

19-21 Broad Street | St Helier  
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By email

12<sup>th</sup> June 2023

Dear Chair,

Thank you for your letter of 2<sup>nd</sup> June, in which you provide a number of questions following the recent Quarterly Public Hearing. I have set out below answers to each of these in turn:

You have requested the terms of reference for the Medicinal Cannabis Ministerial Group, this is attached as a confidential annex – at this stage the terms of reference remain in a draft form, pending final amendments from Ministers. The terms of reference will be approved and published via the Chief Minister in due course.

- **What support you are considering and currently offer to agricultural businesses to become established noting that the Rural Initiative Scheme is not designed to aid in this area; and,**

The department does not offer financial support to prospective businesses given the necessity to have a minimum annual turnover to qualify for financial support under the Rural Initiative Scheme. This figure is low to ensure smallholders and new entrants are not excluded and ensures that taxpayers' money is only used to support empirically viable businesses.

This notwithstanding, officers within both Jersey Business and the Department for the Economy provide extensive practical support and advice to help potential businesses navigate their entry into the rural economy.

- **Explanation of the Growth Value Added/potential Growth Value Added per full-time equivalent employee inclusion for inward investment applications as identified in the Delivery Plan (page 12, P9.2)?**

It is vital that any new business relocating to the Island is part of the solution to improving productivity across our economy and we would expect the business' level of productivity to, at a minimum, exceed the average for their industry in Jersey. By introducing an assessment of the productivity level (GVA/FTE) of any applicant business, we are able to consider that level as part of the assessment on the appropriateness or otherwise of the business for Jersey.

### **Markets Working group**

1. *The Panel understands that you are working with the Markets Working Group to establish a plan for implementation of the recommendations resulting from the Markets Review undertaken in 2022. Can you update the Panel on this work?*

Work to establish how to revitalise the markets remains at an initial stage. A working group has been established to explore options. It would not be appropriate to provide further information at this stage as the optimum option has not yet been agreed and tenants have not yet been informed

of the proposed changes. The project is being led by the Infrastructure & Environment department, who would be able to give a private briefing at the appropriate time.

a. *Can you confirm the membership of the Markets Working Group?*

The working group includes representatives from Jersey Property Holdings, Department of the Economy, Jersey Business, and the Jersey Markets. There will also be close engagement with the Parish of St Helier and the Tenants via a newly formed collective once that has been established.

b. *What necessity is there for the Markets Working Group?*

Given there are a number of stakeholders involved, and that political responsibility sits between the Minister for Economic Development, Tourism Sport and Culture for retail policy and the Minister for Infrastructure & Environment (JPH) for Capital Investment, a group has been formed to provide a forum to discuss and agree options and ensure alignment of objectives and communication.

## **Social Enterprise Framework**

2. *The Delivery Plan identifies that you will be forming a Social Enterprise Framework, can you update us on the work of scoping this?*

The Ministerial Delivery Plan commits to beginning to scope a Social Enterprise Framework in 2023. Scoping work for this framework has not yet begun but will be undertaken later this year in collaboration with the Customer and Local Services Department.

Jersey has some exceptional organisations such as Beresford Street Kitchen, Acorn, Caring Cooks and Scoop, whose ethos is very much aligned to social enterprise, it is clear several barriers need to be addressed to encourage more social enterprises to develop and crucially be sustainable in the island.

3. *How will this framework interplay with ambitions of productivity in the Island?*

Social entrepreneurship is a form of entrepreneurship that seeks to address social, environmental, and economic issues. Social entrepreneurs are typically individuals who create businesses in the public interest.

The framework will support individuals or organisations to be entrepreneurial by reducing the barriers that are currently in place and provide a light touch framework to increase creativity across a range of areas across the economy.

We have seen in other jurisdictions how agile social enterprises can also deliver core services.

Indeed, at a British and Irish Council Ministerial meeting in Cardiff in November 2022, I was able to see the impact first hand through a community shop in Cardiff which provided employment, volunteering opportunities, while meeting local needs and reducing food waste.

4. *What early consideration would you have as to the impact of Social Enterprise on capacity of expanding the Island's paid workforce?*

I think there is tremendous opportunity to enable social enterprises to thrive in a mixed economy.

For example, there are more than 6,000 social enterprises in Scotland, generating more than £2.3 billion for Scotland's economy, and supporting more than 88,000 jobs. Scotland's social enterprise sector is very mature, and we can indeed learn many lessons from our British and Irish Council partners.

Social enterprises are dynamic and independent businesses, and they exist to deliver specific social and/or environmental missions. This will appeal to many people who may wish to re-enter the workforce, or who wish to have a change of career.

As social enterprises reinvest profits to grow in many cases, there is an ongoing opportunity to grow existing social enterprises, while supporting the development and growth of new and dynamic businesses.

### **Visitor Economy Strategy**

5. *The Panel was informed in March that the Visitor Economy Strategy was in its inception phase. How is the development of this strategy progressing?*

The strategy is now in the development phase. As part of our ambition to engage industry from the outset in the development of the strategy we agreed to participate in and support the JHA Industry panel event on 30th March. The event was well received and demonstrated the intention of the Steering Group to work collaboratively both as a team and with industry.

