



Economic and International Affairs Scrutiny Panel

Quarterly Hearing

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

Friday, 5th April 2019

Panel:

Deputy K.F. Morel of St. Lawrence (Chairman)

Deputy D. Johnson of St. Mary (Vice-Chairman)

Deputy S.M. Wickenden of St. Helier

Witnesses:

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

Senator S.W. Pallett, Assistant Minister, Economic Development, Tourism, Sport and Culture

Mr. D. Scott, Director, Economic Development, Tourism, Sport and Culture

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

Mr. I. Clarkson, Interim Private Secretary

[11:03]

Deputy K.F. Morel of St. Lawrence (Chairman):

Before we get started, we will just start as always by stating our names for the record, if that is all right. We will start with Scott.

Deputy S.M. Wickenden of St. Helier:

Scott Wickenden, panel member and Deputy of St. Helier District 1.

Deputy K.F. Morel:

Kirsten Morel, chairman of the panel and Deputy of St. Lawrence.

Group Director, Economy and Partnerships:

Dan Houseago, Group Director, Economy and Partnerships.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Senator Steve Pallett, Assistant Minister for Economic Development, Tourism, Sport and Culture.

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

Senator Lyndon Farnham, Minister.

Director, Economic Development, Tourism, Sport and Culture:

Darren Scott, Director.

Interim Private Secretary:

Ian Clarkson, Interim Private Secretary.

Deputy K.F. Morel:

Brilliant, thank you very much indeed. Well, we have got an hour and a half scheduled for this; I think that will be more than enough. So we just want to start off by asking a very broad question of: what areas of work is the department concentrating on at the moment?

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

Dan, would you like to just kick off on that?

Group Director, Economy and Partnerships:

Yes. So, a critical structural piece is the planning of a new target operating model, a future operating model, for the Economy and Partnerships part of Growth, Housing and Environment. I think it is fair to say that we are effectively going back to basics in terms of economic development work. We are moving away from, perhaps in my view at least, the position where we were starting to focus more on arm's-length delivery. I think we have got to bring that back in to make sure that we are able to be agile enough to deal with some of the economic challenges that we have been faced with going forward, particularly in the global markets space, but also focusing on issues around our domestic economy, so we are effectively trying to create a form that follows the function of what we think we are going to be doing going forward. We have talked briefly about this in previous hearings. We are making sure that we are properly looking after the productivity piece in the domestic economy and making sure we are dealing with the risks and challenges in global markets, so a trade and export function, not just looking outwards but looking in to the impacts of trade on our domestic economy. We are looking at delivery of an independent constituted policy, the economic framework

of which is an all-encompassing piece that we will bring together, a not ineffective but a disparate piece of economic work that the Government is doing. We are dealing with effectively consolidating sport in the facilities that we run and how do we run those better and, finally, looking at a partnerships function that starts to rationalise a strategy for States-owned entities and arm's-length bodies to make sure that we are running those on a value-for-money principle and that they are properly strategically aligned to get the C.S.P. (Common Strategic Policy) and Ministers' priorities. So that is a structural piece. Within that there are 15 or so investment projects that we know we need to start thinking about: the contents of the economic framework, we are dealing with retail strategy, we are reviewing a ports policy, air and sea transport policy in particular, and we are looking at how we plan financially for the next 3 years across the Government Plan. So that is a very brief ...

Deputy K.F. Morel:

No, that is what we wanted to talk about.

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

Can I just add, as part of the detailed one, a new project that has been given high priority is exploring the potential for creating a new industry in the agricultural sector, which is medicinal cannabis?

Deputy K.F. Morel:

Yes, absolutely, and that has been given a high priority?

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

That has been given a high priority.

Deputy K.F. Morel:

We will talk a little bit about that later, please. I wanted, just for my own understanding, sorry, Dan, was you said about kind of going back to basics - I think was the word that you used - in terms of our arm's-length organisations.

Deputy S.M. Wickenden:

Bringing in arm's-length organisations.

Deputy K.F. Morel:

Bringing in the ones they thought were ... I just wondered if ...

Group Director, Economy and Partnerships:

So back to basics, previous chief officers I think the thinking was really around: "Okay, let us outsource our economic development activity."

Deputy K.F. Morel:

Yes, absolutely.

Group Director, Economy and Partnerships:

I think we are feeling now that we need to at least rationalise that and start doing within the department more economic development-based work rather than just simply looking at outsourcing that in the future. I think the challenges are so big at the moment, particularly around the productivity piece and the requirement for a long-term sustained investment in that across the economy, that we need to do that internally because I think the challenge is: how do you retain the policy alignment with outsourced organisations? In a sense, that is doable but many of the big-ticket issues coming in perhaps across the Island I think - and I think the Ministers probably also think - that we need to make sure we have got some capability and some competency within the Government to do that.

Deputy K.F. Morel:

No, absolutely. But you do not mean necessarily - or do you mean? - possibly some of those arm's-length organisations being disbanded, so to speak, with their functions falling apart?

Group Director, Economy and Partnerships:

I do not know, is the answer to that. I think what we do need to do is do a review of those arm's-length organisations to test their advocacy, test their value for money to the taxpayer, test their strategic alignment.

Deputy K.F. Morel:

Yes.

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

I certainly think there is an opportunity to deliver some improved productivity by looking at where areas are duplicated among the arm's-length bodies.

Deputy K.F. Morel:

Yes, that is interesting.

Group Director, Economy and Partnerships:

It is worth pointing out that some of the arm's-length organisations themselves are suggesting different models as well, so it is a good opportunity to bring that all together.

Deputy K.F. Morel:

Brilliant.

Deputy S.M. Wickenden:

You said you were going to review ports policy; Ports obviously we incorporated them a number of years back now. When you are looking at the policy, are you looking to do a review of Ports in what they have got, what they have done with, what we handed over to them and whether it is still a strategic priority for them? So there are a number of areas where we have brought back responsibility for things from the Ports but they have kept the infrastructure. So now the Ports are going out and charging rent and service charges for the use of the facilities where they do not have control of the actual service in some ways and that just puts another cost on top of blue-light services in some instances in the area. So are you doing a review of what they have and whether it is right that they still have it or whether we should be bringing things back into the centre?

Group Director, Economy and Partnerships:

So just very briefly, before I hand over to the Minister and Darren, from my perspective an air and sea transport review is absolutely necessary regularly anyway, so a sort of B.A.U. (Business as Usual), but we are looking at arm's-length bodies, particularly States-owned entities and, of course, we are a single shareholder there. But Darren is doing some work on this as we speak and it is, in a sense, the purpose of this new partnerships function within the directorate, so perhaps Darren or Lyndon can ...

