



# **Economic and International Affairs Scrutiny Panel**

## **Quarterly Public Hearing**

### **Witness: The Minister for Economic Development, Tourism, Sport and Culture**

Wednesday, 10th November 2021

**Panel:**

Deputy D. Johnson of St. Mary (Chair)

Senator S.W. Pallett

Deputy S.G. Luce of St. Martin

**Witnesses:**

Senator L.J. Farnham - Minister for Economic Development, Tourism, Sport and Culture

Deputy K.F. Morel of St. Lawrence - Assistant Minister for Economic Development, Tourism, Sport and Culture (1)

Deputy H.C. Raymond of Trinity - Assistant Minister for Economic Development, Tourism, Sport and Culture (2)

Mr. R. Corrigan - Director General, Economy

Mr. D. Houseago - Group Director, Economy and Partnerships

Mr. A. Scate - Director General, Infrastructure, Housing and Environment.

[10:54]

**Deputy D. Johnson of St. Mary (Chair):**

Good morning, everyone and welcome to this hearing of the Economic and International Affairs Scrutiny Panel for a public hearing with the Minister for Economic Development and his team. I begin as usual with introducing the panel which consists of myself, Deputy David Johnson, Chair.

**Deputy S.G. Luce of St. Martin:**

Deputy Steve Luce, the Deputy of St. Martin, Vice-Chair.

**Senator S.W. Pallett:**

Senator Steve Pallett, member.

**Minister for Economic Development, Tourism, Sport and Culture:**

Senator Lyndon Farnham, Minister for Economic Development, Tourism, Sport and Culture.

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

Deputy Kirsten Morel, Assistant Minister.

**Assistant Minister for Economic Development, Tourism, Sport and Culture (2):**

Deputy Hugh Raymond, Assistant Minister.

**Director General, Economy:**

Richard Corrigan, Director General, Economy.

**Group Director, Economy and Partnership:**

Daniel Houseago, Group Director, Economy and Partnership.

**The Deputy of St. Mary:**

Okay, thank you for coming to what is a deferred hearing from some time ago.

**Minister for Economic Development, Tourism, Sport and Culture:**

Sorry, Chair, we are joined online by Andrew Scate.

**Director General of Infrastructure, Housing and Environment:**

Andy Scate, Director General of I.H.E. (Infrastructure, Housing and Environment).

**The Deputy of St. Mary:**

My apologies for interrupting. Yes, again, this is a deferred hearing from some time ago and we do have a fair bit to get through in a shorter time, thanks for your co-operation. Can I begin please with the COVID-19 and the events industry co-funded payroll schemes? The final stage of the reconnection strategy was implemented on 26th of August last, including the reopening of night clubs and stand up drinking in pubs and bars. To what extent do you believe consumer business confidence has now returned to the industry as pandemic restrictions have eased?

**Minister for Economic Development, Tourism, Sport and Culture:**

I think confidence was returning well. The economic performance, I think, underpinned that when we started seeing the 2021 figures. I think, though, the confidence is fairly delicate at the moment given the fact that many businesses and Islanders are keeping an eye on case numbers and potential mitigations, and the impact of those mitigations that could follow. Hopefully they will not because we are all vaccinated and boosted so the community is just about as protected as it can be but I would think confidence is still there but business is watching the situation closely.

**The Deputy of St. Mary:**

Leading on from that, to what extent do you believe that recent large gathering events, such as the Out-There and Electric Park Festivals have improved that confidence?

**Minister for Economic Development, Tourism, Sport and Culture:**

I think they have played an important part in helping society and the community return to some sort of normality. Electric Park is the one I am thinking of in People's Park. I attended that, as did many other people here today. It was a fantastic event. It was extremely well attended, so not only gave the people that organise these events confidence but also Islanders demonstrated the fact that they were pleased to be able to go out and socialise again in that way by the sheer numbers in which they turned up to it.

**The Deputy of St. Mary:**

Thank you. In more general terms, are there any areas in the economy where you believe this consumer confidence remains low or uncertain?

**Minister for Economic Development, Tourism, Sport and Culture:**

I think the smaller events, hospitality and retail sectors are susceptible to peaks and troughs in business with mitigations. For example, the recent Government announcement with the strong recommendation to wear masks in public places will certainly have had an impact on these businesses because they are already hearing ... there is already evidence of cancellations in bookings, given the recent announcement with masks and numbers rising and the late bookings towards Christmas. I think certain members of our community err on the side of caution when case numbers increase. So we are not out of the woods yet in terms of that. So there is still some vulnerability there.

**The Deputy of St. Martin:**

Minister, one of the increases must be down to the fact that we are not testing at the airport? I realise that a number of the positives are coming in as travellers and visitors. It was not required particularly but nevertheless those people who will have tested positive on arrival are now out in the

community potentially spreading COVID if they had it. What advice were you give before the Competent Authorities made the decision to close the testing centre?

**Minister for Economic Development, Tourism, Sport and Culture:**

So the testing centre is not closed, it is still operational.

**The Deputy of St. Martin:**

Sorry, the testing on arrival is what I should have said.

**Minister for Economic Development, Tourism, Sport and Culture:**

Okay, well testing on arrival still takes place for those Islanders or visitors arriving who have not been fully vaccinated. They are still tested. If you have been fully vaccinated or can provide a pre-departure negative test then it only applies to that group of people. Testing is still in place and the advice from S.T.A.C. (Scientific and Technical Advisory Cell) was in relation to those people being fully vaccinated who are well-protected given the ... they are least likely to contract COVID and they are least likely to pass it on. Of course we know that you can still catch it and pass it on but, of course, the level of protection decreases the risk considerably. It was on the back of that advice that the Ministers made the decision.

[11:00]

**The Deputy of St. Mary:**

On a particular aspect, the Minister for Treasury and Resources recently announced plans to further defer payment of social security contributions and G.S.T. (Goods and Services Tax) payments from businesses following the recent financial aid package. A few questions arising from that. Are you able to advise how many businesses' social security contributions are less than the value of the financial support that they receive?

**Minister for Economic Development, Tourism, Sport and Culture:**

Sorry, can you repeat the question?

**The Deputy of St. Mary:**

Can you advise how many businesses' social security contributions are less than the value of the financial support they received through the co-funded payroll scheme?

**Minister for Economic Development, Tourism, Sport and Culture:**

I am not sure I understand that question. I think the answer is, off the top of my head, no, without having notice of that question.

**The Deputy of St. Mary:**

We will follow that up later. Again, how businesses fall below the threshold for the payment of G.S.T.?

**Minister for Economic Development, Tourism, Sport and Culture:**

I do not have that information.

**The Deputy of St. Mary:**

Okay, and again are you able to give any indication as to how you see the deferral of social security contributions and payments being able to sustain effective businesses throughout the winter period?

