to back their figures up in terms of ... I am told they are good and no doubt they were.

Deputy G.P. Southern:

Do you suspect it is more or less?

Senator P.F.C. Ozouf:

I think it should be more.

Deputy G.P. Southern:

More coming back than the 60 per cent?

Senator P.F.C. Ozouf:

What we want to do is we want to encourage more of the fantastic talent that exists outside of the U.K. and further afield. Jersey is a great place to live. We think that because we were born here and we have all spent a lot of time here. But we almost need to engage with that universe of qualified graduate training that Jersey has paid for, that are out in the U.K. and we need to do more, so we have had -- but you have to get in early which is why Economic Development have put in place an undergraduate trainee scheme which was -- we had an employer and I will tell you exactly how it happened, we had an employer who came along and said: "We need a non-qualified person to be a marketing e-Business adviser" some sort of media person. They said: "We cannot find a local person, we want a non-qualified licence." I said: "You have to be kidding. I am told by Education that there are more of our young people doing media studies at university than any other course. What are you telling me? That you cannot find somebody that is interested in working for your sparkingly good media company?" They said: "We do not know how to find them." I said: "Have you taken a graduate on an internship programme over the summer?"

“No, how do you do that?” We put in place -- as a result of that a programme to give undergraduates an opportunity for work we paid a proportion of their salary. They are not just there to do photocopying and count paperclips, they are there for a meaningful 6 or 8 week experience in local firms. We have brought the universe of students together with the universe of employers and we have put in an internship scheme. Now the good news is that a number of those graduates have had jobs as a result of that and young people at university are getting an experience of different employers in terms of getting -- in terms of what opportunities there are. I want to do more in terms of tapping into -- I want to have a Jersey alumni, I want to see that there is a -- the university I studied I am a member of their alumni, I get newsletters on a quarterly basis, on email, we need to create a Jersey alumni for students to be given the opportunity to really -- or returning people to give the opportunities of where jobs are, what jobs are available.

Mr. R. Kenyon:

I cannot find the percentage now, but your percentage of the working population that are higher education educated is much, much lower than the U.K.'s as I recall, we are about 23 per cent or 24 per cent I think, I think you are lower than that, and if financial services is such a critical part of your economy I would have thought your number does need to be higher. It was supposed to go up to 40 per cent in the U.K. by the way by 2020.

Senator P.F.C. Ozouf:

That number has moved quite dramatically since 2001.

Mr. R. Kenyon:

I have outdated data, have I? I am sorry.

Senator P.F.C. Ozouf:

It is 2001 and it would have moved quite significantly since then. There has been a sea change.

Deputy G.P. Southern:

It is where? The number?

Senator P.F.C. Ozouf:

I will give you an estimate of where I think it is. I do not have that figure in my head but I will certainly give you it in terms of financial services.

Mr. R. Kenyon:

Have you passed the U.K., 23 per cent?

Deputy G.P. Southern:

I am not asking the question of what the number is, I am asking the question where do I find it?

Deputy J.A. Martin:

Where are you gathering it from?

Mr. C. Kelleher:

In the future one of the things we are looking at as part of the household survey that is done on an annual basis is to look at the qualifications that people have. Last year there were questions asked with regard to the skills level of the Island and I think they were quite surprised at how high they are, so the figures were not published and they are redoing the questions again this year to determine ... it was a figure in the region of 35 per cent.

Mr. R. Kenyon:

That is good.

Mr. C. Kelleher:

Yes.

Deputy G.P. Southern:

Is that accurate?

Senator P.F.C. Ozouf:

I suppose it depends on the definitions.

Deputy G.P. Southern:

That is the Stats Department, what they say about that.

Senator P.F.C. Ozouf:

You would expect it to be boldly increasing with the amount of people that are in the economy, the way the economy has changed in terms of financial services and you would expect it with the investment that has been made in education, with the amount of young people who are going on to university, you would expect it to be higher, but I want it to be higher than that.

Mr. R. Kenyon:

Around about 35 is the population or the working population?

Senator P.F.C. Ozouf:

A difficult question of course would be to see whether or not the qualifications of the population are the same or similar to those on education attainments of the Members of the States of Jersey. I just did a recce to see how many level 1, level 2, level 3 and that is quite an interesting statistic I have to say.

Deputy G.P. Southern:

Do not even take me there. You will get ripe comment from me if you did. Absolutely.

Deputy J.A. Martin:

Yes, more pay for Ministers, was it not? Anyway, you said earlier, Philip, and it is about Reg. of Uns. (Regulation of Undertakings) that if you compare I think it was construction over the last let us say 5 or 6 years you have got less unqualified under Reg. of Uns. working in there than you did 5 years ago. Well, we all know about figures and we all know Reg. of Uns. is 5 years so possibly that could be the same people who are now qualified under Reg. of Uns., they have been here 6 years so that is a figure. But my question on Reg. of Uns. is when are we going to go on to the second part of you are allowed to increase the working population by 5 per cent in Reg. of Uns. and be going up to the housing qualifications of 10 years? Is this

completely phased out or are we going to have that? I mean to me that would be a better measure of who is locally qualified, housing qualified and locally qualified. We have 3, do we not, at the moment?

Senator P.F.C. Ozouf:

We are as one in relation to needing to deal with the terms and that was the genesis of the migration policy and the strategy was in fact to deal with that, to do away with these different categories and join up the decision-making. I completely agree. Paul Bradbury, can you please update us as to where we are in terms of the progression of that?

Mr. P. Bradbury:

Absolutely. There was a commitment to publish a consultation paper on part 2 of the migration policy over the summer. That is still an objective and we are aiming for September for publication of part 2. That will explain how we propose to increase the 5 year limit to 10 and align it with the housing qualification.