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

No, Darren, you talk about what you have done on that thing.

Director, Economic Development, Tourism, Sport and Culture:

I think there are several things. So I think Dan has covered the air and sea transport, which obviously is separate to Ports of Jersey. The one thing that is live, and is the Minister's responsibility, is to develop a central policy for Ports of Jersey. So that in simple terms is: what does Government want from Ports of Jersey? In terms of the specific examples that I think you are talking about, there is a series of legacy issues that fall out of the incorporation of Ports of Jersey which has happened every time this has happened. It happened on the Jersey Telecom, it happened with Jersey Post, so there are a couple of relatively minor issues that need resolving. I think the one that you are referring to was last night resolved, and that is basically Ports have infrastructure that sits on States-owned land and vice versa and I think we brokered an agreement that is acceptable from both sides on how that is resolved and how it moves on in the future.

Deputy K.F. Morel:

So was that yesterday for that?

Director, Economic Development, Tourism, Sport and Culture:

That was yesterday, yes. These things create a disproportionate amount of attention when the resolution needs to be across not one department of the States with Ports but it is a One Government agreement with Ports, which is what we have done.

Deputy S.M. Wickenden:

Absolutely.

Director, Economic Development, Tourism, Sport and Culture:

That will always happen if something else gets incorporated in the future, there are always what are minor details that fall out but that is resolved.

Deputy S.M. Wickenden:

Hence my question, is there going to be a review to make sure that everything that was handed over is appropriate or still appropriate to the running of the ports or whether it should be brought back into the States? It will just happen bit by bit?

Director, Economic Development, Tourism, Sport and Culture:

It is constantly monitored. I think the agreement that was brokered last night is that what was transferred is right as long as there are arrangements. I think the thing that we have to remember is that Ports of Jersey is now a separate company, so it is right and proper that on both sides that each party has a lease or a licence that gives it a right to access its infrastructure on somebody else's property. That is what in law we need and we would expect. There is a change in behaviour but there is nothing new about Ports having infrastructure on what is now States-owned land and vice versa.

Deputy S.M. Wickenden:

The issue I had, and to make it clear because it is the Tetra system that was going on, which is that if they are now as a company trying to make money out of the services and then charging our States-owned companies for these things, it is having an effect on our budgets in other areas for what would be possibly a profit for this organisation we set up. That is not right because that just puts more strain on our services.

Director, Economic Development, Tourism, Sport and Culture:

Yes, and that is not happening, so the figures net themselves off. The fact that there is a cost to one department and then income to another department is for government to resolve.

Deputy S.M. Wickenden:

Yes.

Deputy K.F. Morel:

But there is a cost to one department and an income in this case to Ports of Jersey but not to the department?

Director, Economic Development, Tourism, Sport and Culture:

No, but there is an income to a different department from where ... so it is effectively a reciprocal relationship. So department X has property on Ports' property whereas Ports have ... so across the government the relationship is Ports are not profiting from government having Tetra equipment on its property, neither is government profiting from Ports having coastguard equipment on government property. So the relationship is hopefully now settled and a principle has been established which is the right principle. If party A has equipment on the other party's property, there is a lease or a licence, whatever is appropriate, in place so that they have got rights to access that because they are 2 separate legal entities.

Deputy K.F. Morel:

Yes. Can I just check: will the details of the agreement be made available to us at least as a Scrutiny Panel but, if not, the public?

Director, Economic Development, Tourism, Sport and Culture:

Yes, it is a fairly simple thing.

Deputy K.F. Morel:

I am sure it is.

Director, Economic Development, Tourism, Sport and Culture:

Yes, we will supply you with a copy of that once it is signed.

Deputy K.F. Morel:

That would be excellent, thank you. Moving on a little bit, Government Plan - it has been mentioned and we will get to more about the target operating model in a minute - but the Government Plan. Minister, how is work progressing on the Government Plan from your areas of responsibility?

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

We are just about to start in earnest the ministerial meetings to start shaping that with officers starting next week. There is a sort of 6 to 8-week period where that work will be done that culminates in the

first presentation to States Members, I think, in May; I saw something go in the diary. So, there has been a lot of preliminary work. We had a meeting very early in the New Year which set the course, so we are on schedule for that.

Deputy K.F. Morel:

Yes, and from your perspective, do you have any concerns about funding for the areas under your responsibility?

[11:15]

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

Not concerns but we do realise there is going to be a large call for money. I think all of the bids that are currently being put together and being run by Ministers and Assistant Ministers will probably be something in the region of £50 million to £100 million more than the money available. So what we have to do, and ultimately the States have to decide upon, is how that money is allocated and what is given priority. We have got a good guidance. We have got the Strategic Plan to work to and our relevant priorities, so this process I think is vital to ensuring that we work in line with our strategies.

Deputy K.F. Morel:

Interesting. We will ask more about funding on specific areas in a minute.

Deputy S.M. Wickenden:

It is more along the lines that obviously one of your Assistant Ministers has lodged P.40 to make a commitment as a Back-Bench proposition to request that there is enough funding over the next couple of years' increase. Is that not something you think should have probably been done as the whole Government Plan rather than bringing an amendment on its own?

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

Well, yes, Deputy Tadier is currently under suspension from ministerial duties but I hope he can return in due course once the relevant investigation has taken place by the Commissioner for Standards. But he is a conviction politician and he is very, very passionate about the work he is involved in; culture is one of them. Now, we have had to work with the Jersey Arts Centre and the Opera House and we have provided them with additional funding this year to deal with some of the largely maintenance sort of issues they have. I think one of the problems we have had, we have given the arts organisations their budgets and those with estates to look after are spending too much time property managing, rather than delivering the arts programmes of which we want them to do. That is something that has to be resolved. In direct response to your question, Scott; Deputy Tadier and I have been talking about this for some time. I think that the right way to do this ... and I am not

going to criticise the Deputy for doing that, we have all got a right when we feel passionate about things and I think that is one of the strong points of our system, is any Member can bring a proposition at any time. But I think the way to do this will be to see, wait the outcome of the cultural strategy, economic framework - I have got so many strategies going on - and of course the Government Plan. That is where we need to fight for this funding. We do need to increase funding to the arts, culture and heritage and so therefore I agree with the principle of what the Deputy is doing. But I would prefer we keep the powder dry because the time to go into battle for additional funding is if we cannot get what we want in the Government Plan process.

