

2024.09.10

2.9 Deputy I. Gardiner of St. Helier North of the Minister for Treasury and Resources regarding the implementation of the Assembly's adoption of 'Putting Jersey businesses first' P.56/2020, as amended (OQ 161/2024):

Will the Minister advise what specific steps have been taken, and processes put in place, to implement the Assembly's adoption of Putting Jersey Businesses First, P.56/2020, as amended?

[10:45]

Deputy M.E. Millar of St. John, St. Lawrence and Trinity (The Minister for Treasury and Resources):

I thank the Deputy for her question. P.56/2020 was in 5 parts. Taking these in turn, parts (a) and (b) relate to giving weighting and procurement exercises in the context of recovery from COVID to the economic, social and environmental benefits to Jersey. For this aspect, social value has become more integrated into our procurement service and processes, and 10 per cent of the overall weighting within each set of tender evaluation criteria is now included as standard. There is also a dedicated resource to monitor, measure and develop best practice, engage with on-Island suppliers and build a knowledge base and a commitments register, which suppliers provide during competitive market activity. Part (c) relates to the publication of procurement policies and evaluation criteria. While a specific report was not presented, the expenditure and procurement section of the Public Finances Manual, as well as more detailed procurement procedures, have been updated on a number of occasions. For example, a recent change formalised new procedures for engaging consultants and the Public Finances Manual can be found on gov.je. Part (d) of the proposition relates to the publication of expenditure by the States' top 100 suppliers. Three reports have been published, covering 2020, 2021 and 2022. Data for 2023 is currently being finalised and is expected to be published by the end of September. Finally, part (e) is a matter for the Minister for Sustainable Economic Development.

2.9.1 Deputy I. Gardiner:

Thank you for the very detailed answer given by the Minister. I would bring the attention in my supplementary around part (a) and part (b). Would the Minister advise how she is reassured that the social value is working well for local - especially small businesses - and if the Minister has any figures or evidence to indicate that it did have a positive impact for the local businesses?

Deputy M.E. Millar:

As I say, the social value element is now weighted at 10 per cent in our tender processes. The only example I can give you, in terms of how the social evaluation criteria works within a tender over £100,000, is in our new office building. In that case, the social value element has meant over £60,000 has been donated to local charities, 181 non-charitable hours have been donated to community and charitable projects, 3 people have been employed through the back-to-work scheme, 7 prison leavers have been employed, 6 apprenticeships have been offered, 25 work placements given to local students. Then, at the environmental level, it also involves a donation of £10,000 a year for 20 years to Highlands to ensure the continuing viability of construction courses, and 500 trees planted on Dandara development schemes, alongside a donation to Trees for Life and staff volunteering time.

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

I thank the Minister for her answers. Also focusing on parts (a) and (b), the Minister explained a little about the resources that should be available to help local businesses in applying to any tendering process. Could the Minister expand on what initiatives are in place to support especially small Jersey businesses in meeting these qualification standards for being in a competitive nature in procurement processes?

Deputy M.E. Millar:

I thank the Deputy. Various work is happening, and it is very much an ongoing process. In the area of digital economy, work is continuing with S.P.P.P. (Strategic Policy, Planning and Performance) to promote Jersey businesses. That includes sharing early market pipelines with Jersey businesses to identify future areas of investment. Another example, we have worked with Family Nursing and Home Care to ensure that high-quality care is provided on-Island where appropriate. Digital Jersey is in the process of developing a database to compile a record of on-Island providers' capabilities to help match those with government opportunities.

2.9.3 Deputy H.L. Jeune:

Could the Minister advise if Jersey Business offers such technical support to help especially small businesses to take part in tender bids, and if not, why not?

Deputy M.E. Millar:

Jersey Business does not sit within my remit; I think that is a question for the Minister for Sustainable Economic Development. I do not know the answer to that.

2.9.4 Deputy L.M.C. Doublet of St. Saviour:

Has the Minister given any consideration to giving an extra weighting or extra points to local businesses during the procurement process, given they would be paying more taxes?

Deputy M.E. Millar:

I am not sure it is necessarily true that they will be paying more taxes. Our procurement policies and processes demonstrate positive steps taken to improve Government's ability to put Jersey businesses first. We have to strike a careful balance between wishing to appoint Jersey suppliers while remaining compliant with obligations internationally and to maintain a reputation as an open and liberal trading nation. Commercial Services, however, continues to improve and enhance data-led decision making and understanding of on-Island capabilities and opportunities to engage with local suppliers.

