

# STATES OF JERSEY



## PUTTING JERSEY BUSINESSES FIRST

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Lodged au Greffe on 1st May 2020  
by Deputy K.F. Morel of St. Lawrence

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STATES GREFFE

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

- (a) that the States of Jersey will commit to supporting the Island’s social and economic recovery from the Covid-19 crisis by maximising the amount of goods and services that the Government of Jersey procures from on-Island suppliers;
- (b) to request the Chief Minister to amend all Government of Jersey procurement evaluation criteria, policies and processes, including the ‘Most Economically Advantageous Tender’ (M.E.A.T.) evaluation criteria, so that a preferential weighting is given to Jersey-based suppliers, or off-Island suppliers that employ Jersey-based staff, which provide goods and services to the Government (subject to exemptions for specialist services that can only be purchased from off-Island suppliers);
- (c) to request the Chief Minister to lodge a proposition by 1st August 2020 seeking the States Assembly’s approval of the amended procurement policies and evaluation criteria;
- (d) to request the Chief Minister to present an annual procurement report to the States Assembly detailing expenditure by the Government of Jersey on different types of goods and services from off-Island suppliers, including with each instance the reasons for not having chosen to use an on-Island supplier, with the first such report to be published no later than 31st December 2020; and
- (e) to request the Minister for Economic Development, Tourism, Sport and Culture to undertake an analysis of Jersey’s principal industrial sectors (as defined by Statistics Jersey) in order to develop an index of multipliers that show the economic impact of spending Government funds within Jersey’s economy through the purchase of goods and services from Jersey-based suppliers and off-Island suppliers employing Jersey-based staff.

DEPUTY K.F. MOREL OF ST. LAWRENCE

## REPORT

**Protecting Livelihoods** is a key priority in the Government of Jersey's response to the Covid-19 pandemic and this proposition is designed to enhance the protection of those livelihoods in a simple and highly effective manner – by ensuring that Jersey taxpayers' money is spent within Jersey, thereby providing an economic stimulus that will enhance the Island's recovery from the Covid-19 pandemic.

The Minister for Economic Development, Tourism, Sport and Culture has stated publicly that –

*“Support for business is support for people, protecting jobs, lives and livelihoods during this crisis.*

*“We will stand firmly behind our economy, our businesses and their employees.”*

To this end, the Council of Ministers has backed an economic support package worth hundreds of millions of pounds that is focused on keeping Islanders in work. There can be no doubt that the package is both bold and necessary, but it is not all that Government can do.

### **Spending the Jersey Pound in Jersey**

The Government can significantly enhance its support for Islanders' livelihoods through the short, medium and long terms by prioritising the spending of taxpayers' money on goods and services procured in Jersey.

The value of locally-focused procurement cannot be underestimated at any time, but the case for concentrating Government spending on-Island is strengthened enormously during a time of economic crisis, such as the Covid-19 pandemic.

With the Government Plan 2020-23 having been rendered redundant by the Covid-19 crisis, it is no longer possible to confirm the value of Government spend this year, or next, on capital projects or the procurement of goods and services; but we can be sure that regardless of the precise figures, the Government will spend tens of millions and, most likely, hundreds of millions of pounds via central and departmental procurement.

The aim of this proposition is to ensure that the vast majority of that spend is focused on-Island, supporting Islanders by keeping them in work and able to provide for themselves and their families.

### **Island-focused procurement**

The proposition is designed in five parts that will enable the Government of Jersey to quickly develop a sustainable Island-focused procurement policy:

Part (a) confirms the States Assembly's commitment to supporting Islanders' livelihoods by focusing procurement onto Island-based goods and services.

Part (b) requires the Chief Minister to develop a procurement policy that places appropriate weighting onto the procurement of on-Island goods and services. This weighting, which is missing from current [procurement policies](#), will enable the social

and economic benefits of local procurement to be included in the procurement evaluation criteria. Importantly, it is also recognised that some goods and services can only be procured from off-Island suppliers.

Part (c) provides a deadline of 1st August 2020 to bring forward the new, Island-focused procurement policies and evaluation criteria for States Assembly approval. This part requires a relatively rapid timetable and so will need manpower resources. The need for the quick delivery of this proposition is to ensure Islanders' livelihoods are supported during the Covid-19 crisis.

Part (d) requires the Chief Minister to present an annual report to the States Assembly detailing the extent of off-Island procurement and requiring reasons for the use of off-Island suppliers. It is hoped that this document will include further information about Government procurement so a clear picture of its true extent and nature can be developed over time. This part will enable States Members to hold the Government to account for its procurement choices.

Part (e) requires work to be undertaken by the Minister for Economic Development, Tourism, Sport and Culture to develop analytical tools that provide a means of assessing the economic and social value of on-Island procurement. This work will enable the Chief Minister to adjust the relative weighting of the use of on-Island suppliers in order to refine future procurement policies.

As Jersey emerges from this crisis, there can be no doubt that the best value for money the Government can deliver is to spend its money locally, supporting jobs, protecting livelihoods and rebuilding the economy so that all Islanders can prosper.

### **Financial and manpower implications**

Amendment of the procurement policy and development of the evaluation criteria, as well as work undertaken by the Minister for Economic Development, Tourism, Sport and Culture, would be undertaken within existing departmental resources. Should this proposition be adopted by the Assembly, it is possible that the cost to the Government of Jersey of certain goods and services being procured locally rather than from off-Island sources, may increase, but it is not possible to quantify the amount. However, any cost increases would likely be offset by the value of economic stimulus that Jersey-focussed procurement would deliver to the Island as a whole.