Deputy K.F. Morel:

Do you not think that just by lodging the proposition there is an implication that he thinks that battle is already lost, as in, he feels that he is not being listened to?

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

Well you would have to ask him. I would hope not because we have made really good progress; we have provided additional funding to the arts now. If we went to the arts and said: "Here is another £2 million" they would not know what to do with it immediately, it would take some time. So, as taxpayers' money, we have got to make sure there is a proper strategy and some structure around how we spend it with them.

Deputy K.F. Morel:

One of the things he mentions in his report in there is the BOP report suggests that the department was not keen to publish it at all, is that correct?

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

No, it was ... we were keen to publish it but we wanted ...

Deputy K.F. Morel:

But it is certainly dated February 2018 and only got published in December or thereabouts, so there was a long delay. What was that for?

Group Director, Economy and Partnerships:

Yes, shall I ...

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

Yes, please, Dan.

Group Director, Economy and Partnerships:

So I think the reality of the BOP report is there were a number of recommendations in there, as you know; there were 20 recommendations. Some of them are quite complicated and this landed effectively towards the end of the tenure of Deputy Norton who was effectively the champion at that time. So we were in a transition between Ministers and we took some time to bring Monty up to speed with that report and so on and so forth, so there was a bit of drift there. But I think that was an important bit of time to take stock of what the actual implications of those recommendations were. Simultaneously there was also some restructuring in early thoughts around the target operating model. Now the Minister is involved in the cultural offering more broadly in terms of international development and that sort of stuff. So there was quite a lot of internal stuff going on around where responsibility for certain bits of culture in its broadest sense sat, so that was a bit of delay. I think the other delay was around the fact that the report came with recommendations but that was not a strategy. That was a set of recommendations that we had to go out and look at the registered benefits or not of and go through a process with Deputy Tadier who was saying: "Okay, which recommendations do you want to support and which recommendations do you not? If you want to support certain recommendations, how do we negotiate the necessary resourcing requirements that sit behind them, bearing in mind that we currently do not have a cultural development officer?" So there is some internal stuff around the arts and the possible in terms of delivering those recommendations, so I think that was a necessary delay. But I think the point that we get back to, and the Minister has talked about this, is a set of recommendations is not a strategy so we need to be going through the process of working with Deputy Tadier to agree effectively all of those recommendations; that has been done this year. Now we are in the process of looking at the Government Plan and working with the cultural organisations to say: "Okay, we need to put that strategy in place before we can determine what quantum of money or resource or new building or whatever it may be that you require going forward to deliver what we hope will be a world-class arts and cultural offering." So that is the process and that was the first step in quite a long ...

Deputy K.F. Morel:

How long do you expect it to take to get the strategy up?

Group Director, Economy and Partnerships:

I would hope this year. We are working on the terms of reference now. We have got a bit of money to look ... well I think there is a hop, skip and a jump here. There is a 2-part process, so I think initially the process is looking at particularly the arts and cultural organisations. The heritage is slightly separate at the moment in this conversation but we need to factor that in as well because the BOP report also talks about heritage, which is slightly different. So we are now working with the cultural organisations to determine what those terms of reference look like and the initial step will be to say from a commercial value-for-money perspective is what we currently are getting for the money, value for money and, if not, how do we make sure that those businesses are efficient and

again, a bit like the previous conversation, strategically aligned to where we need to be? We are doing that in partnership and I meet with them, their chairs and their boards, once a month, all of them, so we have got good engagement and we are trying to determine what the terms of reference of that review might look like. Then we can be convinced that we are investing in businesses, not subsidising inefficient or non-strategically-aligned businesses at that point and then start to talk about what the future looks like.

Deputy K.F. Morel:

It is interesting you talk about them in terms of businesses; do you think that is the appropriate model for most cultural organisations, that they operate as businesses, or do you think they cannot stand on their own 2 feet, which is kind of what the BOP report was saying and they should be more ...

Group Director, Economy and Partnerships:

The past tells us that they cannot because we would not subsidise them otherwise and if we take the Opera House as an example there, who have a large number of volunteers. But I do not think we should feel frightened by saying that they need to be run professionally in a business kind of way.

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

This is not an element of commercial ...

Deputy K.F. Morel:

Is it suggesting they are not run professionally at the moment?

Group Director, Economy and Partnerships:

No, I do not think they are but you must not conflate the fact that we have got to run them as businesses as needed, to necessarily make a profit. So, we accept that things like swimming pools, for example, and sport will always need to be subsidised. I think if you look at the U.K. (United Kingdom) model, arts and culture is subsidised by a range of different bodies that do not exist here. So I suspect that what we need to do is go through a process and say: "Right, okay, what is the offering that we want in the future over the next 10, 20, 30 years and what do we need to invest in those organisations going forward?" It may be that the structure of those organisations changes; we had this conversation yesterday with the Arts Centre but I think they are up for it. I think they are up for an open discussion about what the future looks like.

Deputy K.F. Morel:

Can I just ask: are you concerned by looking at the U.K. you are - I know it is a well-worn political phrase - comparing apples with pears, so to speak? Because any arts centre in the U.K. has a cash

and carry of people, vastly larger than any arts centre in Jersey. Jersey has 100,000 people, full stop. It cannot bring people in from the county next door, it cannot bring people in from the city up the road without ...

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

700,000 visitors, so a lot of those are important customers in their theatres.

Deputy K.F. Morel:

Absolutely, but they are perhaps not coming here for the theatre because they are more likely, I would suggest, to go to London. Do you not think you would be better to look at other areas for comparison rather than the U.K.?

Group Director, Economy and Partnerships:

It is not that we are using it as a comparison but I am just cognisant of the fact working in a previous incarnation, working in a heritage and culture organisation, a big one, is that in those terms they do need subsidy. The fact that they have got more people effectively going through their businesses seems to suggest even then they need subsidy.

Deputy K.F. Morel:

Well that is what I mean, businesses can take subsidy but it is just when you referred to them as businesses, funding at the end of day, is that through commerce?

Group Director, Economy and Partnerships:

Yes. Well we have got to work within Financial Directions that effectively require businesses to act in a certain way, which I would broadly describe as in a business-like way, so they are doing that already and that would satisfy my own Financial Directions. I think the issue is: what is the vision going forward, what do we want to pay, is it strategically alive and what is the number ultimately? So I think that is the process that we are going to go through.

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

May I add something?

Deputy K.F. Morel:

Of course. We are here to hear from you, to be honest, rather than Dan.

Group Director, Economy and Partnerships:

I will shut up.