**Minister for Economic Development, Tourism, Sport and Culture:**

I think the deferrals of G.S.T. and social security following quarter 1 are very welcome news but we must remember that is really assistance with cash flow because these payments are due to be repaid after 5 years. It is not a direct financial support in the way payroll was, for example, but still very important to help businesses deal with the cash flows issues they have been facing. We are also keeping in place until March of next year the fixed cost support scheme, the visitor attraction and events scheme and the visitor accommodation scheme. Those 3 schemes are still in place.

**The Deputy of St. Mary:**

Obviously the events industry is among the hardest hit, do you think that will be enough to keep them afloat until business returns in the spring?

**Minister for Economic Development, Tourism, Sport and Culture:**

We do believe that. I think it is important to just reiterate that all of the support throughout the pandemic has been aimed at protecting jobs and helping businesses to get through to the other side. On top of that there has been changes in the way people are wanting to participate and attend. There is a lot more emphasis now on digital conferencing and so forth. I think the behaviour has changed somewhat so it is going to create a longer term challenge in events and we must keep a close eye on that - in general I think we have the support still in place until next year - to make sure it is sufficient to help these businesses and get them through to the other side.

**The Deputy of St. Martin:**

Just looking ahead, Minister, if that support continued, let us say, for all of next year or maybe even further than that, some of these businesses would then be faced with a social security bill which would basically be trying to repay the double amount or a considerable amount over a short period

of term. The 5 year payback time, is that 5 years from the date it would have been paid or is there an end date? Does the 5 years come after the start of COVID or ...

**Minister for Economic Development, Tourism, Sport and Culture:**

There is a 2 year recovery period, okay, where no repayments are due and then there is 3 year repayment window allowed.

**The Deputy of St. Martin:**

Okay, do you see the need to be more flexible moving forward because obviously some these businesses have had deferred payments for some time, there are ongoing deferments, and in all that time those monies owed, if you like, are accruing, they are building up and they are increasingly a source of worry to businesses that they will have a relatively short period of time to pay back what is going to be quite considerable amounts of money? Can we be assured that there will be flexibility?

**Minister for Economic Development, Tourism, Sport and Culture:**

I think we can. Ultimately it is up to other Ministers, Treasury and Resources and Social Security, the final decision on that. But we have been flexible right throughout the pandemic and we have undertaken to remain flexible in line with changing conditions. I think that it would be unlikely and unacceptable not to be flexible as we move forward. Those are the timelines. We had to put some timelines in place now so businesses could have a good idea of what they are working to. Yes, I am pretty sure we will keep that flexibility in place. It would be unthinkable to have helped all these businesses through the pandemic and then not give them a bit of extra time if they need it on the home straight, as it were.

**The Deputy of St. Martin:**

The next subject we wish to talk about is the Corn Riot celebrations. The Minister, or maybe the Assistant Minister, was very clear when they said how important arts and culture was to our recovery from COVID. Can I just ask the Assistant Minister, is there a quantified factor with regards to recovery from COVID when it comes to arts and culture? Can you put a number on it, the benefits of the work you are doing with arts and culture?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

Are you looking for a financial number? I do not have one but I am happy to find out.

**The Deputy of St. Martin:**

Okay, maybe you could do that. But do you see how the impact of COVID has changed the Government's strategy towards promotion of cultural events?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

I think the Government, in my view, are more understanding now of the importance of cultural events. I think the Corn Riots festival was seen as the first big, organised event that took place, in which got people together in a number of different places interacting with each other. The Government see the importance of that, the celebratory element of it and the importance it has from a welfare perspective and a community perspective. The Corn Riots also had the element of learning about Jersey's history, which I also think is important but at a time like this when we have all been in our homes for months and months on end, the idea to come together as a community, learning about Jersey's history and celebrating Jersey's history I think the Government recognises this.

**The Deputy of St. Martin:**

Just looking ahead, before we move over to the arts strategy questions, to next year. Her Majesty has a very special jubilee celebration, are we planning ahead to do something? I am not aware of any announcements yet.

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

No, neither am I aware of any announcements but I know that funding is available within our part of the Government Plan to enable celebrations for the jubilee next year.

**The Deputy of St. Martin:**

Thank you.

**Senator S.W. Pallett:**

Just a question on the arts strategy, Minister or Assistant Minister, the Government Arts Strategy 2020-2027 was launched on 20th August and we know that within it that there is scope for a new art infrastructure at venues, including waterfront, old hospital site, Fort Regent and the Odeon Cinema. What factors are you considering to determine the viability of using these locations for potential arts and culture installations?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

There is a wide range of factors. Future availability is a really important one and there are so many options with the Government ownership in the departments, so we are working out way through that tangle of things. We had a discussion yesterday about Fort Regent. Obviously there are medium and long-term plans for Fort Regent.

**Senator S.W. Pallett:**

Are you flexible in terms of the some of the locations that you might look at moving forward?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

Absolutely. I think, number one, that issue creates an interesting and innovative environment where you are being flexible. A question we were posing yesterday in the meeting to new operating bodies, et cetera, was in the short-term can we do something temporarily in Fort Regent using the moats on the outside, this sort of thing. So while there is maintenance going on inside to set up a kind of pop up cultural area, that sort of thing. So that creativity and innovation is definitely what we are talking about because it might well be the case that while there are longer-term plans, the master plan is the possibility of a cultural centre and certain things like ... I hesitate to say it but things like the current general hospital, the old building, I do not know what the plans for that but in the long-term that may be available as some sort of building that the cultural community can use. We are yet to find out. But in absence of any certainty about those sorts of sites, using temporary sites I think is going to be important.

**Senator S.W. Pallett:**

Just a supplementary around an event space, in particular concert venue space, obviously the plans for Fort Regent we are going to come on to a bit later but there is some intention to decant it at some point. Do you have any planning in place in regards to what we might use for events while the port is being developed to whatever it? It might be a concert venue, we do not know. What plans have you got in place if we take Fort Regent out to provide a concert venue where we can hold 2,000, 3,000 seat concerts, for example?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

At the moment the only plans we have are at the existing facilities, so they would be the R.J.A.H.S (Royal Jersey Agriculture and Horticulture Society), the Opera House when it comes online again towards the end of next year and there are smaller venues such as some of the schools, like Les Quennevais and Hautlieu have facilities for concerts and actual performances that can be used. Basically it is using the existing infrastructure.

**Senator S.W. Pallett:**

So the larger concerts, I am thinking of some of the comedians we have had here, some of the pop groups, that could be problematic?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

It could be problematic, I think, in the short term, absolutely.

**Assistant Minister for Economic Development, Tourism, Sport and Culture (2):**

Could I just come in there? We are working together, Senator.



**Senator S.W. Pallett:**

I would be disappointed if you were not.

**Assistant Minister for Economic Development, Tourism, Sport and Culture (2):**

You know what I am getting at. Fort Regent has so many different hats and that is slightly causing our problem with COVID and everything else. The Assistant Minister and myself are very close together on this because we are all trying to achieve the same thing. It is the most positive thing, I have to say, that I have seen for some time. It is looking good but every time we move forward we then suddenly get: "We have a slight problem because of maintenance" or we got COVID and that does cause a problem. The same with the tenancies of the people in Fort Regent.

