



Economic and International Affairs Scrutiny Panel

Government Plan 2023 -2026 Review

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

Friday, 4 November 2022

Panel:

Deputy M. Scott of St. Brelade (Chair)

Deputy R. Kovacs of St. Saviour (Vice Chair)

Deputy M. Andrews of St. Helier North

Witnesses:

Deputy K.F. Morel of St. John, St. Lawrence and Trinity, The Minister for Economic Development, Tourism, Sport and Culture

Deputy L. Stephenson of St. Mary, St. Ouen and St. Peter, Assistant Minister for Economic Development, Tourism, Sport and Culture (1)

Deputy A. Curtis of St. Clement, Assistant Minister for Economic Development, Tourism, Sport and Culture (2)

Mr. R. Corrigan, Director General, Department for the Economy

Mr. D. Houseago, Group Director, Economy

Mr. T. Holvey, Chief Economic Adviser

Ms. F. Smith, Head of Business Management and Governance, Department for the Economy

[15:30]

Deputy M. Scott of St. Brelade (Chair):

Welcome to this hearing of the Economic and International Affairs Panel, which today we are reviewing the Government Plan as it relates to the Department for the Economy. If I could please draw everyone's attention to the following: all electronic devices, including mobile phones, including

mine, should be switched to silent. I would ask members of the public - thanks for being here - please do not interfere in the proceedings and as soon as the hearing is closed please leave quietly. I will let you know that this hearing will be filmed and streamed live, hopefully. The recording will be published afterwards, and for the sake of all the witnesses here could I just confirm that you have read and understood the witness statement that we usually use in the hearing?

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

Yes.

Deputy M. Scott:

So, to kick off I am just going to say could we please have some introductions, and just to warn you that we are trying to get through a lot of content. We only have an hour so we probably will be limiting answers to about 1½ minutes.

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

Shall we just start introductions from that end and work our way round?

Deputy M. Scott:

Of course, yes. So, from the Minister's side?

Chief Economic Adviser:

Tom Holvey, Chief Economic Adviser.

Director of the Economy:

Dan Houseago, Group Director, Economy.

Director General, Economy:

Richard Corrigan, Director General, Economy.

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

Deputy Kirsten Morel, Minister for Economic Development, Tourism, Sport and Culture.

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

Deputy Alex Curtis, Assistant Minister for Economic Development, Tourism, Sport and Culture.

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

Deputy Lucy Stephenson, also an Assistant Minister.

Head of Business Management and Governance, Department for the Economy:

Fiona Smith, Head of Business Management and Governance for the Department for the Economy.

Deputy M. Scott:

Welcome.

Scrutiny Officer:

Kellie Boydens, Principal Committee and Panel Officer.

Deputy R. Kovacs of St. Saviour:

Deputy Raluca Kovacs, Vice Chair for the Economic and International Affairs Scrutiny Panel.

Deputy M. Scott:

I am Moz Scott, the Chair of the Economic and International Affairs Panel.

Deputy M. Andrews of St. Helier North:

I am Deputy Max Andrews.

Deputy M. Scott:

Thank you. We are going to ask Deputy Andrews to kick off with the questions.

Deputy M. Andrews:

Okay. Thank you for being in attendance, Ministers. First of all, I would like to ask a question in relation to vehicle emissions duties. So, what consultation has been done with Jersey businesses to understand the potential impact of increased emissions duty charges on the number of vehicle registrations on the Island?

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

To be honest, I honestly do not know. Vehicle emissions duties isn't an areas that falls under Economic Development's remit and as a result of that I have not been involved in any consultations and I do not believe any of the officers have either. So it is just not an area that we are involved in in that sense.

Deputy M. Andrews:

So even around the table of the Council of Ministers was there any discussions held between yourself and the Minister for the Environment?

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

There were discussions around the whole Council of Ministers and they were informed. Obviously, we are going back a couple of months here so I cannot remember exactly how those conversations formed themselves, so to speak, but there was a wide discussion around the Council of Ministers table.

Deputy M. Andrews:

Has there been any consideration in terms of what could be done to maybe assist private households, say between 2023 and 2026, in terms of could there be a provision for a fleet of maybe electric vehicles to assist Islanders maybe in terms of making sure that we are embracing more of the green economy?

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

So, directly in relation to the vehicle emissions duty rise, I do not think that has been discussed, but on another level we are already discussing certainly the potential provision. Obviously, we have a provider of electric vehicles for easy hire around the Island and there are definitely discussions about extending that fleet with regard to enabling people to have access to electric vehicles.

Deputy M. Andrews:

Okay, thank you, Minister. Moving on, so please could you tell us as a panel what work is being done to balance the needs of businesses with ministerial objectives to reduce emissions?

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

I have to admit I do not think a great deal of work has been done in that area, so it is probably best left at that, yes.

Deputy M. Andrews:

Do you believe in time for the next Government Plan there could be potentially something proposed before the Assembly?

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

It sounds very interesting and I would be really happy to look at that. Perhaps if you have a view yourself, I would be really happy to engage in a conversation with you about that, or the panel.

Deputy M. Andrews:

Thank you, Minister. Also moving to a third point in relation to commercial vehicles and tractors, which are excluded from the rate rise in 2023, would you envisage this exclusion continuing over the 4-year period of the Government Plan?

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

That has not been a question that I have addressed directly myself or in conversation with others, but I am of the opinion that as far as agriculture particularly, the same as fisheries in terms of petrol and diesel for their boat engines, we cannot keep exposing these sectors to continual rises in their costs. There were costs beyond the control of Government which are being imposed on them, so my thinking would be that we would not want to raise that in the near term certainly. Whether I could say with the full 4 years, it would be my hope that we do not, but whether that is what pans out over 4 years I am not a fortune teller.

Deputy M. Andrews:

Okay, thank you very much, Minister. Is there any other questions from the panel that you would like to ask?

Deputy M. Scott:

I was just going to say whether you had any thoughts about how you are going to square this desire to curb emissions with this desire to support the agricultural industry, but having said that, Deputy Kovacs will be talking about the rural initiative so we perhaps can pick it up there.

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

I am sure, yes.

Deputy M. Scott:

Deputy Kovacs is going to ask some questions now.

Deputy R. Kovacs:

With the rural initiative a bit later, but on the value for money savings aspect, on the appendix 3 in the Government Plan it is mentioned the minimum value for money savings target assigned to the Department for the Economy in 2023 is £160,000. Do you consider this to be realistic and how will you achieve it?

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

Yes, I do believe it is realistic. We have quite a clear plan as to how we achieve it. I do not know if ... would you be in a position to explain that perhaps more in depth than I would?