Deputy G.P. Southern:

Do you want to give us a steer on how you propose to do that at this stage, while we are here?

Mr. P. Bradbury:

The migration policy as approved by the States spoke about a freezing of the 5-year rule so everybody who had their qualification at a certain point in time would retain that qualification. The migration policy aspires to be introduced at the end of 2009 which would be 4.5 years after the introduction of the migration -- after the approval of the migration policy by the States. So that would suggest a fairly quick introduction of the 10-year period with some protection for people who are locally qualified at the time the States approve the policy. I do not think it would be appropriate for me to comment any further because it still needs full ministerial approval, the Council of Ministers possibly to comment and then subsequent publication. So all I am giving you there is an indication of potential thinking based upon a previous States decision.

Senator P.F.C. Ozouf:

It has already been agreed, it is not a question of whether, it is a question of when that comes in subject to States approval but of course there has to be a seamless transition from the current arrangements into the future arrangements and certainly there has to be extensive consultation with business in order that there are no unintended consequences in the move there. But that is where we are heading but as usual we will consult with -- the industry needs to have a very clear explanation of exactly what happened. Their manpower licences will not change overnight and suddenly. It will be a long transition with grandfather rights, et cetera. There is nothing new in any of those proposals and there is nothing that has not already been agreed and will be worked through. We will end up with a much more streamlined, much better handle on exactly -- a much more understandable system of effectively job licences combining the Reg. of Uns. and (j)s which is what we have always wanted.

Deputy G.P. Southern:

While we are on the subject of job licences and job growth, and on the migration policy, we have got a policy of a considerable pool of local people resident in Jersey to drive a very considerable part, if not all, of the staff requirements to fuel economic growth; 500 job growth which is supposed to be our objective, yes? One per cent, 2 per cent growth with one per cent job growth.

Senator P.F.C. Ozouf:

Over the side.

Deputy G.P. Southern:

Over the side. It is suggested that that can be fuelled from local sources as well as to supplement immigrant employment. Now when we last asked the President of the Economic Development Committee, your predecessor, as to whether he had done any research to indicate what sort of numbers would go to supplying this 500 job growth he said: "We have not done any research." Have we done any research since to indicate how many we are getting back from increased numbers of returning graduates, increased number of economically active women, retraining and redirecting the unemployed, increased numbers of those who have a disability in the workforce, increasing the number of elderly in the workforce? Have we got any data

on how successfully we have done that? We have spoken to the Social Security Minister and he had very little idea of what -- how successful.

Deputy J.A. Martin:

It comes right completely back to the new, because even if you had not been doing it very well, we understood that under the new Skills Executive there would be a possibility that all the departments would work in together and unfortunately we -- Social Security seem to not be -- a certain amount of those same populations already based in Jersey will not be able to be tracked and there is nothing in the new system under the Skills Executive to suggest they will.

Senator P.F.C. Ozouf:

Well, the heart of this is the reforms in the migration policy about the new population register and the linking of the job licences and the right to access accommodation and the linking in with the Social Security system, so that has been policy under development. Paul, do you want to ...?

Mr. P. Bradbury:

If I could point to 2 things, the participation rate in the economy in Jersey has gone up by 2 per cent over the last few years, it is up to 84 per cent now I believe, so we already have a heightened proportion of people who are here are working. At the same time the employment growth in 2007 was 1,460. Of that 920 were people with their 5 year qualifications. So around two-thirds of the employment growth, despite the economy having grown for a number of years, continues to come from locally qualified people. I think it is a figure we will be studying very closely with the manpower report for 30 June due out in October to see how the preceding or the following 6 months have gone. Certainly the vast proportion of employment growth over the economic cycle has been locally qualified.

Senator P.F.C. Ozouf:

The social survey will instruct us on numbers, triaged by gender, by age, et cetera, so we are going to be able to get some up-to-date information from that. Obviously it needs to be statistically anonymised to a great extent but certainly the social survey is going to instruct us to a great extent before the migration policy figures are there. If

you are talking about different groups of people, one of the clear areas that we are going to be focusing on and are focusing on is job opportunities for people of more senior years, whether that be a definition of over 55 or 60, we do know that there are quite a large number of people, a growing number of people who are going to be wanting to retire but seek some flexible working in their later years and continue to be wanting to have job opportunities, and we need to create the right environment for employer-friendly aged non-discriminatory employment. If I cite for example some of our good employers in this respect, one of our leading retailing undertakings that expanded their retail business significantly in the last few months were actively encouraged, I have to say they did not need much encouragement because they did it of their own volition, and did a very high profile recruitment campaign for workers in their stores of flexible working for people who had retired. Incredibly successful. There is a great iconic example of a 70 year-old lady who is working I think in one of those stores on a flexible time managing to combine her retirement with also doing some work which she very much enjoys doing at a remunerative level. That is a key issue. Ageing population, ageing society, it is one of the big policy issues that the Council of Ministers, the new Council of Ministers, has got to deal with and we, as far as doing our duties in terms of Reg. of Uns., are pushing family-friendly at all level employment opportunities and want to see employers with gender equality policies, non-age discrimination. Of course employers do have an advantage of employing people of retirement age because they do not need a Reg. of Uns. licence to do so. So while we can say no to non-qualified and qualified, effectively the senior citizens can be employed without any licence at all. So there is a natural incentive there.

Deputy G.P. Southern:

But in terms of my original question, as I asked your predecessor what research have you done on the effectiveness of how well you are recruiting from those particular sectors, have you done any research since? You are talking about research will be done.