Deputy K.F. Morel:

No, sorry, it is more it would be good for the Minister to speak up rather than yourself.

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

Just on a point raised about the commerciality, the theatres, there has to be an element of commerciality about them because there is a cost and they are businesses. But still, for example, the Opera House receives almost £500,000 a year of taxpayers' money and the Arts Centre, we are finding out exactly the amount at the moment. But where I think we have made a mistake is that the previous Government, if you remember back, there was a lot of talk about a black hole of £100 million which never really materialised and, as a result, Government made some cuts across all of its departments. Our department made somewhere in the region of 18 per cent cuts; between 2014 we have cut our budget by 18 per cent.

Deputy K.F. Morel:

Yes, absolutely.

Deputy S.M. Wickenden:

I like the fact that you are the only one that calls it "cuts"; everyone else tries to declare it "savings", so I am quite happy with the terminology.

Deputy K.F. Morel:

No, we prefer cuts.

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

So what we managed to do is protect the budgets for traditional industries: agriculture, tourism and the arts and that was okay, that protected them but that means we have kept them ... the Opera House has not had an increase for almost 6 years.

Deputy K.F. Morel:

So in real terms it is a cut?

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

So in real terms it is a cut and that is what we do. Again, on top of that, we do not manage our property portfolio always correctly, so we almost create a perfect storm for some of these organisations. The challenge we have got now in the Government Plan is to make sure we restructure in line with our new strategy and we provide some certainty.

Deputy K.F. Morel:

Talking about cuts in general, looking at preparing to work on the Government Plan, do you expect any cuts to your budget? Because we hear now about the importance of saving £30 million across the Government per year, so do you expect to have your department subject to that?

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

No, I will be very clear, I am going to be looking to increase the taxpayers' investment in the digital sector, the traditional industries and the arts and culture sectors predominantly because we ...

Deputy S.M. Wickenden:

As well as sport?

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

We will add sport; yes, sports as well. One of the reasons sport and culture came into the economic portfolio is so we could understand better their economic contribution, which in sport is significant.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

But also it is a focus on them as well because I think there was a lack of focus, certainly on ... I can only talk about sport, I am not talking about arts and culture at the moment.

Deputy K.F. Morel:

No, that is fine.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

There was simply a lack of focus on sport within the Education Department. I think that is understandable considering the importance of education and making sure they were providing the best service for children in the Island. But nevertheless, sport took a back seat during that period at times, even though, to be fair to the director at the time, he did put a lot of time and effort to ensure that sport did not lose out too greatly. But nevertheless I think one of the unfortunate things was, as one sport came across from Education, it lost its protected status and we had to catch up on some of the savings that were not made in that previous period. So it has been difficult, it has been manageable but I think we have cut back the sports division in terms of efficiencies about as far as we can, I think, without damaging the service. I think the further we go now ... I do not think the public have noticed the changes generally, but I think if we went any deeper now that is when services would be put at risk.

[11:30]

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

So, yes, basically we get comfort from the Strategic Plan which puts the economy and health and well-being and sport right in the centre of what we need to do. We are not talking about huge increases. What we cannot do is just paper budgets for another 4 years, so we will be looking for some realistic increases which will allow agriculture, tourism, sport, the arts and cultures to just continue to progress. If we look at it more as an investment because we do get significant returns, significant multiple, back from the money we put in those sectors.

Deputy K.F. Morel:

I see.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

But if we are not going to pay lip service - and the Minister has mentioned it - we are not going to pay lip service to the health and well-being Common Strategic Policy, it is important that we invest in areas like arts and culture and sport because they have got huge benefits for keeping people fit and healthy.

Deputy K.F. Morel:

Keeping people here also.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Both physical and mental health.

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

As well as our well-being.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Yes, and I think there is an understanding across departments that there is going to be a need to invest in those areas. But then again you invest in it, you are going to have to find it somewhere.

Deputy K.F. Morel:

Yes. So, can we tell the chief executive to look elsewhere for cuts and savings?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Well I think that is for the Council of Ministers ...

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

Well of course that is ultimately going to be up to us, at the end of the day.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Yes, the Council of Ministers have got to decide that.

Deputy K.F. Morel:

Yes, or the Chief Minister.

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

Those are discussions and negotiations we are all going to be having and ultimately the States Assembly will decide at the right time. But I can possibly see a number of amendments to the new Government Plan and hopefully we will produce something collectively that is really good.

Deputy S.M. Wickenden:

Not so long ago we had the director general for Growth, Housing and Environment in. What is your reaction to the proposed target operating model as it is set out that encompasses your department?

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

Well I think there is potential there to have a huge improvement in the structure of the whole public sector, so I am fully supportive of it. The structure is now just about to go out to staff consultation within all of the departments. There is a recognition at ministerial level and at chief executive level that the structure will have to evolve slightly moving forward. For example, the economy function is currently ... the majority of that now sits within the director of Economic Development, Tourism, Sport and Culture but there still are areas within the Chief Minister's Department. It has been decided in principle that that will ultimately move to its own department.

Deputy K.F. Morel:

So finance, digital and all other economic work?

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

I understand everything will come together at some stage.

Deputy K.F. Morel:

Everything together?

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

The reason the chief executive did not propose that immediately is because there is a lot of global uncertainty and national uncertainty around the Brexit issue.

Deputy K.F. Morel:

Yes.

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

So we think it is sensible to do it in stages, the first stage being the current G.H.E. (Growth, Housing and Environment) model which tidies everything up so that the next step at the appropriate time will be to go there.

Deputy K.F. Morel:

Yes, so carving that out of the G.H.E., so carving the economy side of it?

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

Yes, eventually. Eventually I think that will happen and that will be explained in the preamble to the consultation that is about to go out.

Deputy K.F. Morel:

Any more?

Deputy S.M. Wickenden:

I think that is all, yes.

Deputy K.F. Morel:

Because I was going to ask: what do you think is being achieved by bringing everything together in this big growth, housing and environment mega department?

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

It is just part of what we are trying to do with the whole public sector: it is about a consolidation of our resource.

Deputy K.F. Morel:

What do you think that achieves?

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

It should achieve better productivity, it should achieve considerable - within the public sector - cost savings.

Deputy K.F. Morel:

Have you seen evidence of these cost savings?

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

We are starting.

Deputy K.F. Morel:

No, as in, have you seen evidence from the director general of how this will provide cost savings?

Deputy S.M. Wickenden:

Make savings.

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

Well we have seen ...

Deputy K.F. Morel:

Or are you just taking his word for it?

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

Well, I am not quite sure I understand the question.