Director General, Economy:

Yes. So, the figure is £160,000 from a budget next year of around about £40 million, so really it is about finding efficiency savings in year. Treasury are keen to capture those savings at the start of the year so that it is very clear that the efficiencies have been delivered rather than getting to the

end of the year and finding that some other purpose has arisen. Where we expect to see efficiencies in Government there will be an element of non-pay inflation that comes through into department budgets. Rather than just using that to inflate every aspect of outbound expenditure from the department as non-pay inflation at, say, 4 per cent, we will ensure that we balance that out appropriately. Some organisations may be greater exposed to rising costs, some may be less exposed. We will find efficiencies both in that process and, of course, in our own general business as usual expenditure, so looking to travel less and video conference or Teams meetings more, again ways to reduce public expenditure.

Deputy R. Kovacs:

So far, besides the non-pay inflation, what other efficiencies have you been able to identify at the moment?

Director General, Economy:

Since we began this year on year, so since efficiencies first kicked in I think in the 2020-23 Government Plan cycle, the department has consistently delivered on its efficiency commitments every year, and the one for 2023 is no different. We have worked to find savings in year. It is very difficult to pinpoint those at the start of every year because what we find is that the expenditure programme that we did think would happen some things do not happen as quickly and some things perhaps do not cost as much, and then other new needs come along. So we have found means to solve some of those in-year problems because we have carried a little bit of savings from earlier in the year and accumulated underspends. So, for example, previous support in the fisheries sector we have provided through underspends within the year. It was not targeted expenditure at the start of the year. So what we just need to ensure in 2023 is that sort of underspend we are keeping back that £160,000 or so of savings to ensure that we deliver on the full year efficiencies target. We believe that ...

Deputy M. Scott:

Sorry, can you be ... because we have a limit on the questions and answers, so perhaps if you could just give us anything specific that you have actually identified and then we will move on to the next question.

Director General, Economy:

Yes, so on travel, for example, in terms of how we manage grants to arm's length organisations I think I mentioned as well so ...

Deputy M. Scott:

When you say how you manage grants, how exactly in terms of what efficiency have you ...?

Director General, Economy:

So both the level of grants that we give, so we give grants on the basis of need and that need aligning with the Minister's own priorities as expressed in the Government Plan and the ministerial plan, so it may be that they do not fully align and we do not fund a full work programme. We obviously look closely at the work of arm's length organisations and where there is a degree of overlap to see if we can take steps, for example, around a common operating platform for those organisations.

Deputy M. Scott:

Okay, thank you.

Deputy R. Kovacs:

By targeting these savings, what services, projects or areas of the department are affected?

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

So, within the department I do not believe any services will be affected in this way from the savings.

Deputy R. Kovacs:

Why has the Council of Ministers not been able to produce value for money savings for 2024 to 2026 as well?

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

Say that again, why has the Council of Ministers ...?

Deputy R. Kovacs:

At the moment this estimate is just for 2023. Why has the Council of Ministers not produced any for 2024 to 2026 already?

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

That would be a better question posed to the Minister for Treasury and Resources than myself, I am afraid.

Deputy R. Kovacs:

Okay. It is not just for this department, I have seen it for all of them. The Government Plan states that the value for money programme will launch a refreshed focus on improving productivity. What will this mean for the Department for the Economy and how will it be achieved?

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

Yes, so the value for money programme is about reviewing to make sure that we are operating as productively as possible, both within the department but also within the grant-funded A.L.O.s (arm's length organisations). We will be reviewing over the course of the year to ensure that we are getting value for money.

Deputy M. Scott:

So what do you mean by productivity in this context?

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

Productivity? As opposed to economic productivity, productivity in this case is about making sure that our money is spent as well as is possible and that the work being produced for that money delivers actual value for money.

Deputy M. Scott:

To the taxpayer you mean?

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

Yes, to the taxpayer, yes.

Deputy M. Andrews:

So we are probably more looking at efficiencies?

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

Yes. Yes, yes. It is operating efficiently, yes, you are absolutely correct.

Deputy R. Kovacs:

Exactly. Thank you. Have any services under the scope of the Economic Development, Tourism, Sport and Culture remit been identified for a best value review as outlined in the Government Plan and, if yes, which ones?

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

Which areas? So the A.L.O. and those grant-funded bodies are the main area that we are doing.

Deputy R. Kovacs:

So A.L.O.s will be the main one to start with.

Deputy M. Scott:

Can I just ask a follow-up then?

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

Sorry, just quickly, it is important to remember that 75 per cent of the funding for our department gets passed on to A.L.O.s, so that is why that is such a key area for us.

Deputy M. Scott:

So when do you expect this best value review to take place?

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

It will be starting imminently, certainly by the beginning of 2023, and we would hope it would be reporting mid-2023, perhaps Q3, 2023.

Deputy M. Scott:

Q3, okay, 2023. Thank you.

Deputy R. Kovacs:

Thank you, yes, that is good.

Deputy M. Scott:

I am going to ask questions on new revenue growth expenditure. So please could you provide the panel with more detail about the £100,000 new revenue expenditure growth on the economics unit?

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

Okay. It would be far quicker for me to pass this over to the head of the economics unit. **[Laughter]**

Deputy M. Scott:

I was looking in the Chief Economic Adviser's direction, yes.

Chief Economic Adviser:

So, it is for one extra full-time equivalent person. The hope is ... well, no, the intention is to be able to deliver a greater degree of economic analysis both at the macro level and at micro level. So talking about some of the efficiencies that you have been talking about there, economists have a very strong role to play in that in valuing some of those efficiencies that are affecting this as well. But having a better understanding of the macro economy is really important as well. We talked about that at the last Scrutiny Panel in terms of some of the economic data we might want to do, some of the nuanced levels we might want to get beneath the headline data so we have a good

understanding of sectors, what would drive the economy in the future, which will enable us then to shape policy interventions, projects and programmes going forward.

Deputy M. Scott:

Thank you. So in terms of the manner in which you are proposing to spend, at a previous hearing with this panel you confirmed that artificial intelligence was not currently used in Government data modelling. Was consideration given to investing in A.I. (artificial intelligence) as part of your expenditure?

Chief Economic Adviser:

It is always a consideration but it was deemed very, very quickly as part of that consideration to not be appropriate in the current functions. Having worked with A.I. in a government setting in the past, it works at huge scale. So it works in the U.K. (United Kingdom) for the Office for National Statistics, for instance, where they are mining millions and millions of data points in a very controlled manner, in a very set way, perhaps on a monthly basis, to give a statistical report. That is not something that we would be aiming to do. It is less A.I. and a bit more automation itself rather than the full A.I. element of it. It is very useful at scale and in certain settings and can provide a lot of savings. You still need people to run that and if we only have 3 or 4 people in the entire team we would still need that one or 2 people to run those large automated elements and we would never realistically have huge amounts of data to be able to make those savings. Always keep these things under review, but it is something that we could quite quickly discount as not having a great deal of value at the moment.