Senator P.F.C. Ozouf:

It is ongoing, is it not? It is ongoing at all times. We are obviously looking at the way in which now Reg. of Uns. is now communicating with Highlands in terms of job opportunities for all of the different courses that Highlands students are. We are

having discussions, I met the Board of Governors of Highlands the week before last in terms of courses and having a debate, stimulating a debate, about what courses Highlands are going to be moving towards, so if there is not -- I cannot point you to one single report but there is a huge amount of work that is done in all areas, whether this be young people of the age of 16 to 18 that are at Highlands, whether or not it be senior citizens, whether or not it be family-friendly policies in relation to employment of women returning to the world of work through the Childcare Trust, it is all over the place. We want to ensure that there are opportunities for every single person that wants to work and there is a whole new world that is being introduced as a result of the low income support system. I want it to work -- I think there has got to be more done and we have got to put more money into the incentive to work for low income support. Now that system is in place I am very happy for that to be pushed. The incentive to work must be there.

Deputy G.P. Southern:

The incentive to work must be built into it, as the point we were making in the debate it was not there.

Senator P.F.C. Ozouf:

But it is all about money and the States, and having got to the position where our public finances are in a strong position we can start making those decisions over the next one, 2, 3 years in terms of investment in the incentive to work. Those are all possible but you have to have the strong public finances in order to do so.

Deputy G.P. Southern:

Are they in the business plan as produced so far?

Senator P.F.C. Ozouf:

No doubt, Chairman, there will be some amendments to the business plan.

Deputy G.P. Southern:

So they are not?

Senator P.F.C. Ozouf:

No doubt there will be some ...

Deputy G.P. Southern:

So we have fine words, no parsnips.

Senator P.F.C. Ozouf:

Well, the business plan is not finished yet, Chairman.

Deputy G.P. Southern:

It is never finished until it is finished, I know, yes.

Senator P.F.C. Ozouf:

The other thing that I want to say is that the world economic climate is obviously changing as we speak and the winds of recession that are now blowing through the U.K., we will not be immune from that. Jersey will, from a very strong public finances position, be able to invest where necessary into the economy should there be any downturn in any of the sectors that are at risk from the credit crunch implications in the U.K. So just at the point whereas Gordon Brown does not have the room to manoeuvre in terms of having nothing in the cupboard in terms of investing in an economic downturn, we on the other hand do. There is significant scope if necessary to fortify, bolster, invest in the economy, investing in skills, investing in education, if we are going to see, to any extent, any sort of economic downturn.

Deputy G.P. Southern:

You are making this statement despite the confidence expressed by the finance sector itself in the survey that was done in the first half of 2008, well after the credit crunch, they were saying: "We are confident that we are going to grow again."

Senator P.F.C. Ozouf:

We are very confident. We have never said we shall be insulated completely. The good news from Jersey's point of view is that while it seems we are remarkably unaffected by that the world has obviously moved on since that survey. There is a small downgrading of economic confidence I think generally since then, but the good news is that even if there were to be to any extent a deterioration in confidence we

have the significant firepower in order to do something about it. So while not waiting and while not expecting there to be a downturn, we are ready to deal with it and that is why we are fortifying the resources of Jersey Finance to getting business in the world that is not currently there. All the stuff that you would expect us to do, but what I want to say is that skills and training is very important. The last time there was a recession in the U.K. the consequence in Jersey was that there were more 16 and 18 year-olds who turned up at Highlands wanting education as opposed to going into the workplace. The whole structure of the finance industry has changed a lot since then but we want to be prepared as an insurance policy in case there are more problematic times ahead. I do not think it is likely. I think there will be somewhat of a cooling. There will not be the same levels of job number increases in Jersey next year. We never said there would and there should not be. But we are there and our new relationships with Highlands, with Social Security, are there to act if necessary.

Deputy G.P. Southern:

Seven per cent or 9 per cent growth in a particular year is not sustainable anyway and nobody pretends that it is. It is not sustainable growth. I mean, yes, there might be a cooling off but having grown we are not going back to square one. We are not talking about hitting a wall, we are talking about an easing of growth.

Senator P.F.C. Ozouf:

Yes, and that is a good thing.

The Connétable of St. Brelade:

In terms of fortifying the finance industry, speaking from a training point of view, are we in a position to provide the sort of training on Island that the finance industry in the future is going to need?

Mr. A. Sugden:

I think with a combination of the new foundation degree at Highlands plus the in-house training that goes on within finance companies, and in the banks, the finance companies on the Island do invest quite heavily in training and throughout the last few years where they have found it difficult to recruit training has become a priority. I think that is one of the outcomes of the survey in 2007, was to say more companies

are now investing in training in-house, either on the Island or off the Island than they were a few years ago.

The Connétable of St. Brelade:

So in truth the more investment from within the industry itself the less need for government to interfere. Would you agree with that?

Mr. A. Sugden:

I think there has to be a balance. I think there will be a need for the States to intervene in certain areas and certain sectors, certainly in the finance sector the majority of the larger companies have capacity and have shown willing to invest in training but whether that will remain the same if the credit crunch does hit them remains to be seen. But I think certainly there is a role for the States in training and particularly vocational skills areas.