Deputy K.F. Morel:

Well has the director general sat down with you and said: "Look, we are going to make these changes and this is how those changes will create cost savings"?

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

Yes.

Deputy K.F. Morel:

He has?

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

Yes.

Deputy K.F. Morel:

So you have seen evidence to show cost savings?

Deputy S.M. Wickenden:

There is a business case?

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

Yes, I have seen a number of F.T.E. (full-time equivalent) savings and so on and so forth and how the structure coming together will get rid of a lot of the duplication. Yes, so if that is what you mean, the answer to that is, yes, in great detail.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

One example, ground staff in sports division and integrating them within the D.f.I. (Department for Infrastructure) staff and get better efficiencies within that. I had some concerns about that to make sure that we are getting quality ground staff doing the work that we want. But having seen how it has worked to date, it has been very beneficial and essentially allowed us to get more work done that we were losing some ground on; literally losing some ground on. So I think that has been beneficial and that is just one element of areas where clearly there is some linkage between the old departments and where we are now currently.

Deputy S.M. Wickenden:

It is more because we have seen other areas, certainly after the debate in the States Chamber in the last sitting, where after that happened then we got a letter from the Minister for Home Affairs saying that he has asked the Justice and Home Affairs Department to complete a full service review of the current business sport capabilities. That seems to be happening after the fact that the target operating model was potentially put in place, so I would say that you would start by looking at the service capabilities before you proposed a target operating model. Do you feel that it has been done differently in your area where you have looked at the capability before creating the target operating model or are you creating the target operating model and then looking at the capabilities?

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

I have not looked in detail at the other areas. In detail I have looked at G.H.E.

Deputy S.M. Wickenden:

That is why I am asking; do you feel that your area has been done differently to the Justice and Home Affairs?

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

Yes, I do. Well I do not know if it is done differently, I am comfortable and confident in what is being done in J.H.A. (Justice and Home Affairs). I am sorry, I did not answer the question because when you said: "Have you seen evidence?" I am thinking: "Well there is no evidence, because we have not put the new model in" so I got a bit confused.

Deputy K.F. Morel:

No, I understand.

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

So hopefully this time next year there will be lots of evidence there.

Deputy K.F. Morel:

There will be actual evidence, yes.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

I think it has been challenged. I can only talk about the areas I have got responsibility for. I have challenged in the areas I have got responsibility for because I was worried about when you start to look at some of the changes, the worry will be: this is just about savings, it is not about service delivery and making sure that it is not damaged in any way. I can only speak on my areas but certainly there have been challenges on that and if that is providing a better model, then I am comfortable.

Deputy K.F. Morel:

Excellent.

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

Yes, I would say these changes are not just being put together and sailing through, they are being questioned and challenged and will be slightly reshaped during the process.

Deputy K.F. Morel:

Just before we go on, I would like to welcome the Deputy of St. Mary with us. I should have mentioned at the beginning - it was my oversight - that he would be joining us about half an hour in.

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

The traffic bad in St. Mary this morning?

Deputy D. Johnson of St. Mary (Vice-Chairman):

No, I was double booked. I wonder whose fault that was.

Deputy K.F. Morel:

There was a slight overlap.

Deputy S.M. Wickenden:

Too much work and not enough time, I think at the moment.

Deputy K.F. Morel:

Exactly, yes. We tried to work on a 25th hour in the day but we have not got there yet. Yes, so welcome, we are just around here.

The Deputy of St. Mary:

Yes, okay.

Deputy K.F. Morel:

But talking about the kind of work that you are doing, you have mentioned the economic framework, or Dan mentioned the economic framework.

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

Yes.

Deputy K.F. Morel:

You have mentioned this economic framework many times over the past 10 months since you were reappointed. We still have not seen it.

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

No.

Deputy K.F. Morel:

When can we expect to see it?

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

I think the first sort of sight has always been July, August, September, that sort of ...

Deputy K.F. Morel:

July, yes.

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

I am being vague here because I do not want to over-promise and under-deliver.

Deputy K.F. Morel:

No, it is good you are being vague because the other thing I can turn to is the retail strategy.

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

I said "vague".

Deputy K.F. Morel:

The retail strategy was meant to be, we were told, December/New Year and we have still not seen a retail strategy, so I understand your need to be vague.

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

No, it has always been end of the first quarter so we are almost there; we are that far away from it, yes.

Deputy K.F. Morel:

No, it is well beyond ... well, we are 2 weeks past ...

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

It is not. No, I have never said it will be ...

Deputy K.F. Morel:

We were definitely clearly told December/January time so ...

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

We will have to agree to differ. Well in our planning, in my planning ...

Deputy K.F. Morel:

No, this was your planning.

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

... and the department's planning the final strategy was due to be presented ... the target date was for the final strategy end of the first quarter and we have just gone past that.

Deputy K.F. Morel:

We have, yes.

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

We are very close to doing it. Would you like a bit of an update? We are going to, I think, send you the final draft imminently perhaps in ...

Deputy K.F. Morel:

No, I think we will wait for the separate briefing on that. That is absolutely fine but I think that you ...

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

But in actual fact I think that it is shaping up really, really well. I am really pleased with the way it is coming together and I would rather it take a couple of weeks more to get it right because this is a strategy that is going to take the sector into the future.

Deputy K.F. Morel:

No, that is fine, absolutely. The other thing that we have been promised many times or been told you are working on is ...

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

You are making it sound like we are really terrible and it is really unfair.

Deputy K.F. Morel:

I am pleased you think it is. Is the productivity piece that you are meant to be working on, how is that going?

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

Productivity, it will be at the heart of the economic strategies that we introduce. Productivity is something that we are going to have to keep plugging away at for years and years and years. There is no quick fix, there is no piece of work that is going to resolve it.

Deputy K.F. Morel:

But you said you were doing a productivity review and coming up with a productivity strategy.

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

Yes.

Deputy K.F. Morel:

So when are they going to be delivered?

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

We are doing that and I do not know when that is going to be delivered. I have no idea because it is such a huge ...

Deputy K.F. Morel:

Okay, we need to increase productivity.

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

You keep trying to put words into my mouth, I feel, here, Mr. Chairman; you are being very naughty.

Deputy K.F. Morel:

I do not think so but anyway.

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

Look, the key drivers of better productivity are: investment, infrastructure, innovation skills and competition. Those are the high level areas that the Fiscal Policy Panel are focused on. Productivity, as you know, is worked out on the total value of the compensation of employees divided by the population of the Island. That will give you our overall productivity figure. Our productivity is skewed slightly because of the high levels of financial services and it has come down significantly because of the huge change to the banking sector. Now to get a change in productivity, the first thing we are going to have to do is stabilise the population because as long as the population is going up faster than the economy, productivity is only going to go one way, yes.