[15:45]

Deputy M. Scott:

Okay. Anything at this point? Has or will consideration be given to using British or overseas university resources to perform or assist in data modelling?

Chief Economic Adviser:

We would always aim to do that. It kind of depends what you mean by that as well. We always refer to academia and the best academia out there. We have the Fiscal Policy Panel, of which there are academics on it as well. We have students as interns as well to help give them some experience in economics and the working world to help try and produce a pipeline of young economists coming through to the team as well and to provide us with some extra resource as well. So, drawing on all the different elements of universities, we are definitely aiming to do that, yes.

Deputy M. Scott:

Okay. Did you want to say anything?

Deputy M. Andrews:

Yes, just one question. You mentioned about micro economics. Is there any particular work ... we as a panel will be probably quite interested in terms of what your team will be doing, say, in the year 2023 in relation to micro economics.

Chief Economic Adviser:

So we would be doing quite a lot of impact assessment work I would expect across a number of different sectors, across a number of different policies, as they are devised and implemented, trying to give good cost-benefit analysis, for instance. We would want to also understand the impact of policies on the household as well as the macro economy as a whole so that, again, we can make sure that policy interventions are as well tailored as possible. I cannot think of specific examples going forward at the minute, but obviously there will be a lot coming through as and when and we will be reactive as well as trying to be proactive. A lot of our proactive stuff is around the macro economy at the minute, as you might imagine with the world of interest rates, inflation, et cetera.

Deputy M. Scott:

Great.

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

Would you mind if I just add a little bit there?

Deputy M. Scott:

Yes, quickly.

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

One of my frustrations both as an Islander and as a States Member has been the lack of economic data that we have in the Island. It is only recently we have got an economic unit full stop and an Economy Department, which in my view is an oversight from previous generations of States Members. Now we have an economics unit, they operate incredibly leanly and, as I am sure you know and I know, we are always asking for more and more data and more and more insight into that data, so this money is entirely directly aimed at helping us gain that insight as well as that data.

Deputy M. Scott:

So, sorry, this additional member of staff will be involved in increasing your data collection then?

Chief Economic Adviser:

They will be involved in everything. There are not enough of us to specialise too acutely.

Deputy M. Scott:

But there is this intention to improve how much data you are collecting?

Chief Economic Adviser:

There is.

Deputy M. Scott:

That would be in liaising with the Chief Statistician or ...?

Chief Economic Adviser:

We are working very closely. We have a good relationship with the Chief Statistician and we want to look at innovative ways of how we collect data and analyse that and use different data sets in slightly different ways together rather than just looking at a data set. So there is quite a few things we can and will be able to do in the coming 12 or 18 months or so.

Deputy M. Scott:

We will be asking a few more questions in writing about that, if you do not mind.

Chief Economic Adviser:

No problem at all.

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

Please do.

Deputy M. Scott:

Just skipping along, if you are okay with that, the local economy is being given £300,000 year on year for the life of the Government Plan 2023 to 2026. We note that this funding is to be used for sport, maritime and aviation. However, it is not clear how this will be divided. Could you please give an overview and following the hearing provide a more detailed breakdown of how this funding will be allocated?

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

Yes, you are right. As far as maritime is concerned, we believe that will be almost just over £74,000, sports a similar amount. Sector lead for aviation and maritime as opposed to the maritime officer, sorry, £92,000. Programme manager, that is in the overall department programme manager, that is a half-time post, as in 0.5 of an F.T. (full-time), £40,000, and then a grants officer, which is to help

with obviously administering grants, et cetera. That is a part-time job as well and that is just shy of £23,000.

Deputy M. Scott:

Gosh, you are well prepared. Thank you very much, and interesting to hear it is a part-time post, too.

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

I cannot hear you, sorry.

Deputy M. Scott:

Sorry, not with the motorbike.

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

It was just the engine behind, that was all.

Deputy M. Scott:

Sorry, yes, I was just saying that it was great that you can just give us the numbers there and then, and I note that it is a part-time post for the grants officer. Is it my question? No, it is Max's question, great.

Deputy M. Andrews:

So, we note that the Inspiring Active Places sports strategy has to date received £800,000 from the previous Government Plan, with £3.1 million still to be received, bringing the total project to the approved total of £3.9 million. The Government Plan lists the project as due to receive £1.3 million in 2023. However, there is no funding for 2024 all the way through to 2026, so we were wondering why this is.

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

This is for the sports strategy or Inspiring Active Places?

Deputy M. Andrews:

For the active places sports strategy.

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

I can provide you ... it is not actually under the remit of this department, it comes under the Department for Infrastructure, Housing and Environment. My understanding is the money in 2023 is to continue looking at feasibility works around Le Rocquier School and improvements to the project

there. I do not believe any firm decisions beyond that point have been made; hence why there is no further funding. Is that the correct explanation as far as everybody else is concerned?

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

Yes, I was going to say ...

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

But I am sure the Department for Infrastructure, Housing and Environment can provide more detail.

Deputy M. Andrews:

Has the Minister for Infrastructure been in regular contact with you to ensure that you are kept up to date with everything that goes on in terms of the decisions that are being made?

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

Via officers I am aware of discussions that go on, yes.

Deputy M. Andrews:

Okay. Also as well, in terms of the overall funding, how is that going to be divided? I think that is probably ...

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

I do not have that level of detail for you. I am sure I can arrange for those officers ...

Deputy M. Andrews:

Yes, if possible, if you could maybe provide a breakdown of that detail, that would be very good maybe to have for next week. Thank you.

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

That is specifically the Inspiring Active Places amount of £1.3 million next year?

Deputy M. Andrews:

Yes, please, yes. Also, what funding has been provided for elite sports and from where will this funding be allocated from?

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

There is no funding provided for it currently and that is very much a work in progress. We are right at the very beginning of that process so we do not even have a figure, let alone to say where it would come from.

Deputy M. Andrews:

Do you have a timeframe in mind?

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

Yes, I think we discussed it briefly at the last hearing but work starting imminently with a view to if there is funding required by the summer we would have to start putting a figure on that.

Deputy M. Andrews:

Okay, thank you very much.

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

If I could add to that as well, I think the sports officer in a sense is that element of funding at the moment because the sports officer will be undertaking the work to develop the strategy from which again through the strategy you can unlock greater funding because you are building the case for it. In that sense, the sports officer is the funding.

Deputy M. Scott:

Could you just explain the overlap or the divide between this new role and, say, Jersey Sport and how much input they have put into this already that ... why is this additional ...?

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

This is for sports policy within the department, so obviously Jersey Sport operates as an arm's length organisation and works with Government. I think again as we discussed at the last hearing, it is about having an officer who can focus on that link with Jersey Sport but also embedding sport across the whole of the Government.