Senator P.F.C. Ozouf:

If you take for example that finance foundation degree, I mean it is clear that university is not the right solution for every single one of our students at Victoria College, at Hautlieu, or doing A level. There are some students that want a different approach, they want to have the combination of a -- they want to get a degree but the way they get their degree is different, and so that is why we supported a foundation degree. The young people who are the first students on the foundation degree are going into new territory and we have absolutely supported and paid for effectively that foundation degree to start up. We are looking with our colleagues at Highlands on a foundation degree for hospitality. We are looking at a foundation degree for the care sector. We are looking at a foundation degree for I.T. I think foundation degrees are a very good way of getting young people into the 2 stage process of getting a foundation degree and then topping up if they want in terms of getting the third year Bachelor of Arts or whatever it is and government has to put the work in and has to put the investment in there. I think that there will be an increasing element of co-payment going down the piece where employers will pay a combination of that in order to -- but certainly almost the seed corn funding has to start from the State first otherwise it would not happen.

Mr. A. Sugden:

I think with the foundation degree the employers are paying anyway, because 20 weeks of each academic year will be spent working for the company.

The Connétable of St. Brelade:

Could I just go back to apprentices, if I may? In terms of incentivising employers to provide apprenticeships clearly the incentive is in the long term benefit and clearly you are also providing prizes and support in that sphere. What other support is there for employers to provide apprenticeships?

Senator P.F.C. Ozouf:

Well, I will deal with the carrot and stick. The stick is effectively you have got to provide apprentice opportunities otherwise you do not get your non-qualified numbers.

The Connétable of St. Brelade:

I accept that. That is almost easier to go into. We are talking about the smaller businesses, as you say the under-10s where it is not so easy to wield the stick.

Mr. S. Pritchard:

There are 2 things. One is the funding that is available under the Jersey Apprenticeship Scheme. The other is there is also the funding that comes from the E.S.C. (Education, Sport and Culture) across at Highlands College to reduce the cost of receiving the training. I believe it is 25 per cent of the cost of the course is recovered, the remainder is invested by E.S.C. Through the development of Jersey Enterprise there are now business coaches and mentors that are working with businesses offering coaching and mentoring support for businesses to provide the support of how to recruit, select and train an apprentice. I think that kind of support is now readily available and is quite comprehensive to support development of apprentices across all sectors, whether it is in hospitality, because their apprenticeship need is slightly different, because it is on a seasonal basis and there is a different programme, we call them apprenticeships but they are much shorter in terms of the duration, and in the care sector for example we have developed the programme in partnership with Health and Social Services for cadet nursing, and there is N.V.Q.s

(National Vocational Qualifications) which are still seen as a vocational qualification and delivered in various sectors, there are apprenticeship schemes in I.T. for example. So there is quite a comprehensive customer facing programme specific to the needs of the different sectors and in some cases it might be like in marine where some of the trainees go off-Island to receive their learning. So our contribution in that case would be to support the cost of getting off Island and returning to the Island again.

The Connétable of St. Brelade:

Is that still the case that support for off-Island training, that can apply to a multitude of things, probably specifically almost to finance where we are needing to bring in skills which clearly we are not going to have on the Island in order to take advantage of shall we say the Asian markets and such like?

Mr. S. Pritchard:

We used to run a programme called the U.K. Travel and Grant Scheme going back 5 or 6 years and that scheme was stopped by the previous committee because it was too broad and there were a lot of employers that were just tapping into it and were going to do the training anyway. That fund was then directed to specific schemes like the retail training network where we would bring in a specific trainer to deliver the training on-Island and then share that experience to a much broader audience, and the retail training network ran 3 or 4 highly successful programmes of which many hundreds, if not thousands, of individuals participated in terms of delivery of specific training needs.

Mr. A. Sugden:

Particularly on the apprenticeship schemes I think it is worth emphasising that through the Skills Executive there is an ongoing review taking place over the next few months to look at the kind of training provided as apprenticeships, i.e. are we providing the right kind of apprenticeship training, is it broad enough in terms of sectors, do we need to go into the health sector? Do we need to go into young carers, old carers? Is there any need to move into things like business and administration? So that will also look at the interface between the apprenticeship scheme and some of the proposals for the 14 to 19 year-olds on the Island where some of these students may be granted day release at the age of 14 to go into the college to do some pre-

apprenticeship type training and gradually grow the amount of apprenticeship work as they reach 16 and go on to 18 and 19. Something like that is a fundamental piece of work, it is about getting assurance that we are covering the right areas and producing the right people with the right kind of vocational skills for the future of the Island.

Mr. C. Kelleher:

Just adding to that, as part of the review generally an apprenticeship is based around level 2 and level 3 qualifications. Well, we are pretty much looking at starting afresh and looking at, well it is not just level 2, it is not just level 3, we might be looking at level 4. I mean people who tend to sort of go into the I.T. industry as a sort of pre-requisite need a degree but there is this certain amount of training that needs to be given, so maybe that is something that we need to be looking at, and it is literally just starting with a blank piece of paper and looking at it. The other thing we are going to be looking at is based around the Train to Gain in the U.K. Because of the make up of business on the Island with 75 per cent of the businesses employing 5 people or less we would be going out to talk to these small businesses to find out what sort of training takes place there and potentially undertaking the training in the workplace because if you have got 5 people in an organisation, it is difficult to just let one person out of the business, that is 20 per cent of the business down for a day, so the idea is to look at possibly doing something within the business.

The Connétable of St. Brelade:

Yes, I mean it is not only that but the -- and I think you are absolutely right and you have the loss of a person for a day but also the reduction of the efficiency of the member of staff who is training the apprentice has to be taken into account, so there is a bit of a double loss and I just see that maybe we have mileage in improving on the way that we deal with our apprenticeships.