**Senator S.W. Pallett:**

We have some specific questions on Fort Regent.

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

That is why the discussion I was having yesterday was about using the outdoor areas of Fort Regent because the interior is going to be out of action for some time.

**The Deputy of St. Mary:**

Switching topics, can we look at the question of hotel beds? Minister, at the last quarterly hearing on 30th July you advised that you believed Jersey should be doing much more to encourage new build and finding new builds in relation to hotel developments. Will the tourism strategy for early next year establish how the Government plans to encourage such new build?

**Minister for Economic Development, Tourism, Sport and Culture:**

Yes, it will. I think an important aspect of that will come as well when we debate the Interim Island Plan. It is important we allow for conditions to prevail that encourage investment and development in the tourism sector. I am not sure we want to discuss the Interim Island Plan now but another way we can assist in the States of Jersey is looking at some of our States owned land, ultimately, albeit not through the States of Jersey Development Company and the Ports of Jersey, and encourage those organisations to allocate some commercial space for those investors who want to invest in new build hotels. At the moment it is challenging because there is a housing shortage so the focus is on new homes and the highest return for a piece of land you get at the moment is residential. So I think those are the challenges we are facing.

**The Deputy of St. Mary:**

Are you concerned about the number of hotel beds available at the moment? Or lack of them possibly?

**Minister for Economic Development, Tourism, Sport and Culture:**

I am not concerned at the moment because we still have capacity in the sector. We have approximately 10,500 registered beds at the moment. That is compared to 24,000 somewhat in 1992. We have seen a significant change in the type of accommodation we have available now. We have got fewer beds but many more of them are in the 4 and 5 star markets, which is responding to visitor demands.

**The Deputy of St. Martin:**

There must be a point, Minister, where the hotel bed numbers fall to what we might regard as a critical level and airlines, ferry operators and tour operators may say Jersey is not an attractive destination anymore because they just do not have the bed nights. Do we know what that point is?

[11:15]

**Minister for Economic Development, Tourism, Sport and Culture:**

That is something the tourism strategy will address and we are looking closely at that now. But, interestingly, one could ... it is a fact that during the period of decreasing bed numbers we have seen significant increases in airlinks in relation to new airlines coming on board, the arrival of easyJet is a good example. So despite the reduction in bed numbers, we are still very well served by air and sea links, perhaps more so airlinks. That underpins the point that Deputy Luce made, that underpins the reason why we need to support and promote tourism because there are so many benefits to the rest of the economy, society and the community by retaining the strong air and sea links we have. Absolutely right, if we go below a certain number - we are not quite sure what that number is - then we will start to see an impact on that. It is an important piece of work.

**The Deputy of St. Martin:**

We see people booking holiday destinations with Airbnb and not using hotels anymore, do we know how many Airbnb beds we have in Jersey?

**Minister for Economic Development, Tourism, Sport and Culture:**

As of June 2021 there were 180 Airbnb properties.

**The Deputy of St. Martin:**

Is that properties or beds, do we know?

**Minister for Economic Development, Tourism, Sport and Culture:**

A mixture of both. One of them was a boat in the harbour, for example. I am not sure how many berths that was.

**The Deputy of St. Martin:**

Is a boat in the harbour not ... I would not say illegal but I do not think the Harbourmaster allows Airbnb boats to ...

**Minister for Economic Development, Tourism, Sport and Culture:**

That would be a question for the Harbourmaster.

**The Deputy of St. Martin:**

Before we just move on to conference facilities, the tourism strategy for Q1 next year, is that on time?

**Minister for Economic Development, Tourism, Sport and Culture:**

I believe so. I am due an update from relevant officers. I can give more detail on that. Perhaps we should share our work with Scrutiny some time in the future.

**The Deputy of St. Mary:**

Before we go on to conference, which is obviously related, you talk about Airbnb, there was, some years ago, a draft new tourism law which was covering Airbnb and the no regulations around it. Is that going to be addressed in the new tourism strategy?

**Minister for Economic Development, Tourism, Sport and Culture:**

Yes, it is all being bundled, if you like, the potential changes in the 1948 law, as amended, many, many times over the years. It will all be considered under that, the new strategy, and I think potential changes to that law will come out of the strategy.

**The Deputy of St. Martin:**

One hundred and eighty Airbnb properties, let us assume they are properties, do you know what the number was 12 months previous to that? I guess the question is are we seeing the continued growth of the number of Airbnb properties in Jersey?

**Minister for Economic Development, Tourism, Sport and Culture:**

In 2016 the number of properties on Airbnb was 70 so that has increased to 180 in 2021. I probably could provide the breakdown ...

**The Deputy of St. Martin:**

As part of it obviously we lose and are continuing to lose hotels, the bed numbers I know are something which airlines look at. I think it is important to make sure that we can show that we do have a viable number of hotel beds in Jersey or accommodation beds in Jersey so that they know if they put these routes on we will be able to provide ...

**Minister for Economic Development, Tourism, Sport and Culture:**

Absolutely. That is why it is important that we provide the right level of support to what is essential infrastructure during the pandemic.

**The Deputy of St. Mary:**

Just on Airbnb, the figure you have given, the 180, on what basis did you calculate it? Is there a registration process for Airbnb?

**Minister for Economic Development, Tourism, Sport and Culture:**

No, there is not.

**The Deputy of St. Mary:**

So how do you arrive at the figure?

**Minister for Economic Development, Tourism, Sport and Culture:**

Officers compiled that figure. I would have to check them how they arrive at that.

**The Deputy of St. Mary:**

We do not know whether it is properties or beds or what have you?

**Minister for Economic Development, Tourism, Sport and Culture:**

It is properties. It is definitely the number of properties. So I do not have the information in front of me as to how many beds are in those properties. I am not sure that information can be readily gleaned from Airbnb, but it is also probably worth mentioning that apart from the bed figure that I have given there, it is exclusive of any accommodation that is not required to register under the Tourism Jersey Law, which is Airbnb, accommodation that houses less than 6 persons in total. So there are a lot of properties that are not on Airbnb but they sell self-catering holidays and provide rooms through tour operators and holiday companies. I estimate there is possibly in the region of 500 beds outside of our tourism law which are available.

**The Deputy of St. Mary:**

Before we leave that subject again, I assume that will address the balance between providing Airbnb and also loss of our accommodation to local people?

**Minister for Economic Development, Tourism, Sport and Culture:**

The Airbnb situation I think transcends a number of laws that will have to be amended to work out how we regulate that. We certainly have to, I think, keep a sensible option and not allow it to continue to grow exponentially because not only does that have implications for the tourism sector ... and at the moment at this level I think it is helpful because it is certainly bringing in incremental ... but we have to be mindful of the fact that we do have a housing shortage and we must not allow that to take away homes that could be available for Islanders.

**The Deputy of St. Mary:**

So will the new tourism law address that point or is there going to be further legislation addressing that whole sector in isolation?

**Minister for Economic Development, Tourism, Sport and Culture:**

There will have to be a number of legislative changes to a number of laws, as I understand it. But that depends on how the States or the Government decide to approach that and how to regulate it. All of that will be addressed in the tourism strategy.