Deputy M. Scott:

So they will be sort of overseeing Jersey Sport a bit more with clear responsibility?

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

Overseeing ... a relationship manager with Jersey Sport on behalf of our department.

Deputy M. Scott:

Okay, thank you. Sorry, I ...

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

But also importantly developing a sports policy element because Jersey Sport is not a policy unit, it is a delivery unit.

Deputy M. Scott:

Thank you. I am moving on to Deputy Kovacs.

Deputy R. Kovacs:

Around the rural initiative scheme, we note that the rural initiative scheme is due to receive funding of £900,000 for 2023, £700,000 for 2024, £600,000 for 2025 and £600,000 for 2026 as part of the Government Plan. How will this funding be allocated between different types of farming activities?

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

So, first of all, I refer to an answer that I gave in our last session last week where those forward-looking numbers I intend to try to make them reach £900,000 in each of the future years. That is my aim. I want to try to unlock more than £700,000, £600,000 and £600,000. The rural initiative scheme, all of our funding is delivered not specifically: "We will give this farm this much and this farm this much" in an ad hoc manner. We have a very clear and quantified method for delivering it. In fact, we are creating a new system for unlocking funding for whether they are growers, smallholders or dairy farms. We are having an entirely new system to deliver the funding, which is based on the public goods that they deliver rather than on the products that they deliver. There will still be a quality milk payment but we will also be ensuring that environmental benefits, landscape management and things like this are part of the equation in determining the funding of those people receiving. I do not have ... to be honest, it is a really impressive system at the moment. It is in draft form. When it is in a suitable form I will be really pleased to bring it to you so you can see it. I am sure you particularly, Deputy Kovacs, will be interested.

Deputy R. Kovacs:

Yes, thank you. In what other ways ... actually, on this funding, to remain on this funding, what consultation process has been undertaken with industry and how has this figure been arrived at, the current figures?

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

There is constant and ongoing consultation with the industry rather than a formal consultation. I would say that we have very much an open door policy with both the R.J.A.&H.S. (Royal Jersey Agricultural and Horticultural Society) and with the Jersey Farmers Union and with Jersey Dairy as well, so we are constantly talking to them. Most recently, I held a meeting as well with smallholders and smallholder representatives because I really want to bring smallholders into the fold of agriculture in Jersey and into the support that Government can give them. So, yes, I would not say

there is formal consultation in the sense of we take a page on a website and ask people to go to it. It is constant conversation with the industry and it is through conversation with them that these figures have ... the £900,000 figure has been arrived at.

Deputy R. Kovacs:

Okay. In what other ways is Government assisting with supporting the rural economy and do you consider that ...?

Deputy M. Scott:

Can we just pause there because I will let you answer one question at a time, yes.

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

No, I had finished the answer there.

Deputy M. Scott:

Okay. So, well, we are just saying in what other ways is Government assisting with helping to support the rural economy?

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

Okay. There are many different ways that we support the rural economy, everything from working with dairy to ensure that they remain as productive as possible. There are really technical issues such as dealing with effluent from the dairy which over the past year has become a very costly matter. So we have taken it from our department. We have made sure that the Infrastructure Department is clued in with that and are now helping to deliver a project which will reduce the cost there. We are constantly ... we work with Digital Jersey. As I am sure you have seen, Digital Jersey are very strong in promoting the smart fuels project that was done. We help engage the industry with various sources of expertise which will help them become more environmentally friendly while also becoming more productive. So there are many different ways and, to be honest, it may be worth us coming in for a briefing at some point on that. I do not know if, Dan, you have anything else to add to that.

Group Director, Economy:

No, just to say that historically the agricultural sector in Jersey has been really progressive and ahead of the rest of the world. I attend the Oxford Farming Conference every year and I am always aware of the fact that we are one step ahead of the industries in the U.K. and to a large extent in Europe. This additional funding from my perspective is a recasting of the relationship with farmers moving away from direct subsidy more into the provision of public goods and services and, in that sense, we get to value agriculture in a more holistic way. So I think that is ...

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

Yes, that is absolutely right.

Deputy R. Kovacs:

On this note, does the Minister consider the current funding model for the rural initiative is sustainable and, if not, how does he envisage changing it?

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

Sustainable for the Government, yes; sustainable for the industry, not quite there yet. I have said publicly and I will say it again: we will be working over the course of 2023 to build a case for greater funding for the industry because I do not believe the industry is on a sustainable footing yet. But from a Government perspective the funding is sustainable, yes, because it is not very much.

Deputy R. Kovacs:

Does that mean you are looking to bring an amendment to increase this funding or ...?

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

Not in this Government Plan, no. I think we are where we can be in this Government Plan. It will be for the next Government Plan that I will be seeking to get the support of Ministers and building a very strong case for greater support for the agriculture industry.

Deputy R. Kovacs:

Or in the current Government Plan do you see anywhere in the department funds to be transferred to increase at the moment the funding for it?

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

At the moment, no. I believe we are in a place where we are okay for 2023 and I am satisfied that for 2023 we are okay, all other things being equal. Again, if there is another rapid increase in the price of grain fertiliser and things like this, then we may need to find funding, as we did this year with the £400,000 from underspends. So I will always be prepared for that sort of emergency situation but I believe this funding and I believe the sector feels that this is sufficient for 2023 but it is not sufficient as a long-term amount. We need to continue to increase this at the moment, but that, therefore, needs a case. At the end of the day, as an Island we have over the last 25 years completely reduced the funding to agriculture.

[16:00]

I believe in 1993 the real terms, today's value, in 1993 we supported the industry to the tune of £18 million. It was £5 million back then, which is valued at about £18 million now. As of today ... or as of 2018 that had fallen to £900,000 for the entire industry. As of today, we have turned that up and with this Government Plan we will be just over £3 million. So Jersey's agriculture industry has had support withdrawn from it at the very time when other industries around the world that they compete with have had funding increased. So to put our farmers on partially a level playing field we need to increase funding, but the way we are doing it, as Dan was saying, is by paying them for the public goods and benefits that they deliver, which I think is a really innovative way to do it.

Deputy M. Scott:

I thought this would be a good time to follow up on the question I was going to raise earlier, in the context of Deputy Andrews's question about this desire to curb emissions on tractors and so on, and whether you have got some sort of plan in terms of supporting farmers in that respect.

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

I do not think we have a specific plan on tractors right now, but please tell me if we do.

Group Directory, Economy:

Not on tractors, but something that we are negotiating at the moment is a carbon roadmap for agriculture, so I am sure that that will consider a wide range of issues. This is about making the industry much more resilient and sustainable in line with our economic strategy aspirations.

Deputy M. Scott:

So a carbon roadmap for agriculture has started already?

Group Director, Economy:

We are in the early stages of that discussion.

Deputy M. Scott:

When do you expect delivery?