Mr. C. Kelleher:

Absolutely, I mean the way we are looking at it has got to be a flexible system because not every size fits all. I mean you look at hairdressing, the system works very well because they are running a full-time course up there as well and when people leave the salons to go up to Highlands on a day release those who are on the full-time course are working in the salons. That might not work for the people say in the

construction industry or other places but it is nonsensical to be having facilities at Highlands where someone is building say a granite archway and it takes them 5 weeks on day release. You cannot use those resources particularly well over those 5 weeks, so we may be looking at some sort of block release. So we have engaged with employer representatives and we were talking before about how training works on the Island, one of things that was brought up is certainly in the construction industry is that the apprenticeship scheme has spurred on industry to undertake training themselves, so it has been very positive.

Senator P.F.C. Ozouf:

Just back to this cluster thing, I mean hospitality and I.T. are good examples where we have got some formal institutions, there is the Hospitality Association. I spent half a day up at the catering college up at Highlands and met all the young people that were on courses there, have been talking to hoteliers, there is a small village at work. There was a time when the catering school at Highlands was almost on its last ... the numbers were dwindling down to almost nothing. That has been reinvented, that has been completely reinvigorated and at Highlands the courses are well subscribed and they are providing -- there is a real new world of celebrity chefs and other people and Jamie Oliver and cooking and things and it is becoming a fashionable thing to do. Well, Highlands has responded. We are bringing the world of commerce. Fundamentally I think that economic development has to bring the world of commerce, the employment market, much more closely to the world of education and that is what we are trying to do. There is a debate about budgets. There is a debate about investment. We are probably putting more than what we thought of our E.D. budget into skills. That is fine. That is absolutely what we should be doing in terms of I regard that as a hand up for businesses, not a hand out.

Deputy J.A. Martin:

Can you break down the budget, Philip, and the staff? I mean I am getting very confused from the 3 Ministers and we just heard -- and second question, have you employed this new guy to head up the thing yet, because Social Security tell us it is going to go on live in September and we are not too far away? Some straightforward answers to ...

Senator P.F.C. Ozouf:

Yes, we have got the figures here.

Mr. A. Sugden:

I mean, we will show you the figures. The indicative revenue budget is as follows: Training and Provision £1.4 million, Advice and Guidance about £445,000 and Demand Capture £92,000

Deputy J.A. Martin:

Sorry, this is all coming from E.D., this part?

Mr. A. Sugden:

No, this is coming from across the 3 departments.

Deputy J.A. Martin:

Across the 3?

Mr. A. Sugden:

Training provisions predominantly from E.S.C., advice and guidance is a combination of E.S.C. and Social Security, demand capture is coming from E.D. which is £92,000 so a total of about £1.95 million.

Senator P.F.C. Ozouf:

That is redeployment of existing resources.

Deputy J.A. Martin:

That is for the Skills Executive?

Mr. A. Sugden:

Yes.

Deputy J.A. Martin:

Well, we have had £10 million mentioned, we have had £20 million mentioned.

Senator P.F.C. Ozouf:

That is in the Highlands College budget.

Mr. A. Sugden:

You put in the student grants, which is another £10 million, then you come up to nearer £20 million.

Senator P.F.C. Ozouf:

But the core skills executive of which the Skills Executive ...

Deputy J.A. Martin:

Right, fine.

Mr. A. Sugden:

In terms of F.T.E.s, 12 for advice and guidance and one for demand capture, 13 in total.

Deputy G.P. Southern:

That is the E.D.s?

Senator P.F.C. Ozouf:

Overall.

Deputy G.P. Southern:

That is 13.

Senator P.F.C. Ozouf:

As far as sending signals about the importance --

Deputy G.P. Southern:

That is not the answer we got last week from Education.

Senator P.F.C. Ozouf:

-- I am looking forward to the opening of the new centre that is going to be based at Philip Le Feuvre House, which is not a job centre, it is about a skills centre, it is about anybody can go in order to understand what opportunities exist in terms of improving themselves, changing their career path, et cetera.

Deputy G.P. Southern:

Is that going to be ready by September?

Senator P.F.C. Ozouf:

Absolutely. It is one of the early deliveries for the Skills Executive and I think very important.

The Connétable of St. Brelade:

Your executive, your officer appointment, has that taken place yet?

Mr. A. Sugden:

I mean the executive appointments are a process which we are going through at the moment. We have had one meeting with the Appointments Commission about Skills Jersey and we have met with them about the executive appointments so there should be an announcement very shortly.

Senator P.F.C. Ozouf:

But as far as the advice and guidance centre, that will be up and running and we are discussing at the moment ...

Mr. A. Sugden:

The Head of Advice and Guidance is currently the States Work-Related and Careers Learning Adviser.

Deputy J.A. Martin:

So there will not be 30 staff, or there could be 30 staff? Not from any shape or form -
- I mean this is just -- I mean, obviously my bit is either misquoted or misheard then.

Senator P.F.C. Ozouf:

What are his level of skills in maths?

Deputy J.A. Martin:

The Education Minister, I mean he said 12 of our staff in Careers and Guidance, 14 from Social Security which they have just told us is 5, and 3 or 4 from E.D.D. popping in and out. That sounds about more right. I mean that is ...

Mr. A. Sugden:

Certainly there is only one from E.D.D.