**The Deputy of St. Martin:**

Can I ask in this tourism strategy will there be a section of it which addresses the lack of conference facilities in Jersey at the moment? Or is that a decision that has been taken that we will not go down the conference road?

**Minister for Economic Development, Tourism, Sport and Culture:**

I think conference and events are an essential part of our tourism marketing, in terms of weddings, celebrations and, even more important now, in the commercial basis. There are extra challenges from commercial meetings because of the development and progress of the digital technology throughout the pandemic. I think it is a key part of our future, including sports tourism. We have seen how beneficial that can be with rugby for example.

**The Deputy of St. Martin:**

I cannot disagree with that, Minister, and I think not only do conferences obviously attract large numbers of people but some of our big events in Jersey could do much more. I am thinking of the Motoring Festival, Jersey Rally, Battle of Flowers and Battle of Britain. The Battle of Britain attracts a large number of people to Jersey to see the planes. Do you think it is time that we invested some money in something like the Motoring Festival and made it into a much bigger and longer event to attract people here for a week or 10 days?

**Minister for Economic Development, Tourism, Sport and Culture:**

Rather than single out individual events, I certainly agree with the principle of that. Visit Jersey have a sub-division, Events Jersey, and we need to look closely at how we fund that and how they allocate and support bigger events. The brief of Events Jersey was to seek and help to deliver the larger events predominantly throughout the shoulder months. That is where we really want to develop, mid-September right through to March, April time. That is fertile ground for event development to fill beds and sustain transport links in the shoulder months.

**The Deputy of St. Martin:**

You do not see, necessarily, a need to revamp or rebrand the Battle of Flowers closer to the tourist season?

**Minister for Economic Development, Tourism, Sport and Culture:**

Having been a former President and Chair of the Association I am very mindful to the political sensitivities because Battle of Flowers goes way beyond being a visitor event, it is part of our culture and our community. I am not deferring it but that is the question. I know the committee, past committees and future committees are always looking at ways to maintain that important event and see it develop and evolve.

**The Deputy of St. Mary:**

Going back to the Vice-Chair's basic question on conference facilities, as you are aware, I was involved in a conference where they wanted only 90 beds and I think there were only 2 potential venues for that. Is that area which you are trying to encourage or to produce more?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I think part of the redevelopment plans for Fort Regent is to create indoor facilities that can hold up to significantly higher numbers than we can indoors at the moment. That is something that is a relevant investment for the taxpayer. If we start creating demand for hotel rooms then the private sector will produce and build hotels, so I cannot see the strategy suggesting that we have Government hotels or provide financial support into the building of hotels. We could, for example, with Fort Regent. Part of the plan is to allocate some of the land within the complex to a hotel facility and that will be funded, developed and operated. I hope that part of the tourism strategy will focus on pushing hard for events throughout the shoulder months, including the winter, and then encourage some more land allocation, some States-owned entity and States property for the private sector to develop.

**Senator S.W. Pallett**

So from the comments that the chief executive of the Ports made, you would see them providing the land but being potentially privately built? He was saying that there is scope within Ports of Jersey property to maybe develop ...

**The Minister for Economic Development, Tourism, Sport and Culture:**

The Ports of Jersey have a commercial responsibility to ensure they get the best economic outcome for the company and for the people of Jersey. Whether that is they sell a piece of land or lease a piece of land or build the hotel themselves to spec and then rent it out to an operator, any of those options.

**Senator S.W. Pallett:**

Are you supportive of that?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I am supportive of anything we can do to allow the tourism market to grow, increase and build some of the beds that the modern visitor wants to come to utilise.

**Senator S.W. Pallett:**

A question on the Department for the Economy. The panel understands that a number of directorates operating within the Office of the Chief Executive will now function within the Department for the Economy. How will you benchmark the success of the new Department for the Economy?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Maybe Richard would like to address that in the first instance.

**Director General, Economy:**

The ultimate accountability is through the Government Plan process in terms of people and resources. We have the objectives that have been agreed by the Council of Ministers and presented to the States Assembly for deliberation on an annual basis and that are approved as part of the Government Plan. That is for the accountability and the ultimate delivering of the Government Plan. Underneath that will be the department operating business plan published for the first time on its own for the Department for the Economy for 2022, so that is in development at the moment, and that will sit alongside those for departments such as Health, C.Y.P.E.S. (Children, Young People, Education and Skills) and elsewhere. That will clearly set out the work programmes for the department and how that contributes towards delivering the objectives that have been set by, essentially, the States Assembly and their approval of the Government Plan.

**Senator S.W. Pallett:**

Will that be an annual business plan?

**Director General, Economy:**

It will be, yes.

**The Deputy of St. Mary:**

The reason for this move is of course that the Office of the Chief Executive was too cumbersome, possibly, or what?

**Director General, Economy:**

So we briefed the panel in September 2020 about this change happening and the creation of the Department for the Economy and we then went through a staff consultation and the department will formally move out to have its own identity from January 2022. This was an element of the original OneGov changes brought in under the former chief executive, but those were delayed partly because of Brexit and partly because of some other work that was going on relating to tax, with the E.U. (European Union) Code Group, the department reorganisation, and a potential shift at an inopportune moment. Once those issues were dealt with to the extent that they were within our influence to deal with, and you could argue a certain Brexit for that one, it was decided that we would bring that forward and advance the changes. The former chief executive was very clear on that. The final stage is the problem the Department of the Director General posed, which is what the interim chief executive concluded earlier this year and in January 2022 the department will have its own identity within the Civil Service and the reporting within the Government Plan, but no change in terms of the ministerial responsibility for the outcomes the department generates of tackling its strategy.

**The Deputy of St. Mary:**

Sorry, they are short, sharp questions today. Moving on to the Draft Electronic Communications (Amendment No. 2) (Jersey) Law, P.81. That was lodged in August with the intention to modernise the framework under which business is conducted in Jersey digitally. At the same time the panel noted that there were exemptions for the application of new rules to be applied by way of order to mitigate these risks, the risks being fraud, duress, some potential for vulnerable individuals to be disadvantaged. Can you please provide more details about the circumstances where exemptions might apply under your ministerial order?

[11:30]

**The Minister for Economic Development, Tourism, Sport and Culture:**



May I deflect that to the Assistant Minister?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

Thank you (off microphone).

**The Deputy of St. Mary:**

Right, okay, well we have actually dealt with that, yes. Okay, thank you.

**The Deputy of St. Martin:**

Okay, well, let us move on to the effects of Brexit and COVID on labour and construction costs, Minister. It will not have escaped anybody that this year there have been monthly increases in the cost of building materials. Does the department have any idea what the overall effect on construction costs in Jersey has been?

**The Minister for Economic Development, Tourism, Sport and Culture:**

In the first instance may I ask Andy Scate to come in on this issue?