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

During next year. I do not have a timeframe that I can specifically give you at the moment. What I can say is that the industry reached out to a top consultancy firm. By that I do not mean a Big 5 type consultancy firm. It was a top agricultural consultancy firm and so it did this off its own back a couple of years ago to measure the carbon emissions and get a greater understanding of carbon emissions from the industry. That tells me how committed the industry is to understand its impact on Jersey's carbon emissions and mitigating them as best it can. We will be there, and it will be one

of the areas that we will potentially need to provide support for, that transition into a carbon neutral agriculture sector.

Deputy R. Kovacs:

How many agriculture businesses received funding, and can you indicate if the number of agriculture businesses who will receive financial support will increase?

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

It is difficult to say which ones it would increase for and how many it would increase for. I am just quickly clicking through. I have the number 44 in my head, but I do not know if that is entirely correct, so do not quote me on that. The correct number may be 37. We will get you a definitive answer for that.

Group Director, Economy:

If I can add, Chair, we have made the scheme more democratic. So historically some of the smaller farmers with small areas did not feel it was worthwhile applying for an area payment. We have moved away from that to make sure that the smaller farmers are given a proportionate slice of the pie because, of course, that ecosystem is quite important; whether you are big or small, that collective contribution to public goods and services is really important. That collective approach to protecting primary, non-renewable resources like soil and water matters whether you are big or small.

Deputy R. Kovacs:

Is the Minister aware of agriculture businesses that are soon to close and, if so, what are the common reasons and areas?

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

I hear through officers, so I would say officers are very aware of those businesses that may be experiencing financial difficulties. They are obviously also aware of those farming businesses where the principals involved are ageing and perhaps looking at retirement, because that is another reason for closure. They may be a healthy business but if there is no succession, no one willing to take on that farm, that could be an issue. It is brought to my attention from time to time when particular businesses have issues. I obviously would not go into any now and name any, but I am not currently aware of any imminent closures, although I am aware that there are some farming businesses experiencing stress. I am aware of those and obviously that stress could lead to closure in the future, but it is not something I would particularly want to discuss publicly but would be very happy to discuss privately.

Deputy R. Kovacs:

Being aware of that, is there any strategy of pre-empting those closures, so being proactive in supporting them?

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

That is exactly what we are trying to do through the rural initiative scheme and the overall rural enterprise strategy and the rural enterprise framework is to ensure that we do have the ability to ... support is an interesting word. Very often in terms of Government we think of it as in financial support. It is not always financial support. It can also be about making sure they have the right people to take over the business or they have the right business plans. In fact, as an industry it is worked on a very open book policy. Our officers know the finances of all the farms in Jersey that receive support from us. They know exactly the ins and outs and where they work and where they do not work. There is also work that they do with Jersey Business, so when they see a business that is perhaps struggling because the business model is not working, then Jersey Business also step in to help them refine those business models to bring them back on to a successful path.

Group Director, Economy:

That is a very important point, that if you buy into Government support, we get to see the accounts and that allows us an early warning around potential challenges around the corner. We have seen this very clearly in the potato sector and that has allowed us to take some action around consolidating 2 key companies around a common marketing strategy to ensure that we are getting best value out of what should be a specialist niche product that is perhaps slightly commoditised, and we can see that reflected in the accounts and try to build back the profitability within the industry is absolutely what we are trying to do. We get, as the Minister says, a lot of insight into those businesses.

Deputy M. Scott:

I am now going to ask you some questions relating to the plan concerning Jersey Business. We note that Jersey Business is due to receive funding of £700,000 year on year for the period 2023 to 2026 of the Government Plan. How does this compare with their base grant?

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

Jersey Business's base grant is £860,000 and so this is a £700,000 increase on that.

Deputy M. Scott:

Can you please confirm what this funding will be used for and what return on investment of these taxpayer funds is being sought?

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

It is to provide the business support facilities that Jersey Business were ultimately asked to step up during COVID and they have shown during that time the very flexible and very wide-ranging support for businesses that they have been able to provide. While COVID has passed, the impacts of COVID on Jersey businesses have not, so this enables them to carry on delivering those levels of service.

Deputy M. Scott:

The second part of the question in terms of return on investment of these taxpayer funds?

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

It is totally understandable that Jersey Business have to report back to us. They have a partnership agreement with us and we do measure them through that partnership agreement. As far as return on investment in terms of are Jersey businesses creating more value, more money for the Island, I do not believe it is measured in that way.

Deputy M. Scott:

So how is it measured in the partnership agreement?

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

It is via the key data points that are set for them at the beginning of the year as a result of the business cases that are provided at the beginning of the year.

Deputy M. Scott:

How can you be sure that the funds supporting businesses seeking support themselves from Jersey Business are not distorting competition and depriving more successful businesses of local staff and growth?

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

I would have to ask you to explain that question a little bit. What do you mean? Distorting in which way?

Deputy M. Scott:

Insofar as the role of Jersey Business in terms of liaising and supporting local businesses which is on application, I understand. People come to Jersey Business. How can you be sure that the funds you are using to support this service are not distorting competition and depriving more successful businesses, i.e. those who are not going to Jersey Business perhaps, of local staff and growth? To what extent might this service be counterproductive in terms of growing more successful businesses?

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

I do not believe it is distorting the market in that way. I do not have the quantitative proof in those terms, but what I would say is that a lot of the work that Jersey Business does is also to signpost businesses that ask for their help to businesses in Jersey, so whether it is consultants or accountants and so on. They often pass people on to those professional service providers in the Island. They do not necessarily do all that work themselves.

Director General, Economy:

We are an Island of small businesses. We have regular undertakings across our business community. We are micro enterprises by and large, once you get away from the finance sector and other very large providers in sectors such as retail. What we are trying to do is to help to provide better business resilience, so rather than Government picking winners and losers, and generally Governments are not very well placed to do that in large economies, never mind small economies. The idea is to try to build better business resilience so that all businesses are in a better shape to withstand the economic cycle.

Deputy M. Scott:

That does not suggest any element of selectivity, though, in light of the current labour shortages. So when we have a business that is trying to grow and has a shortage of staff, how can you be sure that these activities are not impeding growth of our economy?

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

So are you suggesting that Jersey Business's own staffing levels are stopping staff from working for other companies?

Deputy M. Scott:

No, so having an element of selectivity in terms of where the focus of Jersey ...

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

Sorry, I do not believe there is an element of selectivity. Any business in Jersey is welcome to go to Jersey Business and ask for help and their support. Any business in Jersey, no matter what the scale of that business.

Deputy M. Scott:

So even if that might mean that businesses are being supported where other businesses have not needed support, similar types of business?

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

Support is not financial support. Jersey Business only provide advice. They do not provide financial support.

Deputy M. Scott:

It is funded by the taxpayer, though.