Senator P.F.C. Ozouf:

Can I just say one other thing which just may be interesting for you to just get a flavour of. The world is clearly moving towards all professions of having the need for continuing professional development. We saw last week the Medical Officer of Health announcing the fact that doctors are now going to have a requirement for continuing professional development. That is something that is going to be ... it is already in place for trust, it is already in place for accounting, it is already in place for a number of the financial services. One good way of looking also at it, just to put the other end of the scale, is law school and the way in which the development of training for lawyers help perhaps in Jersey. Received on Friday, been in discussion for a number of months, received a first draft of the proposal setting up an Institute of Law in Jersey but which will completely change the way that lawyers are trained, moving away from the simply work-based curriculums to a common curriculum for lawyers. A lot of consultation to be done on that, but certainly I think there is a lot of work we need to be doing to ... one of the key drivers of the success in financial services is our legal services sector, very good but it needs to move with the times in terms of continued professional development and the way in which lawyers are trained. Equality of access for training also. It should not be just about getting in to the right law firm in order to get your opportunity of getting a fast track -- because you have got a good curriculum base in that firm for your solicitor advocacy exams. So at that level as well we are looking at skills for our legal services sector and also legal training is a requirement for so many other sectors of the economy whether you work in trust, whether you are working in fiduciary, et cetera.

Mr. A. Sugden:

I think there are a couple of other initiatives for the higher level management skills worth noting. One is the high growth company scheme we have been piloting this year where 4 companies have gone through an advanced training programme covering all areas of business from sales, marketing, planning to strategic management. That is being reviewed at the moment and if it is successful we intend to roll that out. Another initiative worth looking at or thinking about is the work we are doing at the moment with Highlands, E.D.D. and the London Business School are looking at bringing their MLAB to Jersey as a way of ...

Deputy G.P. Southern:

Sorry, their ...?

Mr. A. Sugden:

MLAB (management laboratory) it is a world-renowned training scheme for senior managers and we are hoping that we can bring that to Jersey in some form in the near future.

Senator P.F.C. Ozouf:

Language skills, I could talk to you about the importance of language skills. London Business School identifying the need for further language skills, a subject close to my heart being the Vice Chairman of the Alliance Française delivering French language tuition. If we are going to extend the geographic reach of the financial services industry in Jersey a key finding of the LBS study is that we need to focus on language skills in order to be able to access and to be able to develop new European markets. Language skills are a requirement of that quite apart from Mandarin and other languages which Jersey will operate in.

Deputy J.A. Martin:

I totally agree. Just going back to -- I mean you are talking about some very high skilled level bases there and I was quite surprised to hear from Social Security already, and it is with a cautionary figure because they need to look and they have not gone through every application yet and obviously still, but they can at first glance identify 800 people who could be for no other reason, just on paper, they have not got

small children, they have not worked for a certain amount of years, could be skilled, should be skilled back into the work force and they will not, obviously, a lot of them be in the high finance but they could -- the retail where we draw in so many people from outside that these people -- I am glad to hear you say it will be from your side on the Skills Executive more carrot than stick, because you are not going to whip these people back into work, they need skilling up, they need confidence, they need a bit -- certainly need money to -- short term might cost you something or us as a government.

Senator P.F.C. Ozouf:

It is the stick in terms of the employer, it is the carrot in terms of the individual and I am already discussing with Senator Routier about ways in which that we at E.D. can help in terms of getting those 800 people or as many of them that want to work to that.

Deputy J.A. Martin:

If it is half of that ... those people.

Senator P.F.C. Ozouf:

For example I will not mention the name, we have had one of the big, how can I describe them? Construction ...

Mr. P. Bradbury:

We have had a large employment agency ...

Senator P.F.C. Ozouf:

We have had a large employment agency who were employing a lot of labour into skilled and non-skilled trades mainly in the construction industry but in fulfilment too. They in their licence application for their 3-year licence application we agreed with them that they would provide ... do you want to explain it?

Mr. P. Bradbury:

Yes, we put them in touch with the Social Security Department who worked with Jersey Enterprise and we conditioned that the licence they take individuals as assessed

as appropriate from Social Security Workwise Scheme, so there is a suggestion and indeed other supporting employment schemes. So the condition on the licence is that they work with Social Security, that they take these people on, that they place them and on that basis they can have their non-locals, and that is a short licence which will be reviewed.

Senator P.F.C. Ozouf:

So I am looking at whether or not we need to provide some fresh start training, so if somebody that has been out of work for a period of time, if they need a fresh start in terms of updating their I.T. skills, getting a computer driving licence, getting some basic word processing or some spreadsheet ability, some I.T. skills or whether or not they can get some basic training with a construction firm, we need to be able to give individuals the opportunity of being able to get back into the workplace if they want.

Deputy G.P. Southern:

Do Social Security not already offer this? They seem to think they do.

Senator P.F.C. Ozouf:

They do, but we have to ensure that we are absolutely joined up and we have got to encourage employers in order to provide those -- it is about providing the education, it is about having the right Highlands course available for people, it is about providing the right childcare arrangements for those that need childcare and having that joined up, it is about having education, putting the course on, and it is about the world of employment providing them with the day release of the opportunities of getting back in the workplace. That is an example of an absolute requirement of being joined up between Social Security, Economic Development and Education. It is a tripartite process and we will drive it.

Deputy J.A. Martin:

I just want to go, just finally then on the youth and Social Security have said under the new Income Support because there is a financial benefit more people are signing on who may have dropped out of school at sort of 15 or 16, and just not been able to go anywhere, but I mean I appreciate what you said about the elderly 70 year-old woman doing flexi hours and it could be in fulfilment. What I do not want to see is the 17 or

18 year-old youths told: “That is where you go”, and bored rigid and out of work within about 4 or 5 weeks because they cannot -- you know, there is something that -- it is all right for a few hours a day but ...