**Director General, Infrastructure, Housing and Environment:**

Thank you, Minister. Yes, it is fair to say we are seeing an increase in all material costs, certainly around wood, plastic, steel, aggregate costs. All of those are seeing percentage increases. While I do not have a direct number for each we are being reported double digit percentages in steel, for instance, in some regards, certainly wood, and other costs are also increasing. It is fair to say that all construction materials are inflating at the moment and the availability of those materials are becoming in some regards scarcer, which is driving the price. We are certainly seeing that across many fronts.

**The Deputy of St. Martin:**

Andy, would you agree with me that we do not seem to be seeing much reduction in the number of applications or the people wanting to build, or building and it would not appear that these increased levels of price are having an effect on demand?

**Director General, Infrastructure, Housing and Environment:**

I think that is entirely right. We are seeing caseloads in planning, for instance, double their normal levels at present for planning, so planning is very busy, the Building Control service is very busy, there is a lot of work on-site. There is a lot of small-scale work as well, it is fair to say, domestic and small works, whereby I think Islanders are choosing to spend their money on properties, rather than maybe travelling and other reasons. By what we see on the regulatory side of the business it is incredibly busy across all fronts.

**The Deputy of St. Martin:**

We will move on to general labour shortages in a second, but do you see any shortage of construction workers following Brexit/COVID?

**Director General, Infrastructure, Housing and Environment:**

Certainly on our own projects I think it is a live tension across our projects. I think some of our projects we have got live are currently slipping in timescales in some regards, because of availability of labour or materials, and I am not saying we are not getting labour or materials, but it is just taking a little longer to source, or indeed the local market is just incredibly busy. It does vary project-to-project and some developer constructors have got different sorts of supply chains than others. Certainly, our local subcontractors here are very busy and those we are signalling for the bigger projects that we have got coming through the pipeline there will undoubtedly be pressure to bring new additional construction workers to the Island.

**Senator S.W. Pallett:**

I want to move on to a related area around labour shortages. Minister, the *Jersey Evening Post* recently reported that SandpiperCI were struggling with: "61 Jersey staff vacancies, 6 times its usual figure" and that GR8 Employment Solutions estimated between: "2,500 and 2,800 people across Guernsey and Jersey have left the hospitality industry last year." How has this issue been addressed by your department while being cognisant of the relaxation of immigration rules for workers employed both in hospitality and agriculture?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I can come back to that afterwards, but Dan has produced a paper on labour shortages. Dan, did you want to contribute anything at this stage?

**Group Director, Economy and Partnerships:**

Thank you, Minister. Only really to say that this is not just a Jersey issue and we have had labour shortages in the Island for some time prior to COVID. In effect, we have got 2 problems. One is not enough people to do the work and not enough people willing to do the work. One of the big moves forward in the context of domestic policy was the agreement to stop the co-funded payroll scheme, because of course the challenge with that is that it effectively keeps labour potentially in the wrong place and does not allow it to move. That is a positive development that other jurisdictions have followed and I am pleased to see that happen here as well. We are not now effectively providing an incentive for labour to stay in potentially low-value businesses that are not going to survive going forward in time. This is a global issue. There are a lot of drivers that are pushing labour shortages globally and some of those, I think, 35:44 (inaudible) and some who cannot. Broadly speaking they

are structural issues in that the jobs market, as you know retail is significantly restructuring and we are having to accept that the skill sets going forward need to be reviewed and we need to look at what the future requirements are for the economy in the skills space. The labour that we have got at the moment may not be the labour that we require in the future and what we are going to do with that in terms of upskilling our economy, particularly in the medium to long-term. The reality is this is quite in some cases a slow burn solution and it is quite a blended problem that we need to resolve. Financial support schemes I mentioned where we have now freed up labour a little bit as a consequence of the removal of the co-funded payroll, I think there have been some COVID-related challenges, so we are seeing a lot of good quality Polish labour leaving the Island, anecdotally, and some would argue that this is a consequence of effectively being stuck in the Island for an extended period of time, and people not wanting to take that risk again should there be diseases and public health measures. Geographical displacement is causing us problems in terms of continuity. Finally, Brexit impacts around tighter border controls as well have made it more difficult for us to get the type of labour that we require and now we are having to source labour from different parts of the world compared to what we were used to. One of the important points is now we are structured to take a sector-specific focus we are working very closely with all of the representative bodies in all of the sectors to make sure that we understand what their needs are now and going forward. I think we are trying to work out what it is that is required going forward, but as I say it is a global problem and it is very difficult with Government policy as to how that affects it effectively.

**Senator S.W. Pallett:**

Accepting it is a global problem and a national problem, in terms of how your department is working alongside other Ministers within the Council of Ministers, because it is an issue across all departments, there is a shortage of care workers, there are other areas where there are problems, how are you involved with informing the Council of Ministers and what involvement have you had in trying to increase that labour market? It is not just this department; it is the Council of Ministers and an Island problem.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Out of the work that Dan has been leading on with other members of the team we have highlighted some policy options that would help to alleviate the labour shortages, at least in the short to medium-term and they all involve working with other departments. The short-term issue that we work closely with Home Affairs on is reviewing whether the current work permits available to the sectors most suffering labour shortages are appropriate. Of course, when the 9-month permit was conceived we were in a pre-pandemic world and as a result of that the shortages have been exasperated by that, so we worked closely with the Minister for Home Affairs and the team to get a quick extension and that has been approved, but that is an ongoing piece of work. We need to think carefully about the length of work permits, because of the immigration fees and the travel costs and just about

everything else that an employer has a statutory obligation to fulfil in relation to employment. It is not cost-effective to bring staff in one at a time, so working closely with Home Affairs on that. The team is also working on for those customer-facing sectors to develop international partnerships offering opportunity to work in Jersey in our peak season, which might not be their peak season. That is another initiative that we are looking at. On Island we are looking at longer-term development of education training partnerships to determine how to offer appropriate training on the Island, obviously working with Skills and Education, Social Security and the Back to Work team have got some fairly strong incentives now for employment.

**Senator S.W. Pallett:**

You mentioned the migration controls. As a department have you been providing any advice to the Assistant Chief Minister about what some of the migration controls should look like, and what should be fed into the population policy? Clearly they could have an effect on our ability to attract staff.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Funnily enough, we had a full afternoon workshop on that very issue with the Council of Ministers yesterday, on all of these issues. The new policy is going to play a key part in this, but one of the things where we lack is data. It is very difficult to get the exact data we need to make the decisions on population, and I think one of the key early parts of the new Population Strategy needs to be that collection of the appropriate data.

**The Deputy of St. Martin:**

Anecdotally, 1,000 people may have left but surely we should be in a position to know better and more accurately exactly how many people are working on the Island?

**The Minister for Economic Development, Tourism, Sport and Culture:**

That is a question, and we can estimate these figures, but we do not collate the data to give these exactly details and that is what we need to do. That is a key part of the puzzle that is missing and Senator Pallett has highlighted it and that is somewhere where we need to take quick action.

**The Deputy of St. Martin:**

Do you think the census results when they come out will be helpful in as much as the census was taken after there were very many people who were semi-permanent in the Island had left?