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

Yes, that advice is funded by the taxpayer, but Jersey Business do not hand out money to businesses.

Deputy M. Scott:

Okay, so in the context of the extra funding sought, what account has been taken of the extra resourcing provided during the pandemic? I believe that means extra staff.

Group Director, Economy:

You are quite right, Chair. The funding during the pandemic was additional effectively to deal with the response phase of our respond, recover and renew strategy at the time. What has become clear is that we want that effectively growing the business to continue providing those services into the recovery phase as well. The additional funding is effectively a consolidation of the base grant plus the at that point temporary COVID funding, so this is regularising that funding to allow them to continue to move from supporting businesses in the initial response to COVID into the recovery phase and the renewal phase as well.

Deputy M. Scott:

So we are moving from a temporary scheme to a more permanent scheme?

Group Director, Economy:

Absolutely. So instead of saying we are going to remove the COVID funding and you reduce your headcount accordingly and then effectively in my view become less able to support the economy post-COVID we are saying that was a good idea and does not appear to be controversial to make sure that we are building on that and making the temporary permanent on the basis that Jersey Business do give a broad range of advice to any business that wants to see it, not just in terms of growth, but it also does filter those companies that they think have the greatest overall chance of becoming successful. Also, importantly, giving advice around tactical withdrawal from business activities where it looks like this business is not going to make the cut. It is a broad suite of business advice and support to all S.M.E.s (small and medium-sized enterprises) that want to come and do it. I think that is really an essential part of the economic model that we want to pursue going forward.

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

I would add when you talk about recovery, Dan, obviously everything we are hearing about the global economy and in terms of the U.K. economy, we are looking at tough economic times ahead. Providing support for Jersey businesses and having been someone who has run my own very small business and lived with my wife who ran and grew her own business as well, I can see how incredibly difficult it is for business owners to be able to plan, think about their business models, adjust their business models in the face of new threats. Having a partner that they can rely on who is not Government ... and it is really important that they know that Jersey Business is not Government, it is confidential, independent advice, really good advice that helps those business owners take a step back, which is so difficult when you are running a small business, to take a step back and look at it in light of the context that we are in now and replan and move forward. It is an incredibly useful service.

[16:15]

Deputy M. Scott:

I do believe there are a number of businesses in the Island who have benefited from such help, but why does Jersey Business's support services need to be expanded from those available before 2020 and what evidence is there of increased demand?

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

Jersey Business have shown us that there is constant demand for their services, and it has only increased. Because we do not run Jersey Business, we provide the funding for them, we rely on their figures, and they are showing us increasing demand for their services.

Group Director, Economy:

Importantly if you are a taxpayer, I would argue that you want to know whether the customers feel that they are getting a good service from that outreach service. What we are seeing pretty clearly is an increase year on year in their net promoter score, so it is pretty clear to me that the customers who are using that service are getting good value for money.

Deputy M. Scott:

When you look at the data that Jersey Business are providing you, how do you assess the potential in terms of the possibility that it could have a potential negative impact on business resourcing in other ways, for the reasons we discussed, in terms of things such as staffing, as I said in terms of the possibility that businesses are being supported to grow that could perhaps stymie the growth of other businesses?

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

I am sorry, I do not recognise that detrimental impact. I am really happy and always happy to be shown evidence that shows me where things are not working properly or might have a negative impact somewhere else, so please do show me that evidence, if you have it, but I have not seen any evidence to that effect.

Deputy M. Scott:

How have you assessed the success in terms of G.V.A. (gross value added) or G.D.P. (gross domestic product) growth?

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

Referring to my earlier answer, we do not assess Jersey Business in that sense.

Deputy M. Andrews:

Also in the Government Plan it mentions sustainability, but of course we have come into this period where it is quite volatile and the base rate has increased to 3 per cent, and also we have double-digit inflation. How are you planning the year 2023 ahead in your role as Minister for Economic Development, Tourism, Sport and Culture to support businesses and to ensure that Jersey's business supply is going to be maintained as much as possible?

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

A superb question, because that is the work we are undertaking at the moment. I do rely on firms like A.L.O.s, such as Jersey Business, to help us because they are at the coalface and see the difficulties. I work with the Chief Economist to help understand the macro-economic situation. For instance, one of the things that we were discussing recently was my frustration that we do not know how much debt Jersey's businesses are in, and we just do not have those figures. I know Tom realises that is an area of blindness for us, but we also have been "assured", because it is anecdotal, that Jersey's businesses do not take on a great deal of debt. Things such as that, for me, are really important and we are flying blind in those terms.

Deputy M. Andrews:

That was going to be my next question about private sector debt. I will flick to yourself, Mr. Holvey. In terms of the private sector, where do you see the particular trends of private sector debt being most prominent, especially for a small Island such as Jersey?

Chief Economic Adviser:

It is a really interesting one and a lot of our evidence does suggest that it is not pointing in the same way as it would be in a lot of other economies. Obviously, the rising interest would pose some risk to that, but if you are working from a lower base that does mean that that risk is greatly reduced. Anecdotally, we would love to get our hands on some of that data and we are having conversations with lenders who are providing us with some information, but not the data that sits behind it, and as the Minister has said anecdotally again it does appear that there is not a huge reliance on loans leverage here in quite the same way you might see it anywhere else. Every sector is slightly different and I think you have to go by a sector by sector base as well.

Director General, Economy:

If I can just add anecdotally through the COVID period in talking to the various commercial banks that are lending to Island businesses, they pointed to the loan books holding up essentially well during that period. They also spoke of a generally lighter level of indebtedness in the business community here versus similar territories that they have up and down the United Kingdom, and also the fact that we did not see a great reliance on, for example, the Government-supported COVID bank loan guarantee scheme. It was very lightly used based on the allowance that they put to it and how much was drawn. Overall, those are all positive signs that there is a lighter level of indebtedness generally and, therefore, less sensitivity to rising interest rates. We are not complacent about that and there are conversations ongoing with those very same banks to understand the position on their loan books.

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

You mentioned private sector lending and obviously banks are private sector, but as well as that part of the private sector there is also the very hidden. Now, I just called banks private sector, but the non-bank lending. Some of them are quite public companies but also we know in Jersey that there is private individual lending as well and we have no sense of how much that is at all.

Deputy M. Scott:

Just on that, in terms of the responses you have given, and you have mentioned on 2 occasions anecdotal evidence and we have also mentioned the shortage of data in this respect, will you be doing anything to turn this anecdotal evidence into hard evidence?