Deputy K.F. Morel:

That is a very interesting take on it, Minister. That is a very interesting take on it. So your plan to increase productivity is not so much to change the way people work, to use technology automations, it is just to stop the population growing and hope the economy keeps growing?

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

Did I just say to you that was my plan?

Deputy K.F. Morel:

It sounded pretty much like what you said.

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

Did I say that was my plan?

Deputy K.F. Morel:

It sounded very much like that was what you said, Minister.

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

I did not say that was my plan. I was just trying to explain the challenges faced at stabilising productivity and it is a huge challenge.

Deputy K.F. Morel:

I do not under-estimate productivity.

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

So, if you would like me to ... I would quite like to have potentially a separate hearing. There are 2 key areas that are going to be at the heart of economic policy and that is R.P.I. (Retail Price Index), working to drive down the impact of that, and productivity. Perhaps we could deal with that individually because they are big subjects.

Deputy K.F. Morel:

Absolutely, I was not going to tread into that line today.

Deputy S.M. Wickenden:

Yes, we would be very happy for that, would we not?

Deputy K.F. Morel:

Yes, very happy. We were going to ask as well, you are heading up the Costs of Living Panel, is that correct?

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

Yes.

Deputy K.F. Morel:

When can we expect that to report?

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

Well the idea of this panel, which I hope will remain in place for the foreseeable future, is to produce a new inflation strategy. The last one we had was 2008. I would hope we could do something by the end of this year but again I do not want to promise something and not hit the timeline. We have had one officer group meeting, one political group meeting. We have got an officer group meeting next week, another political group in May by which time we will have got some shape and some understanding of the work involved, so I am happy to report back then to you.

Deputy S.M. Wickenden:

Are you working on your terms of reference still or have they been agreed so far?

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

Well, we are doing all of that, yes.

Deputy S.M. Wickenden:

That is what is going on at the moment, which is building the terms of reference?

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

Yes, we are just putting in place the terms of reference and the direction of the group and setting some targets.

Deputy S.M. Wickenden:

Okay.

Deputy K.F. Morel:

That is interesting, it has been about 2 months since it was announced.

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

Yes.

Deputy K.F. Morel:

You are still at terms of reference?

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

Yes.

Deputy K.F. Morel:

It is interesting. Fair enough. If I ever get into Government, I will expect it to move so much quicker.

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

I sure hope I am scrutinising you at the time.

Deputy K.F. Morel:

Absolutely.

The Deputy of St. Mary:

I hope you are not.

Deputy K.F. Morel:

I look forward to that, Minister. But going back to the retail review just because obviously you accepted our recommendations.

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

Yes.

Deputy K.F. Morel:

We understand that you wanted to meet us to discuss recommendation 6, increase annual rent levels, and recommendation 14 about Sunday trading proposals. Is that still your intention that you would like to meet us because we are really keen to meet ...

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

If you would like to discuss that further, yes.

Deputy K.F. Morel:

Well, absolutely, it was from you. Do you have plans regarding Sunday trading in the strategy?

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

The strategy points more to there being a strong opportunity for the retail sector if we were to just deregulate that last bit which enabled the larger shops to open Sunday.

Deputy K.F. Morel:

Yes, the kind of 30 stores.

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

So, given the feedback and the results of the consumer survey and the way the consumer strategy is pointing, it is likely that I will bring a proposition to the States in due course but I want to wait for the strategy to be finished.

[11:45]

Deputy S.M. Wickenden:

How is the maintenance and development at Fort Regent progressing?

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

That is really a matter for the Minister for Infrastructure because our department are the tenants. It is frustrating for us because we are trying to run a business at the Fort, an important business around the sport. Steve, do you want to sort of ... just so we can speak from that angle.

Deputy S.M. Wickenden:

Yes, absolutely.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

From our point of view, from the tenant, from having to run what is a business at Fort Regent, it is clearly disappointing that it has got to the stage where we cannot hold the big events there anymore and that is going to have an impact on the financial viability of the sports division. Clearly, it is going to have an impact on that, something that we have got to conserve. But I can only speak as ... I think people know my concerns about the Fort and have for some considerable time. I do not think it has come as a surprise that we have got to a point where some of the independent reports now are saying there needs to be limitations on the use of the building. But it is disappointing we have not got a venue that is capable of holding 2,000, 3,000-seat events so that is going to have an impact on who we can get over and perform here. I do not know about what is happening in regards to getting the building back up and running to take those numbers. It is not something I have been informed about.

Deputy K.F. Morel:

Can I ask again ... because One Government - I accept it is a different Minister - but it is One Government, as we are constantly told.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

I cannot say. At the end of the day, all I can say politically ... now the officers may be able to give us, or Darren may be able to give us, some indication of what is going on. Politically, I have been given no update on how that work is going to move forward apart from what has been put out into the media and given to States Members. I have already said my disappointment about that in the past, I am not going to repeat it to the panel again. You are quite right, One Government should be One Government but Infrastructure have got a difficult job to do, they have got a finite budget and we all accept that. But we have all got to accept that, I think, States Members and the Island generally, that I do not want to see Fort Regent close indefinitely and we do need a plan on there. But I think in terms of moving forward, before we met today, I think it would be for the Minister to comment on how we are going to move forward.

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

Yes.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

But in terms of events, it has been difficult and I think the staff have done ... I cannot praise enough the work the staff have done in terms of moving events and things like that because they have had to work their socks off to make sure that we did not lose the Rumble on the Rock and some of those events. Officers here as well have also given a great deal of time up to make sure we did not lose those events.

Deputy K.F. Morel:

Thank you for doing so.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

But it is difficult and we do ...

Deputy K.F. Morel:

It must impact on the arts strategy, the cultural strategy and the sport strategy.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

It impacts on all of our abilities to put big, major events on but as an Island we have got to find some short-term solutions while we are waiting for a longer-term solution and some of that will come out of the sport strategy, others will need to come out of the cultural strategy.

Deputy S.M. Wickenden:

Is there still a working group going on for the Fort Regent ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

That is Lyndon's area.

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

Yes, shall I update you on that?

Deputy S.M. Wickenden:

Yes, please.