**The Minister for Economic Development, Tourism, Sport and Culture:**

They will be helpful to a point, and maybe Deputy Morel might want to answer that, because he was involved in the work yesterday, but that is a snapshot. That is looking back, as opposed to looking

forward so we can certainly glean some relevant and interesting information, but I am not sure that is going to provide the solution.

**The Deputy of St. Martin:**

Do we know how many job vacancies there are in Jersey at the moment which would come under the heading of COVID, et cetera?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I think we probably do, but I do not have that information.

**The Deputy of St. Martin:**

If you could provide that. I have only got one more question before we move on. You mentioned borders and other reasons, but do you not think that one of the main contributors is the cost of living in Jersey and the availability of housing?

**The Minister for Economic Development, Tourism, Sport and Culture:**

That is certainly one of the key contributing factors. The other point I was going to make on policy opportunity is our drive towards enhanced productivity support and that is something you are interested in and we are running a pilot scheme at the moment that we will be able to report on imminently. Of course, housing and the cost of living in Jersey is a key factor and in years gone by the wage differential between the countries and the economies where these people were coming to work in Jersey from, there was a far greater difference. It was more financially beneficial for them to come here. Now those countries' economies have evolved and the gap has narrowed, so not only has the cost of living here grown, but also there is more incentive for them to stay and work in their own countries and the improving economies there.

**The Deputy of St. Martin:**

Of course it is right to say that the cost of living and the availability of housing are challenges throughout the economy, not just in the lower paid sector. Increasingly people in well-paid jobs are also struggling in their own sector to find housing and they find the cost of living in Jersey too expensive.

[11:45]

**The Minister for Economic Development, Tourism, Sport and Culture:**

You are absolutely right, and it runs right throughout the whole housing spectrum. We all know the cost of property, but of immediate concern I think to Jersey in relation to helping our agricultural, tourism, retail sectors is finding a solution so that employers and people coming to work in Jersey in

those sectors, and not just as it extends to health, that we can have an appropriate supply of affordable key worker accommodation. I think we may well have to look at changing housing legislation to accommodate that some time in the near future, but I know there is a lot of work going on behind the scenes.

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

I just have one small thing, and I hope I have not got this wrong, I was speaking to retailers yesterday and one of the things they were talking about was 9-month licences and the inability for them to be sourced. A group of Russian workers, I think, earlier this year highlighted the difficulty in moving from one sector to another. So if workers come over here to work in the agriculture sector if for whatever reason the work there stops they may still have 4 months left on their permit but they have to stay within that sector. Retail were quite rightly pointing out that they have a very specific 3-month period over Christmas when they need extra workers and then it dies off again in January and February, so a worker who is coming here perhaps works in the fields for 6 months and then has 3 months where nothing is available, it would be really helpful for them to work elsewhere for 3 months before then leaving the Island.

**The Deputy of St. Mary:**

Would that be accommodated to a certain extent on a flexibility measurement?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

Yes, to some extent but I think we are dictated to some extent by the U.K. (United Kingdom) on these matters, I believe, and **(off microphone)**.

**The Deputy of St. Mary:**

Although those engaging are not necessarily the best people to ...

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

That will be a specific case but at the moment there is very little flexibility.

**The Deputy of St. Mary:**

Before we leave the subject, you mentioned the workshop yesterday. Is that going to translate into any information coming forward to us?

**The Minister for Economic Development, Tourism, Sport and Culture:**

It was internal Government Council of Ministers and Assistant Ministers workshop.

**The Deputy of St. Martin:**

A diplomatic answer meaning we will not be getting any information?

**The Minister for Economic Development, Tourism, Sport and Culture:**

As you all well know from being members of the Government previously, we do a lot of this sort of work to develop the proposal which will eventually come to the States as a proposition in the near future. It is just work to do so that ultimately it will all emerge in the form of a proposition for us all to debate and to amend accordingly.

**The Deputy of St. Martin:**

Do you think we might be allowed to see it before it emerges as a proposition?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I very much hope so, but the Chief Minister and Assistant Chief Minister are managing that process. I shall certainly remind them.

**The Deputy of St. Mary:**

Moving on, as they say, gas price increases. In October this year the Minister for Social Security announced a one-off payment to offset rising gas prices and agreed with the sentiment that an investigation into how Jersey Gas operates should be carried out. Can you advise what discussions, if any, have taken place with Jersey Gas in relation to recent increases?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I will ask Richard to address that, Chair, if I may.

**Director General, Economy:**

Yes. Formally the responsibility for gas sits with the Minister for Infrastructure under the Gas Law rather than with the Department for the Economy, but we are conscious of the high input cost to businesses of increased utility prices generally, but that is particularly exacerbated in the case of gas. This is considered much more widely in terms of Jersey's objectives towards carbon neutrality and net zero and gas and other hydrocarbon-derived forms of energy and what their place is in the market. One would expect that they are only likely to get more expensive over a period of time. In the case of Jersey Gas what you have is a consumer base that appears to be moving away from gas on to other forms of energy but is a very high fixed cost in their business to continue to run a safe gas transmission network. If we were to fast forward a number of years you can just see problems with that very business model, unless they are able to substantially drive volume through that network to maintain profitability. This is a conversation that we have periodically with Jersey Gas around the viability of their business and we know it is a conversation that is being repeated in

both Guernsey and in the Isle of Man, where Jersey Gas and its sister companies also have operations.

**The Deputy of St. Mary:**

There was a one-off payment for that. You are obviously anxious to avoid any further subsidy for those on low incomes. Is that particularly being addressed?

**Director General, Economy:**

That is very much a matter for the Minister for Social Security to provide support to the most vulnerable households in the light of unforeseen or unexpected spikes in pricing. I think that is consistent with Government policy over an extended period of time. Utility costs are covered within the realms of some of the COVID business support schemes, as well as the visitor accommodation support scheme. Utility costs are part of the element that businesses can claim for during this period that provide a degree of offset, for example, to those in the hotel sector who may be using gas in kitchens and so on. They will have a degree of support through that period of time, but fundamentally this is going to be about businesses and households making choices where they have the means to do so by alternative or more economic perhaps methods of energy and perhaps those are more carbon neutral over an extended period of time. Equally, there is a challenge there for Government for households and businesses that cannot make that conversion to see how they themselves deal with those challenges further down the line and whether support is required, including those most vulnerable, household support that has already been offered by the Minister for Social Security.

**The Deputy of St. Mary:**

You mentioned the words “carbon neutral” ...

**The Deputy of St. Martin:**

Moving quickly on, given the time, can I just ask the Minister one very small question? Could you tell us about the contributions you face for the carbon neutral strategy?

**The Minister for Economic Development, Tourism, Sport and Culture:**

At this stage our officials are evaluating the economic considerations arising from the policy framework set out in the roadmap. We tend to look at areas of carbon neutrality that will assist in the economy around improved productivity and embracing greener and more environmentally friendly initiatives, but I think there is quite a lot of work to do on understanding all of the economic considerations that arise from this and we are working on it.