Senator P.F.C. Ozouf:

Absolutely, and we want a society in which people are motivated and encouraged to reach the potential that they have. Everybody has potential, whether or not it be somebody working in construction, whether or not it be somebody working in fulfilment that may start, they may become a manager and getting involved in marketing, you need to motivate people, you need to excite people that there are interesting job opportunities. We do not want people simply stagnating. We want to open the world of opportunities that exist. I dealt with a young -- and I am dealing with a likely appeal for a young person that dropped out of school for whatever reason and is now trying to get on to a foundation degree in the U.K. Education is saying they are not going to fund it. I am saying: “Education, why are you not funding it? Why are you not giving this person ...” for whatever reason they dropped out of school 2 or 3 years ago but now want to get back into education and get back into a meaningful, enriching job. That is the kind of ...

Deputy J.A. Martin:

Yes, but this is the kind -- as you say it is great and you talk the talk and you sound like it is fine, and you are already rowing with the Education Minister on a different level and all you people have got to work together, hopefully singing -- about this one case. I mean, you know, you have all got this Skilled Executive ...

Senator P.F.C. Ozouf:

It was not a row. It is a very good example ...

Deputy J.A. Martin:

All right, a disagreement, then.

Senator P.F.C. Ozouf:

No, it is not. It is a policy that might need to be changed in which they are all ears and we have identified it ...

Deputy J.A. Martin:

I do not want this Skills Executive to be talking all ears what you are saying and not the other 2 Ministers.

Senator P.F.C. Ozouf:

It is not an argument, the rule says that they cannot access this course in the U.K. because it says you have to have that. Education have said: “Absolutely right, we need to change that rule, we need to give this person the opportunity.” They need to get through their first year and they need to show that they are going to stick to it, but that is the right incentive in order to do it.

Deputy G.P. Southern:

I am hearing a great deal of fine words about working together and joining up of 3 Ministers now. I see those same words in documents in front of me around T.E.P. and the new initiatives that we need to do in the future from 2002 and 2003. The impression that we have got is that it has taken an awful long time, since 2002, 2003, certainly since 2005 we had brand initiative, Skills Executive, and here we are in 2008, we are still not up and running. It has been a long time. How are you going to respond? Has this taken too long?

Senator P.F.C. Ozouf:

First of all your last report on Jersey Finance I regret that you basically made a number of recommendations and you pored over a world which has long since passed. I am responsible and you can hold me accountable for decisions of Economic Development since 2005 and I stand accountable and responsible. We have done a great deal to bring the world of education to the world of work. Notwithstanding the absence of a structure of T.E.P., we have delivered lots of initiatives of which we have discussed some. We have recognised there is a need to do more. You can judge us on the results, you can judge us on our unemployment numbers, you can judge us on the opportunities that exist in jobs, you can judge us on the different courses that we have done, whether that be the cadet scheme for nurses, whether it be the undergraduate training scheme. We have done a lot. I want to formalise some of these arrangements in the terms of the Skills Executive. Yes, government moves

reasonably slowly in relation to setting up structures. It is the structures that will ensure that we move to the next level in terms of skills awareness. I am very confident that we in the last 2 to 3 years have done more in bringing the world of work to the world of education. Raising awareness of what needs to be done and in the absence of structures we have done a great deal and you can judge us from the actual facts, judge us from the economic results, judge us from productivity, judge us on the opportunities that exist. There are not many people who I think who were at Highlands or who are seeking work that cannot get it.

Deputy J.A. Martin:

I totally agree and you are now the third Minister who is in this 3-way partnership and we have heard 3 different versions, but I like your version better, but I hope that will be the version that we get. I mean that is what we will be judging you on.

Senator P.F.C. Ozouf:

It is the Skills Executive.

Deputy J.A. Martin:

Yes, but you have got one person in there and the over-arching guy has not even been employed yet.

Senator P.F.C. Ozouf:

I think there is -- I think the truth is that Social Security have done an awful lot in relation to income support and providing the right system that will get more people into work and value work. Does there need to be more investment in the incentive to work? Yes, there does. That is a discussion for the Council of Ministers and for the States over the next 12 months. Does there need to be more work and is there a lot more work to be done with education? Yes, there is. I would be wrong if I was to say there is not. Is there a world of bringing Highlands much more closely to the world of enterprise, of understanding what we need to be doing with Highlands? Is there a discussion about exactly what we do with the business school, financial services school, law school? Yes, there is. Those discussions about Highlands have started. I met the board and I have had excellent discussion with the Chairman of the Board, with the Education Minister by my side at Highlands about what needs to be done in

that area. There is a lot more work to be done in education, there is no doubt about that.

Deputy G.P. Southern:

There is an absolute centrality about the role of Highlands within the Skills Executive.

Senator P.F.C. Ozouf:

Absolutely.

Deputy G.P. Southern:

No risk of marginalisation?

Senator P.F.C. Ozouf:

Highlands is at the very heart of what we are trying to achieve here but I think that there needed to be some improved relationship between Highlands and Education in the past, going back 2 to 3 years. A lot has been done in terms of improving that relationship. Highlands is not simply ...

Deputy G.P. Southern:

With you?

Senator P.F.C. Ozouf:

No, with all of us. Highlands is not a secondary school.

Deputy G.P. Southern:

No, never was.

Senator P.F.C. Ozouf:

But you could say and I mean there are some hard questions about the amount of money that Highlands is spending on effectively on giving a number of our 16 to 17 and 18 year-olds basic numeracy and literacy skills and there are some tough questions to ask about why we are in this position that Highlands need to be spending so much money on basic literacy and numeracy.

Deputy J.A. Martin:

I totally agree.

Senator P.F.C. Ozouf:

There is some -- as politicians we need to be shining the torch deep into education in the next 2 to 3 years to ensure that we have got an education system which gives people the option of the education that they want and creates the motivation that everybody reaches their own potential, and are we succeeding to the extent that we want to or is commensurate with the investment that we are making in education? I think there is a debate to be had.