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

So that is a new working group now. Steve took it to the current level in the previous Fort Regent Future Group and the Chief Minister is now ... Steve is chairing a parallel group on sport facilities and the Jersey Stadium facilities.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Just to be clear, I have stepped away from the Fort Regent Steering Group. I have not announced that but I felt I had taken it as far as I can and it was ...

The Deputy of St. Mary:

You have now.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Yes, and it was right, with a new chair, that it is probably right for a new group to go forward and move it forward from here. I have explained that to the Chief Minister and he has accepted that.

Deputy K.F. Morel:

You said there was a need for a champion for Fort Regent.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Yes.

Deputy K.F. Morel:

Obviously you put yourself forward for that. If the Chief Minister is now chairing the panel work done at Fort Regent, given just the pure breadth of work that he has to undertake, do you think it feasible that he could champion Fort Regent or give it sufficient time and resources ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

I will comment very briefly on that because it is the Chief Minister's area. I do not know his plans in terms of the long-term champion for Fort Regent. He may have somebody in mind to do that work. You are quite right, he is a busy bloke. I think trying to micro-manage things like that can be very difficult. But I think that is something the Minister may be able to comment on but I think it does need to be ... the group is really important because I think you do need to knock ideas around in terms of what the future will be. But it does need somebody to lead on it, I think, and give it the impetus and focus it needs.

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

Yes, thanks, Steve. So I think it needed to go to the Chief Minister to chair the group to give it the political impetus that it needed to take it to where Steve took it, to then move it forward to the next stage. I personally very much hope to take over the chairing of that group when the Chief Minister thinks there is enough momentum going, and we have had that discussion. So I can do that role as Deputy Chief Minister and as Minister for Economic Development, Tourism, Sport and Culture because I think it is a good fit. Because so much of what the Fort provides and could provide is really important for sports, culture, arts, tourism and so on and so forth; there is a good fit. In terms of championing the Fort, I think it is time for every States Member to champion the Fort now. We have got to do it, we have all got to get behind it. We have had ...

Deputy K.F. Morel:

The trouble is, we do not really know what to get behind. That is the trouble.

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

No, but I have seen more ... and this is nothing against the work that was done in the last 3 years but there is a significant amount of progress has been made. In the last week we have had 2 meetings of the group and a full afternoon workshop where some tangible plans have been laid down and a direction agreed in principle. Now that is all being worked up now to share with States Members at some time in the not-too-distant future.

The Deputy of St. Mary:

When you say “tangible plans”, do you mean ...

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

Plans for the Fort, yes.

The Deputy of St. Mary:

As in build? As in construction and ...

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

Well, generally speaking, the momentum is behind sort of building on the success of the Fort’s history. But the Fort has worked relatively well for Islanders so I think there is a recognition that the historic aspects of the Fort needs to be rejuvenated. The Fort is in the middle of St. Helier, so there is a huge amount of gardens, botanical garden potential in and around the Fort for St. Helier.

Deputy K.F. Morel:

Absolutely.

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

There is a huge space under the dome in all the areas which could be multi-functional, commercial, conference events, entertainment space. I very much still think we need a 50-metre swimming pool, an Olympic-size swimming pool; that could be part of the plan. There are opportunities for a hotel ...

Deputy K.F. Morel:

I was going to say that the existing swimming pool was never 50 metres, was it?

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

No, we have never had. We have had 33-metre pools and we have had a number of 25-metre pools but we have never had ...

Deputy K.F. Morel:

Maybe shorter. Yes, it is a bit short.

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

Then of course the most important thing is the access, improving the access, and there are lots of other ideas around that but that is the direction in which it is heading at the moment.

Deputy K.F. Morel:

Excellent.

Deputy S.M. Wickenden:

It will be nice to see something in the Government Plan about Fort Regent because we know as Back-Benchers if you try and make an amendment to the Government Plan, you need to find the money from somewhere and it is normally almost impossible to go against what the Council of Ministers has agreed where the money will be. So it is hard for all States Members to get behind it if it has not been put forward by Government.

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

Fine. That is absolutely right, Scott; you are bang on the money again there, no pun intended. But I think what the States have done in the past, which was deemed to be quite prudent, is that we have always included capital expenditure, annual capital expenditure in our budget, in our P. and L. (Profit and Loss) account. That is great when you have got big ... back in the days when we had really big surpluses, you could put all of your capital expenditure and still produce budget surpluses. As our budget surpluses have reduced, so our capital expenditure is reduced and as a result projects like this, Opera House and all sorts of other things, have been pushed down.

Deputy S.M. Wickenden:

De-prioritised.

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

Now the idea is outside of the ... and this was mentioned I think in the One Government presentation that we had ...

Deputy S.M. Wickenden:

I could not be there, there was a planning meeting.

Deputy K.F. Morel:

Yes, unfortunately we had other duties.

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

Outside of the annual budgeting process we need to create a new sort of a large infrastructure fund and we can raise money from better leveraging States assets, so many of which are under-utilised at the moment. That will create a sizeable fund that will enable improvements in the public realm, the Island's infrastructure and projects like Fort Regent.

Deputy K.F. Morel:

That is a really interesting idea because, number 1, the Public Finances Law seems to take away any limits on how much the Government can borrow, so is that tying in with exactly what you are talking about and the need to leverage States assets in order to borrow money in order to fund expenditure?

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

I am not sure how the process will work but possibly it could mean that, yes.

Deputy K.F. Morel:

Yes. Also, because Jersey has always been an Island, I would suggest, a population that prides itself on not borrowing, so what you are suggesting now is to move towards borrowing is the way you move forward. Do you think that needs a conversation with the Island rather than just going ahead?

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

No, I do not think we will go ahead but any plans to move along this route will require a full understanding of what the plan is and full States approval. It is not something the Government will put in place.

Deputy K.F. Morel:

Yes. But if it is a capital expenditure in general, that is just how we start leveraging States assets.

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

Well, I think it is about how we want to maintain the Island's infrastructure. Do we want to continue to try and do it out of our annual income or do we want to look at our overall wealth and use some of that? So that is a political decision and I quite like the idea. I am nervous ...

Deputy K.F. Morel:

I understand this but do you think it requires a conversation with the Island, is what I am saying, just because it is a very different way to the way the Island has operated ever, if you understand what I mean?

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

Possibly, yes. I am nervous. I think cash is king; I am nervous about borrowing too much as an Island but on the other hand if it is to invest in the public realm for future generations, improve economic performance, it is more of an investment than a cost so we all need to understand but I think if we want to lift the Island to do some of these projects ...

Deputy K.F. Morel:

There are good arguments for it. I am in no way suggesting I am against it. I am just interested about how the population gets involved in that conversation because essentially you are also therefore putting debt on to future generations. So that is something which ...