**The Deputy of St. Martin:**



I am not going to press you for more. It is an enormous subject and has a great effect on business and I think we will have to come back to that.

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

I do think as well as the challenges that are presented there are definitely opportunities in terms of enterprise innovation. So while we are aware of the Government's overall carbon neutral strategy goals there will be opportunities, I am certain, for businesses to see niches they can fill to help Islanders reduce their carbon. That I am excited for.

**The Deputy of St. Martin:**

I would say we are a fantastic test case with 100,000 people stuck on an Island that is a fantastic opportunity to test all sorts of things and going green with carbon neutrality could be one of those areas, so I think it is very exciting as well as very challenging. My next subject I wanted to ask about was Ports of Jersey and the registry, but I note that we received a copy of the Oxera report and we will be looking at and will come back to you on that, but the only question I have really is when did you receive the report?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

Some months ago.

**The Minister for Economic Development, Tourism, Sport and Culture:**

It was March 2021.

**The Deputy of St. Martin:**

Okay, thank you. We are going to move quickly on to fishing.

**The Deputy of St. Mary:**

I am conscious of time. It relates to the fishing industry but not what we have been talking about lately in the press, but in the last quarterly hearing, Minister, you did refer to your idea of an on-Island fisheries processing plant loosely based around working with the private sector to find a solution to process for retail, et cetera. Can you provide us with any form of update as to ongoing discussions as to whether it is any nearer to fruition?

**The Minister for Economic Development, Tourism, Sport and Culture:**

After discussions with the industry it soon became clear that it is quite a complex issue. There are very good facilities over here that can either offer that, offer some of that or some businesses who could develop their facilities to provide that. That so that is where we are. The original idea was floated because I felt that it could be a good use of the Fiscal Stimulus Fund but of course that

window now has closed so really it is in the hands of the private sector. We have had discussions with a number of individuals who thought about either forming some kind of co-operative or some joining up of business interests to make something like this happen. I think it is just more complicated than originally envisaged. It is something that I think the private sector is likely to deal with in its own way but it still leaves the fact that the vast majority of seafood we consume is imported and the vast majority of seafood we catch locally is exported and so it is a complex economic issue to resolve that.

**The Deputy of St. Mary:**

So the industry as a whole is not showing as great an appetite as you thought for it?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I think there is but they tend to, again, work in the most efficient way for their own businesses and it is something that I would be reluctant to interfere with the free market economy, if you like, of the way fishermen are catching and selling their products and of course this is based around 2 things. First of all, the standards that the multiple retailers demand to get listings in their stores and also from a catering perspective because of the scale of the market and let us say for the U.K. and Europe, for much larger manufacturers of seafood, it is far easier for a chef to order a box of 20 filleted bass all pre-boned and portioned than buy bass and do it themselves. I think the Deputy of St. Martin probably knows more about it than I do.

**The Deputy of St. Martin:**

You did set the precedent in safeguarding the local vegetable industry by funding a pack house in Jersey which allowed vegetable producers to access multiples because the pack house had to demand a particular standard. Is it not that you should really be looking to do exactly the same for the fishing industry because you quote that certain chefs wanted to order specific portions or specific numbers of things? That would be much easier for them to do if it came out of a centralised pack house with a large deepfreeze and fishermen could process their own fish.

**The Minister for Economic Development, Tourism, Sport and Culture:**

The principle is absolutely the same. Dan might be able to correct me but that was a rural initiative scheme investment, I believe.

**Group Director, Economy and Partnerships:**

It was.

**The Minister for Economic Development, Tourism, Sport and Culture:**

That fund was to improve productivity in the area and that was made easier by the fact that there was only one key operator - correct me if I am wrong, Dan - in the sector and with buying up all of the other products in the smaller holdings where the fishing industry ...

**The Deputy of St. Martin:**

I appreciate that because of the precedent of supplying funds for the construction of a high quality pack house to access to supermarkets for vegetable producers, it is exactly the same as we are talking about here for fishermen.

**The Minister for Economic Development, Tourism, Sport and Culture:**

I concur and that is something where there could be applications to a productivity or initiative scheme but I know Deputy Morel has a view he would like to share.

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

We are working on this quite simply. We have worked with the institute we set up at the Marine Economy Advisory Group. That includes fishermen from the Jersey Fishermen's Association, that includes fish merchants, that includes fish exports and that includes fishmongers locally as well. They are working on that group which has an independent chair. I am also on that group with officers. The idea there is to work to create a long-term strategy for the success and sustainability of Jersey's marine industry as in the fishing industry but that includes fishing farms. The question of a fish processing plant has to be part of and built within that strategy so I agree with the Minister and I agree you that it may well be an important part of that strategy. But to jump to the conclusion that we need a fish processing plant without checking how the economics of the whole thing will work I believe is the wrong order to do things in. You look at the evidence and you look at the industry. I do not believe that public funds should be used to support anything. It is just going to put one of those stakeholders that I just mentioned out of business so I think it is really important when public funds are used that all the stakeholders around the table are able to benefit from that so I think it is a huge step forward. We have the industry and all different aspects of the industry working together. They are meeting monthly, talking to each other and trying to find out the best way forward for the industry. We have officers working to develop that strategy which will come through perhaps in the first 2 months of next year and, from there, we are all going to see if the fish processing plant is the best way forward. Should we be sending fish caught here to existing plants in the U.K. which could be processed as Jersey Dairy does already with its cheese and its ice-cream and things like this that are then brought back? I do not know the answer but I am not going to judge it until one has looked at all of the evidence as to how the economics of it works.

[12:00]

**The Deputy of St. Martin:**

I accept that, Assistant Minister, but do you not think it is the case that we have been talking about this since Brexit was announced? That is some years ago and we seem to be no further advanced.

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

I cannot explain why we are no further advanced. All I know is that since I have come in here, we have setup this group and we are on working on strategies that are going to be delivered shortly and that will answer the question of whether the public should fund the fish processing plant or not.

**The Deputy of St. Martin:**

Thank you.

**The Deputy of St. Mary:**

A *J.E.P. (Jersey Evening Post)* report at the end of last month said that a package of financial support was being drawn up to aid Jersey fishermen if their activities were affected. Can you advise what the measures are?

**The Minister for Economic Development, Tourism, Sport and Culture:**

That is correct. I think I will leave it up to Dan to provide the detail on that.

**Group Director, Economy and Partnerships:**

So, in short, we have a fixed costs support scheme for fishermen. It is similar to other fixed cost support schemes and we also have a support scheme available for those people providing passage for all those products to the continent.

**The Deputy of St. Mary:**

That is already in place, is it?

**Group Director, Economy and Partnerships:**

Yes.

**Senator S.W. Pallett:**

A couple of quick questions around the Competition Regulatory Authority review on alcohol pricing and promotions. Have you had any involvement with terms of reference for the review purely around the drinks promotions review?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

I am basically working with officers and have been since I become Assistant Minister to deliver Deputy Ash's proposition which is about our statements of policy. We are at a point where the initial law draft instructions have been drafted and they are going through the process with the law officers to make sure at the moment that they are up to speed. We will be pleased to share them with Scrutiny once they are up to speed. We are still working on it and I have made clear I want to sit within Deputy Ash's proposition to deliver something to the States before the end of the year. If that is going to drift over by a matter of weeks, I will certainly alert you to that and Deputy Ash but we are still on course at the moment.