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

That is the work that Tom knows I want him, I and others, the statistics unit, to be doing. I apologise if I am repeating from last week 2 real areas that we do not know about, which I worry about a lot. We do not know the Island's level of debt, not just in businesses but at private household levels, and we do not know the Island's level of savings, either in businesses or private household levels or savings, pensions being another form of savings, we do not know the Island's level of pensions. So

we have no sense of the Island's level of risk from an indebtedness perspective across the board. Equally, we have no sense of the Island's level of resilience in terms of its savings and what individuals, households and businesses have to fall back on. We will, no question, be trying to find ways to make sure we fill those gaps. Sometimes it might have to be through proxy information rather than direct information.

Deputy M. Scott:

When do you hope to finish this project?

Chief Economic Adviser:

It is not a project. Improving data is just an ongoing piece of work that we will always continue. It is important to understand that Government do not own data. Individuals, businesses, own data. It has to be done with their consent, that type of thing, which is never easy to do, because there is a lot of propriety ...

Deputy M. Scott:

However, statistical projects are statistical projects, so they usually have a beginning and an end date.

Chief Economic Adviser:

This is not a statistical project. This is an ongoing task to improve our data sources every step of the way. I would not say we have a project that we have an end date on to say: "We will deliver something by then." We will continue to work with all individuals and all stakeholders to see what we can get available when and plug gaps where necessary as well.

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

My point was that Tom knows that those particular areas are areas that I think are really important for us to know and so I have asked Tom if we can try to find ... I know Tom is talking to sources of information about that.

Deputy M. Andrews:

In relation to specialisation, so I am speaking more about professions, for you moving forward across the Government Plan from 2023 to 2026, what areas across the economy would you like to focus on in terms of seeing more people become qualified in those professions and where we can see more sector development as well?

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

My immediate priorities at the moment are tourism. We have a real concern with the tourism industry particularly in terms of bed numbers and the impact, if we were to have a failing tourism industry. We do not. We have an industry that has become smaller. If we were to lose the tourism sector in its scale any further than now we would lose an awful lot from Island life. We would lose flight connectivity; we would potentially lose boat connectivity. We would also lose elements of the hospitality sector, which make this Island a lovely place to live. The impacts there really concern me. Going forward, as far as the professions are concerned, there is no question in my mind we still need to pick up on the technology skills element. I think Jersey has still not quite got there in terms of making sure that the Island is equipped with technology skills, and that goes from everything from your tech specialists who want to learn coding, who want to become developers and potentially entrepreneurs, all the way through to the people working in today's trust companies, today's fund administrators, who perhaps could work better with the tools that they have and do not know how to use the tools they have to maximum efficiency, therefore it reduces productivity.

Deputy M. Scott:

We are coming close, about 7 minutes away from the scheduled end of this hearing, which is quite a short hearing. Would you be able to stay another 5 to 10 minutes?

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

Yes.

Deputy M. Scott:

Great, because I just want to be sure.

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

I speak for myself. I do not know about others, but I can do this alone if need be.

Deputy M. Scott:

Great. I did have a couple of other questions on the subject of Jersey Business before we started going into other areas. What are the fixed costs of running Jersey Business and its total staff cost?

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

Like I said, its base budget at the moment is £860,000. I might have to look to Fiona for that. We can get you that information.

Head of Business Management and Governance, Department for the Economy:

We will be able to find that in more detail.

Deputy M. Scott:

How much does its board cost?

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

I do not have that information to hand.

Group Director, Economy:

We will give a detailed breakdown.

Deputy R. Kovacs:

On this area, I wanted to ask about the funding Jersey Business receives. I am aware that they are ongoing looking to expand and specialising themselves on leads for different sectors, such as the lead for retail, one for hospitality, which I think gives a better tailored service to businesses. Is this funding incorporating this expansion that they are looking to have?

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

I believe that is absolutely the case. It is to be used in that sort of way so that they can deliver that specialist help to those areas. Again, I know some of the individuals involved in delivering that and they are top quality people who are delivering expert specialist advice from those sectors.

Deputy M. Scott:

Are they using existing resources for this or are they recruiting new resources to deliver this?

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

I do not know if they are getting new headcount, but the money we are providing them is to help them in those areas.

Deputy M. Scott:

Have you considered or investigated the extent to which Jersey Business is providing services that already are provided within the private sector and which therefore may ...

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

Currently not investigating it, but it is a concern that I am very alive to, because one thing I am never keen on is Government or publicly funded bodies effectively taking over the private sector. It is something I am aware of and alive to, but it is not something I am currently investigating.

Deputy M. Andrews:

I wanted to ask another question. If for instance Jersey Business did not exist, do you think there would be certain businesses that would not be currently in the marketplace, due to the professional help that they have had from Jersey Business?

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

Yes. I believe that is absolutely the case.

Deputy M. Scott:

Would that necessarily be a good thing or a bad thing in terms of the quality of the business?

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

Because Jersey Business does not provide money to them, the reason they will have survived is because they have adjusted their business models, looked at their productivity levels, brought in efficiencies, used technology to get greater efficiencies. They have become better businesses as a result of their interaction with Jersey Business. I think that is a good thing.

Deputy M. Scott:

Yes. Do you have that data in terms of how many businesses they have worked with that have not survived, or retired? Perhaps we could be provided with that.

Group Director, Economy:

Absolutely. We have got lots of data. We go through a very thorough review of their business plans each year. I was just doing that this morning. Yes, we have got a lot of K.P.I.s (key performance indicators) embedded in their business plans.

Deputy M. Andrews:

In relation to some of the business plans such as Jersey Business, I think potentially some members of the public would like to see more transparency in terms of the business plans being made available. Would you not agree to this? I think there have been some sections of the public that have started to question what is the purpose of some of the organisations that we are looking at here.

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

That is also part of this A.L.O. review that I will be undertaking over the coming months. It is those sorts of questions. We need to satisfy ourselves that the business plans are gone through on an annual basis. It is an interesting question. I am not going to say yes to publishing the business plans at the moment, because I would need to think through that, but they are absolutely looked at

by us. I just struggle in my head as to if there would be a problem of them being published. I do not know.

Director General, Economy:

There is a piece of work that has emanated from the Comptroller and Auditor General just around the transparency of arm's length organisations, particularly their annual report and accounts, but those are not just reporting back. There is a realistic: "This is what we set out to achieve. These are the things we delivered. These are the things we stopped. These are the things we chose not to start." It is a much more open and honest appraisal of that organisation's performance in-year, rather than just a highlights reel. That is a very live piece of work. The reports have just landed in the past week or so from the Comptroller and Auditor General's office and other departments in Government will be reading through that and making sure that we take that work forward with the arm's length organisations.

[16:30]

Deputy M. Scott:

Bearing in mind it is a question about transparency in the public interest, of course, which I understand is being considered.

Deputy M. Andrews:

Also as well in terms of, say, Elizabeth Castle and the Opera House, in terms of the undertaking of the work, could the panel receive any documentation at some point in the future in relation to how we can scrutinise what will be brought forward for the Government Plan for 2023? Just so we can look at the specifics in relation to each task.