2.9.5 Deputy L.M.C. Doublet:

Is there anything built into the procurement system to enable some reflection on the impact for the providers who were chosen and, indeed, the impact on providers who are not chosen?

Deputy M.E. Millar:

I do not know the answer to that question; I do not quite understand the question. If you are suggesting that we have to consider the impact on somebody who is successful and the impact on someone who is not successful, I am not quite sure that is Government's role. What I can tell you is that the reporting from, I think, the top 100 suppliers shows us that over 57 per cent of our spend is within Jersey suppliers; some 42 per cent is with U.K. suppliers; and the very small balance remaining is with other jurisdictions, including Guernsey.

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

I had intended to ask the Minister about the adherence to modern slavery provisions within these, but as the Minister went on to explain to the Assembly in some detail the benefits of the States building, having set out such a fulsome list of advantages to the community, including charitable donations being baked in over a number of years, *et cetera*, would she agree to publish the value to the contract of those matters? Because they have not come at zero cost. Would she confirm or otherwise whether or not those costs are now capitalised in the asset price, which this Assembly will be considering when the Minister for Social Security has to ask the Assembly for the purchase of that building, with those capitalised costs built in? It is quite an important principle. The Minister was advancing something which I think is actually at taxpayers' cost.

Deputy M.E. Millar:

Firstly, just to cover ... Deputy Ozouf mentioned modern slavery; I do not believe we have legislation on modern slavery in Jersey, as yet, that we have to consider. I believe that the Minister for Justice and Home Affairs is considering that. I cannot answer that question. Do we want to engage local suppliers

or not? There will be a price to engaging local suppliers, and I cannot answer that question. I do not know if it comes at a cost, but it is part of the weighting that we apply in selecting a contract provider; the social value element. I imagine there will be a cost to it. We either take a local supplier with their social value, or we take a foreign supplier with their local value. I do not know if that question can be answered, and I do not know if that information can be provided, but I will consult with the team, because I simply do not know. I do not know if it is feasible to deliver it, and I do not know if it is commercially viable to deliver it. I do not know.

2.9.7 Deputy P.F.C. Ozouf:

I may seek a meeting with the Minister because she mentioned that there was a payment of, I think it was £10,000 a year baked into future rental provisions. There is an annual cost that is baked into the rent that therefore will form part of the consideration for the purchase of it, and that is a pretty easy mathematical question to make. It is important that we are clear that benefits are not being paid for by the developer, they are actually being passed to taxpayers because we are having to buy it.

The Bailiff:

Deputy, could you ask the question?

Deputy P.F.C. Ozouf:

My question on that specific issue is: does she appreciate that?

Deputy M.E. Millar:

I do not believe I did say that there was a sum allocated towards rent. I said that the developer would be making a donation of £10,000 a year to Highlands to ensure viability of construction courses. That is important. As he will know from the Budget, we are hoping to buy the property, so rent will not be an issue in future.

2.9.8 Deputy I. Gardiner:

There are several things mentioned, but P.A.C. (Public Accounts Committee) are conducting a procurement review. They recently published submissions from the Institute of Directors, Construction Council and Chamber of Commerce have a similar theme. The direct quote: "The general consensus is the Government of Jersey procurement is broken, serving to act as a barrier to business being done, rather than something that enables local businesses to provide valuable goods and services to our Government and ultimately the local taxpayer." Was the Minister aware of the sentiment within the local Jersey businesses, and if the current procurement policy was a paper exercise to satisfy the Assembly P.56/2020, and would she be thinking to review the policy or to engage with local businesses?

Deputy M.E. Millar:

No, I was not aware of that feedback. We have done considerable work, which is outside the scope of this question, to continue to improve our procurement processes. P.56 was about trying to ensure that Jersey businesses were able to tender. All Jersey businesses can tender. Any opportunity over £100,000 must be advertised on the Government's tender portal. Any Jersey business can tender for that. We have open processes. I am slightly confused as to ... do we want to support Jersey businesses or do we not? We are trying to do that, but equally we were asked by P.56 to ensure social value, and we are trying to ensure social value as well as trying to facilitate tendering by Jersey businesses. P.20 was also done, as I said, in the context of COVID. There is considerable work going on to ensure our procurement processes, but I do feel that that is outside the scope of this question, which was specifically about P.56.