**Senator S.W. Pallett:**

In terms of the J.C.R.A. (Jersey Competition Regulatory Authority) review's terms of reference, did you have any input into that?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

No, and it was a request from the Attorney General, I believe.

**Senator S.W. Pallett:**

Absolutely it was, yes. Do you see yourself having any involvement in the review going forward in terms of providing any evidence to it?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

I have no doubt that if we are asked to provide evidence, we will, but it is very much we do not tell the J.C.R.A. how to act, et cetera. They will come to us if they want evidence from us.

**Senator S.W. Pallett:**

Are you open to it?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

Absolutely.

**Senator S.W. Pallett:**

Do you have any idea what was requested from the Attorney General? It is a bit of an open question.

**Assistant Minister for Economic Development, Tourism, Sport and Culture (1):**

Personally, no, I do not.

**Senator S.W. Pallett:**

What have other members got?

**The Deputy of St. Martin:**

I had Senator Pallett down for a question about Fort Regent.

**The Deputy of St. Mary:**

Sorry, yes, my apologies

**Senator S.W. Pallett:**

Hopefully, we will move to your other Assistant Minister on this one.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Yes, he has been rather quiet today so help yourself.

**Senator S.W. Pallett:**

Whether it is the Minister or Assistant Minister, what is the responsibility of the department in the overall Fort Regent project?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (2):**

I have to say that is a very good question and it is something that I have pondered on as well because there are quite a few diversities from Jersey Sport to the development that David Curtis is doing with regards to the Fort and what we are doing with the tenancies within the Fort. The biggest problem we have is every time we move forward, as you know, Senator, we have been sort of caught back. I know we keep using it but we need to know when we can get hold of the Fort again and that is the basis of everything at this present time.

**Senator S.W. Pallett:**

What are this department's specific responsibilities at the current time?

**Assistant Minister for Economic Development, Tourism, Sport and Culture (2):**

My responsibility, as far as I am concerned, is that we look after the people that were in the Fort that have been there for some time to make sure that they are not just, let us use the words "pushed out" and we find them a base which they want to go to. That is sport and tenants because there are 7 different tenants in there. I did ask the question yesterday because we are going to P.O.G. (Political Oversight Group) next week. I did not catch up with you with regards to it following discussions that you had in the morning. So we are going to P.O.G. because I want to know exactly where they are coming from with regards to the Chief Minister's view because he is running that side of the affairs.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Just to answer your question, Deputy Raymond and I sit on the Fort Regent Oversight Group led by the Chief Minister's Department so we sit on the oversight group about the formulation of the future of the Fort but then Deputy Raymond has responsibility for sport with the tenants there for sporting activity so there are a number of involvements.

**Senator S.W. Pallett:**

I know the answer to this but I think the public might not. When was the decision taken to allocate the Fort Regent project work to the Chief Minister because it was not previously under the Chief Minister? When was that decision taken?

**Director General, Economy:**

Andy might know because it sits with I.H.E. The Department for the Economy, as is to be shortly constituted, just responds to the relationship with Jersey Sport and then there is ongoing dialogue with the clubs around supporting sports clubs and their broader development. Everything around sports facilities sits with Andy Scate with that perspective.

**Senator S.W. Pallett:**

I think it was some time ago. I do not know if Andy can help with this.

**Director General, Infrastructure, Housing and Environment:**

Yes, thank you, I think, firstly, the principle of the Chief Minister or the Chief Minister's Department overseeing it is a sound one because it crosses so many portfolios so, clearly, it is a piece of real estate which covers the Minister for Infrastructure from the property perspective. We have the E.D.T.S.C. (Economic Development, Tourism, Sport and Culture) Department or Minister in charge of looking at sport users within the building. We have culture and events within the building. We also have some C.Y.P.E.S. (Children, Young People, Education and Skills) and Children's Services running from within the building such as the music service. So it is a cross-portfolio piece of real estate. Therefore, it makes sense to have it chaired by the Chief Minister to look at that so, effectively, that has been the setup ever since we have started running the project really from the Office of the Chief Executive's perspective.

**Senator S.W. Pallett:**

In some regard, unless you want to add to it, the last question was going to be around the internal responsibilities for Fort Regent but you have given us a view of that. Is there anything you want to add to that in terms of those responsibilities?

**Director General, Infrastructure, Housing and Environment:**

Yes, so I think the primary responsibility for the building itself as real estate sits with the property section. It is part of Government property so we have landlord responsibilities in that regard under the Minister for infrastructure and then obviously working with the constituent users of the building who are tenants effectively, sport being one of them. So, yes, there are a lot of crossed lines and a lot of cross-responsibilities but, ultimately, I would say that it is government property as the landlord as to real estate and then we interact with the tenants within.

**Senator S.W. Pallett:**

Can I ask one last question?

**The Deputy of St. Mary:**

Please do.

**Senator S.W. Pallett:**

It is a bit of a wider brief but I think it touches on sport facilities. With the refusal of the planning application for Oakfield Sports Centre, what is the department's plan B to decant Fort Regent because obviously those facilities are dependent on it and the development which is a separate issue of the Inspiring Active Places Strategy itself?

**The Minister for Economic Development, Tourism, Sport and Culture:**

We will go back to Andy for that.

**Director General, Infrastructure, Housing and Environment:**

Thank you. I am pleased to report to the panel that further work has been done on the Oakfield proposal. The team have reverted back to planning to see what the possibilities are so there are revisions being made to the scheme that was refused in an attempt to resubmit to seek an approval. So plan A has become plan B at the same site, Senator, in the sense that we are confident we would still progress with an Oakfield solution for that decant albeit with a few months delay now because we are going to need to go back into planning but we are hoping to resubmit that planning application within the next fortnight.

**Senator S.W. Pallett:**

In terms of funding, the funding originally came and it probably still sits within the Fiscal Stimulus Fund. There are clear criteria around that. Do you have to look at alternatives to fund this considering the delay?

**Director General, Infrastructure, Housing and Environment:**



Yes, I think it is fair to say we have to look at the funding matrix applied to the Oakfield campus so Fiscal Stimulus was paying for some of it and there were other budgets available funding other parts of the project. So some of the Fiscal Stimulus will still be used but some of it is now subject to a conversation we need to have with Treasury. Either it is a formal request to extend the timeline on that fiscal stimulus which is still open to us to request or, indeed, we are going to need to look at other forms of capital funds or capital under spends elsewhere within I.H.E.

**Senator S.W. Pallett:**

Thank you.

**The Deputy of St. Mary:**

I think we have used up our time. In fact, we have overrun so, apologies for keeping you, Minister and colleagues. Thank you for your help today and we look forward to seeing you next time whenever that might be. Thank you.

[12:10]