In the spirit of continuing to engage in a transparent and collaborative manner with industry the group has agreed to publish Public Minutes of the Steering Group meetings. These are shared with Industry via the representative organisations and on Visit Jersey's website.

As presented to industry on 30th March our approach is twofold:

- To agree a list of short-term priorities issues and to provide an update on these to the industry by early summer.
- To work in parallel on the long-term strategy with an aim of achieving our Vision **"To be a globally relevant, sustainable and inimitable destination for hospitality that Islanders are proud to share"**.

6. *How will the Visitor Economy Strategy help inform planning decisions, such as hotel provision and change of use for AirBnB lets?*

Accommodation will be one of the areas covered by the strategy. The levers and areas that need to be reviewed and addressed in order to enable the continued transformation of the island's accommodation offering will form part of the next phase of strategic thinking and will include consideration of regulation and planning guidance where necessary.

7. *Have you queried the success of the move away from a physical tourist office by Visit Jersey?*

We continue to review this with Visit Jersey. This is being continually monitored and research is being undertaken with visitors on island over the summer to form a more detailed understanding of

their needs in terms of sources of information and satisfaction with these, and whether this has changed since last year.

The move in-house of these services (rather than being run by Liberty bus staff) is giving Visit Jersey greater visibility and direct contact with visitors so they have a much better opportunity to directly engage with visitors, manage the quality of their VIS experience, and have a conversation about the tools/resources they find most helpful. We expect more information to be available over the course of the summer.

*a. Have there been any complaints from visitors?*

So far negative feedback has been limited to locals rather than visitors.

In addition you have requested clarification on the following points:

- 1. Confirmation that the Arms' Length Organisation (ALOs) review will include identification and review of Key Performance Indicators (KPIs), including review of independently produced data in the Jersey Performance Framework that could inform, improve and serve to track Key Performance Indicators (particularly with respect to contribution towards economic productivity or growth).**

The Ministerial Plan highlights that the ALO review will be completed by Q4. Terms of Reference for the review will be completed by Q2 and will be shared with the Panel for reference.

- 2. The reason for measuring economic contribution of individuals by reference to GVA with respect to inward investment, while not measuring the economic contribution of ALOs intended to assist in improving economic productivity by reference to GVA?**

The purpose of measuring the productivity level of enquiring inward investors (GVA/FTE), as per page 1, bullet 2 above, is to ensure relocating businesses are part of the solution to our productivity challenges and would not further add to them.

As per the definition in the Public Finances Manual, "the overriding consideration in any Arm's Length Organisation arrangement is the achievement of the States' Strategic Priorities in the most effective, efficient and economic manner". The Council of Ministers Common Strategic Policy highlights increasing productivity levels in the economy as a key priority for this Government. Part of that focus includes developing the strategies and policies needed to support this aim as well as tasking relevant ALOs to develop and implement programmes of work which support positive outcomes in this area. ALOs are therefore measured against agreed outcome focused KPIs which, in turn, support the relevant Ministerial priorities and overarching Government priorities in relation to productivity.

- 3. How KPIs of ALOs will be made publicly available. For example will they be reported in a similar way as the Service Performance Measures or Jersey Performance Framework?**

As noted in [my letter of 17<sup>th</sup> March](#), KPI's and KPI results are reported as part of ALO Annual Reports and audited accounts which are submitted no later than 6 months following the end of the financial year to which they relate. Previous annual reports, including analysis against the performance measures are published online by each ALO respectively.

**4. How health impacts and benefits of sport are measured in the Island, how this is communicated to the Economy Department and how these influence the work of your officers in appraising performance and allocating grants in this area?**

There are agreed KPIs set annually with Jersey Sport which are aligned with the Inspiring an Active Jersey Strategy. The performance of all ALOs is assessed against their agreed KPIs. The assessment of the health impacts and benefits of sport are a question for Public Health who lead on this but the Economy Department is due to publish a report on the health and social value of sport in the next few weeks.

**5. If public health will be an element of the Sports Review and if performance measurements in that area will be relevant to the review's Terms of Reference and work?**

The review is limited to the Terms of Reference which are:

- review how the government's sport and physical activity policy and strategy are formulated and implemented.
- review if the existing arms-length partner's structure, organisation, management and delivery remains appropriate, relevant and fit for purpose to meet the Council of Minister's Common Strategic Policy and ministerial priorities of the MEDTSC.
- produce a report on the review findings, including recommendations.

The independent consultant conducting the review has met with representatives from Public Health and those discussions will inform the final report.

**5. What is the anticipated figure for the potential contribution of local cannabis industry in 5 years time (including any assumptions regarding changes in regulatory framework on which that estimate is based)?**

This information is not held and will ultimately depend upon the success of our local industry and the effectiveness of our regulatory framework. There are similarly no official estimates of the size of the medicinal cannabis industry in the UK, and unofficial estimates of the size of the sector vary.

I hope the above provides clarity to the areas you have raised.

Yours sincerely,



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