Mr. R. Kenyon:

Yes, I wonder if I could just follow up on that and it in a way goes back to something which I think you were saying earlier and it is about whether they were talking about apprenticeships and the education system and you talked about is there a review of apprenticeships and you mentioned very briefly looking at kids who are not -- you know, one size does not fit all in the education system, the 14 to 16 -- do you have young apprenticeships in your mind? You know the U.K. involvement with diplomas at the moment. Is that the sort of -- I notice your wry smile, they are an important part of the education system in the U.K. going forward. They start in a few months' time. Is that the sort of -- because the danger is that young people are pushed the academic route and if they do not succeed in the academic route they are almost written off. How are you going to pick that up, as that is part of -- well, the Minister is saying that they want to fulfil their potential. It is that potential I think which is important.

Mr. S. Pritchard:

One of the -- as you are rightly saying with the review of the Jersey apprenticeship scheme we are looking at an apprenticeship scheme that will start at the age of 14. The young apprenticeship scheme tends to be for the young and gifted. It is for those who are likely to go off and do engineering ...

Mr. R. Kenyon:

I do not mind the word “gifted” being associated with apprenticeships. We should not regard this as just way down there, it should be something which is held in esteem, that is the problem.

Mr. S. Pritchard:

The U.K. Government seems to be looking at the route of apprenticeship, academic routes or diplomas. The diplomas are something that we have been looking at, that is something which Highlands College should be looking at at this moment in time. The idea is that we will be looking at starting an apprenticeship scheme from 14, giving people a taster of the various sectors there are and applying practical knowledge to the theory-based qualifications of English and maths.

Mr. A. Sugden:

There is already a pilot going on where a group of students has been released from Haute Vallee School one day a week to go to Highlands and do some pre-apprenticeship training. I think that has been evaluated and if it is successful then they are looking to do more of that.

Deputy G.P. Southern:

They are very positive about the outcome.

Senator P.F.C. Ozouf:

Particularly one of the things that you will know is that we are working as hard as we can on the diversification agenda. There is a real opportunity for Jersey in the e-Commerce, I.P. (Intellectual Property) space and in our small world we are harnessing and getting together all of the I.T. players in order to try and chart what the I.T. industry, what the e-Business, e-Commerce world of Jersey will be out 5, 10, 15 or 20 years. We need to open young people’s eyes up to those opportunities and start getting them on to the right courses and the right vocational or foundational degrees, diplomas, whatever it is, in order to be able to harness that opportunity that exists for Jersey. I.T., I.P., e-Commerce, e-Business, is one of those cluster areas where we think that there is a lot of work to be done, business, strategy, law.

Mr. A. Sugden:

We started a series of work looking at enterprise and education and we have been talking with all of the careers teachers and business teachers together in a room, receiving some training, very recently, and as a result of that we have now secured quite a high level of engagement. We are hoping that in November this year we will have the first enterprise week here in Jersey where young people will have specialist enterprise training. People will then start going into schools, businesses will start going into schools to talk about the different options that children have as they go through the education process. So it is not all about turning out people who are going to university.

Senator P.F.C. Ozouf:

Or people who are going into finance.

Mr. R. Kenyon:

Yes, sure. I mean the advantage of diplomas is that it has got employer input for the first time in which the qualification which the young person leaves education with is something designed by employers. That is its major strength, I would say.

Deputy G.P. Southern:

Could I just round off on a question that has been bugging me? Jersey Business Venture, where does that fit into the whole structure of what is going to happen next?

Mr. A. Sugden:

Jersey Business Venture is currently supported by the department to run a series of business support and advice programmes primarily for trades people starting out in business, so business offering advice, business support. They are running parallel services to Jersey Enterprise.

Deputy G.P. Southern:

They are running parallel services?

Mr. A. Sugden:

Different sectors.

Deputy G.P. Southern:

Why?

Mr. A. Sugden:

Because some people do not want to necessarily work with an organisation that is related to government. Sometimes they might want that independence and confidentiality and not work necessarily with a government-sponsored organisation.

Deputy G.P. Southern:

I have never understood it always seem to be out there on a little limb and making these big strides forward with the Skills Executive and they seem to have been ...

Senator P.F.C. Ozouf:

Jersey Business Venture is there effectively to provide business advice and business support and completely out of the space of the government. While we pay for them effectively they are completely non-governmental. They are almost like they are at arm's length. They are like the Consumer Council. They are at significant arm's length, whereas Jersey Enterprise is part of Economic Development although we are creating -- I mean there is a purpose in creating a different name and a different brand in order for it to be acting almost like an agency. Jersey Business Venture, they have had their budget increased this year by the way, we are giving them additional support because we think that small business need it and they make a very good case for it, and we are getting -- they provide a very, very good service within their own market. There is a bit of crossover, there is some crossover between Jersey Enterprise and J.B.V. (Jersey Business Venture) but J.B.V. now are kind of working out exactly what the different markets are and I think you will find they are very happy. The board is an independent board as well. So small businesses and people.

Deputy G.P. Southern:

Are you still having problems finding the employer representative to head up your own board?

Senator P.F.C. Ozouf:

We are working hard on it.

Deputy G.P. Southern:

So, yes?

Senator P.F.C. Ozouf:

We are working hard on it. It is important that the people on the board are -- believe with a passion the kind of things that we are wanting to do, so we want people who have a proven track record and walk the talk, and I am very confident that we will get a great group of people.

Deputy G.P. Southern:

Okay. Anybody else? Okay, thank you very much.

Senator P.F.C. Ozouf:

What is the timing of your report? Any idea?

Deputy G.P. Southern:

September, I hope.