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

You are welcome to look at the document, but can I ask what specific documentation you are talking about?

Deputy M. Andrews:

It is more in relation to the individual business cases, say with the Opera House and Elizabeth Castle. We have been aware ...

Deputy R. Kovacs:

Fort Regent, please.

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

There is not one at the moment for that. We are not funding Fort Regent particularly beyond maintenance at the moment as I understand it. Also it is not our department so I should not speak on that. I might be wrong. I would be happy to set up that briefing with you and officers will show you everything they are able to show you.

Deputy R. Kovacs:

To give Deputy Curtis something to do as well. **[Laughter]** On the new telecoms legislative framework, the funding for the new telecoms legislation framework is due to be £242,000 for the life of the Government Plan 2023 to 2026. How has this figure been arrived at?

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

The background of the telecoms security framework and its legislative side is following on from work in the U.K. and their 2021 legislative Act on telecoms. We have simply got to make sure that our telecom security is compliant, especially given we use the U.K. 44 number group. This number I believe comes from bringing in some specialist expertise to help look at how the telecoms security framework of the U.K. is being implemented, look at the best practice relevant for how we manage our telecoms providers and our telecoms infrastructure and as well it brings in, I presume, any kind of buffer that we require from the department to support on that single project.

Group Director, Economy:

Perhaps if I can add, our telecoms legislation needs to be fit for purpose and modern. Currently, it is 2002 so we are trying to align better with more contemporary legislation that exists in the U.K. and, of course, there is a strong relationship between Jersey and the U.K. in the sense that we tend to use their telephone numbers. It is part of the whole digital connectivity piece of a grown-up, modern jurisdiction and to a large extent a hygiene factor for businesses. The money itself is for supporting some legislative underpinning work and effectively working in collaboration with the J.C.R.A. (Jersey Competition Regulatory Authority), who will be important partners in not just the building of the legislative base but also in terms of the compliance regime going forward from 2024. The vast majority of that funding is to support that legislative development piece, and there is a little bit of additional funding for an additional policy principal in the department to support that work at an officer level.

Deputy M. Scott:

I do not believe we have heard from the J.C.R.A. in terms of a specific problem in competition or anything like that in terms of legislation. Could you please expand on what you see, give a specific example of a problem that you can see in the legislation as it is that you see needs to be addressed?

Director General, Economy:

The J.C.R.A. has a dual role. One of them is competition law, and the other one is economic regulation of Ports of Jersey, the telecoms sector and so on. It is in that licensing aspect of providing licences to telcos in Jersey for the activity that they undertake. We have had a range of issues over the years, so we have had outages on the 999 number that J.C.R.A. have been involved in, in that space. We have had an outage on the broader J.T. (Jersey Telecom) network. We have had issues around collaboration on 5G licensing and future technologies. You have the issue of high-risk vendors embedded in telecoms hardware. We need to address the backstop around some of these elements to ensure there are meaningful teeth. Rather than rather dated legislation, that there is more contemporary legislation that empowers either the Minister, as appropriate, or the regulator, as appropriate, to act and also to appropriately condition licences of those telcos if there is negative examples of behaviour, that their licences could be appropriately conditioned and, therefore, the public safeguarded or provide for a more resilient telecoms service for Islanders.

Deputy R. Kovacs:

Can you explain why the work will take 4 years and do you think the funding will be required in its entirety?

Director General, Economy:

The legislation should be in place within that 4-year window. What we are a little bit uncertain on is just the transition of where we finish on the policy and legislative side to the process, so moving from policy and legislation development to that working in practice, so where necessary the operators are replacing their network hardware in a compliant way, that they are moving towards 5G networks and also from the J.C.R.A.'s perspective that they are issuing appropriate licences, and if there are negative outcomes that they are conditioning licences accordingly. That is why it is in for a 4-year period of time. We would hope that within that 4 years it is safely transitioned across into more of a business as usual situation where it just sits under the arms of the J.C.R.A.'s regulator.

Deputy R. Kovacs:

That was another aspect, that the amount is the same year on year and is it not likely that most of the work will be carried out in the first 3 years and the last year will be more like a tidy-up?

Director General, Economy:

If that is the case and we do not need that money in future years, then that would essentially be an underspend in the department and would be returned to Treasury in the normal way. I think 4 years is a long time in almost any of these sectors but particularly in something like telecoms, which is fast moving. There may well be other factors to consider nearer that time.

Group Director, Economy:

We would hope to implement the framework by the end of 2024 but then you are well into how to run the compliance regime and the funding of that is yet to be determined as part of the process. I think while we will land the framework by 2024 there is still the compliance piece to do thereafter.

Deputy M. Scott:

This is in connection with the arts and heritage strategies, Minister. Do you think sufficient funding has been directed at ArtHouse to support commercialisation for local artists as part of the general grant?

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

If I take that question slightly differently, do I think there is sufficient funding to ArtHouse Jersey, yes, I do.

Deputy M. Scott:

Okay. In terms of the commercialisation of local artists and other creatives, how much attention are you giving to increasing your support of that, in terms of having some positive contribution towards the economy?

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

That is part of the whole arts strategy delivery. That includes things like the Opera House, as well as ArtHouse Jersey, the work it does, the Jersey Arts Centre. A large part of what I would like to see from the arts strategy, which we delivered last year, is the ability for young people to see their careers in the arts starting in Jersey, possibly continuing through the whole of their lives in Jersey, so there is no question in my mind that it is not just a question of ArtHouse Jersey, it is a question of the arts strategy as a whole. A large part of that is about developing our arts economy, our creative economy, as you quite rightly say.

Deputy M. Scott:

How much of the funding that you have managed to secure is being directed at this concept of championing the Creative Island Partnership through to 2023?

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

The Creative Island Partnership is a constant, ongoing piece of work at the moment. I am flicking through my figures to see if there is a particular amount set against that. I can see creative spaces £80,000.

Group Director, Economy:

It is a 5-year programme managing the main contribution.

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

Exactly. The Creative Island Partnership is an ongoing piece of work and I do not have a set figure against that. Sorry, I will correct myself a little bit there. Creative Island Partnership events £12,000, creative spaces, which is also a part of that, £80,000. The Creative Island Partnership is a round table between people in the arts sector working with officers to discuss where best to deploy not just funding but also skills in the arts sector as a whole. The partnership itself probably does not cost a particularly large amount, but the work that comes out of that, and that was informed work by ArtHouse Jersey and informed work done by the Arts Centre, the Opera House company and so on. I do not think there is one particular figure set against the partnership itself.

Deputy M. Scott:

Thank you so much for the time that you have given us. We are very likely to be following up certain questions in writing for different reasons. In the meantime, thank you very much for attending this hearing and helping us explore your funding a bit better. I will call it to an end.

[16:40]