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

Yes, but we are putting debt on to future generations for infrastructure and products that they would be using.

Deputy K.F. Morel:

Absolutely. But because Jersey has never done that, or has only done it once really and that is with Andium, I am just suggesting that maybe it should be a decision confined to the Council of Ministers and the States Assembly, virtually something that the Island can comment on.

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

I understand where you are coming from but there again we just ...

Deputy S.M. Wickenden:

In fact, in the new Public Finances Law it is just the Minister for Treasury and Resources, it does not really go to anyone else.

Deputy K.F. Morel:

That is exactly my point. The Public Finances Law seems to make this all doable without having had any conversation with the States Assembly, let alone the Island.

Deputy S.M. Wickenden:

They put blockers in for Scrutiny and a Back-Bencher to be able to input.

Deputy K.F. Morel:

So, it is interesting.

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

Yes, I think there has to be a full understanding of all States Members and I think a collegiate approach. Scott, you are going to have some interesting times reading some of those large ...

Deputy S.M. Wickenden:

Well, I have gone through the Public Finances Law line by line by line versus the old one and I am not horribly impressed, to be honest. It puts a lot of barriers; it is almost undemocratic in the way that it has been done.

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

I am not sure I could agree but that is ...

Deputy K.F. Morel:

But in the Council of Ministers you get to discuss these things fortunately beyond the Council of Ministers.

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

But ultimately this will come to the States as a proposition.

Deputy K.F. Morel:

Yes, exactly.

Deputy S.M. Wickenden:

I am looking forward to it.

Deputy K.F. Morel:

Yes, we are.

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

I am sure you are.

The Deputy of St. Mary:

A change of tack slightly, dare I ask how we are getting on with the licensing law or draft licensing law or redraft?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

We are still in a position where we are waiting for the necessary resources to move it forward and just some confirmation as to where it sits with the priorities with the current Council of Ministers. I would hope that there is an opportunity to move that work forward relatively quickly and I have spoken with the Director of the Policy Unit just to do ... I want to get the title right.

Deputy K.F. Morel:

No, you are absolutely right ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Because there are so many and I am lost without them ... to see where it currently sits and had some positive engagement with him around that. But until we have got the resource to be able to move ... we have got to have somebody physically that can do that work. So until we have got that in place, I am hoping that is something that will happen I think within very short order because we have ...

The Deputy of St. Mary:

Can you define "very short order"?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Maybe Darren can deal with that from an officer perspective.

Director, Economic Development, Tourism, Sport and Culture:

I think we have reached an agreement on identifying the resource, so the director general of - what was it? - S.P.P.P. (Strategic Policy, Performance and Population) or whatever ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

The Policy Unit.

Director, Economic Development, Tourism, Sport and Culture:

... has identified the resource. So as of after Easter I think there is capacity to undertake that work.

The Deputy of St. Mary:

Would it be conducted through the Minister; through your good self, Minister?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

I think the decision that the Chief Minister needs to make and C.O.M. (Council of Ministers) need to make is about how they want to see that taken forward. Previously it was done through the ... what was the group, Darren, remind me? Ian?

Interim Private Secretary:

The Shadow Alcohol Licensing Policy Group.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

The Shadow Alcohol Licensing Policy Group. I think it is a decision that the Chief Minister needs to make about whether it is done through that or through a new policy board or whatever they are comfortable with but the responsibility for taking it forward is Economic Development currently.

[12:00]

But there needs to be a multi-departmental approach to it because it covers several areas of government but that will not change. It is just where it sits and who takes it forward and what group takes that forward. It will just be the last group in a different name, probably, as a policy board.

The Deputy of St. Mary:

On a point on that, and perhaps we will discuss it further when it comes up, but the last time around Scrutiny dealt with yourself, we were always aware basically your hands were tied and you have to report back to the group which does make the whole thing rather cumbersome.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

I do not think that is going to change. I think there will probably be a lead department on it which may be us, it may be somebody else. But my guess is it will be Economic Development again and there will need to be a lead Minister. It could be me ...

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

Can I just say at this stage, just for the record, I do have a commercial interest in a licensed premises, although I do not have a direct ... what is the word I am looking for?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Pecuniary.

Deputy K.F. Morel:

No, you are right to state it.

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

Pecuniary interest in this because it is about policy. I just wanted to remind you of that for the record. So I do keep these matters at arms-length if I can.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Yes, but clearly Home Affairs are still going to have an interest in it, Health are still going to have an interest in it; moving forward the Chief Minister's Department will, from a social policy point of view. So nothing is going to change very much in terms of where policy comes from and where the imports are going to be from.

The Deputy of St. Mary:

Yes, the only point I was making really, my own view is where it got bogged down last time was that - I am not criticising the policy group in any way - but my view is that the law could have been passed in a format because the real power is going to be within the practice guidelines which will be within the power of the policy group at that stage. I just question the extent to which the policy group needs to be brought in to get the law passed.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

I think now is not the time to talk about what bogged it down last time because I think there were various issues that could have been dealt with differently by, I think probably, both sides to some degree and that there is an acceptance of that. But I do not think you can ... because it cuts through so many areas of government, so many departments, it is unavoidable that those discussions need to take place. Because when you come to look at the law, a potential statement of licensing policy, the Health Department is going to have a great deal of interest in what that might look like. I think you are not going to cut through ... there is going to be no shortcut to finding a solution through some of these things and they are very difficult things to resolve because you have got Economic Development pulling from one side and Health pulling from the complete other direction.

The Deputy of St. Mary:

What I am saying is that debate has to be raised in advance and could take place within the group once the law has passed the framework and we get that stage over.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

I am a bit lost by "framework"?

The Deputy of St. Mary:

Well it was regarded as an enabling law so ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

The primary law is very much so. I think the meat of the law was going to be in the regulations.

The Deputy of St. Mary:

Well that will mean to the effect ... so what I am saying is, therefore, could that discussion about meat not take place after the law is passed?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

There is a discussion that needs to take place about how we take forward the primary law, the regulations and the statement licensing policy. We split it up last time purely because we thought it would be easier for the States Assembly to understand each part on its own. Now, there may be an argument where we sit down with you and we look at where we were last time where we can come to an agreement where we can maybe bring them forward together as a package so that everybody has a full understanding of what the whole picture is going to be. But it will make for a very long debate and it will make for a very complicated debate, which is something we were trying to avoid. But maybe it is something that is achievable so that we all have an understanding of what it is going to look like when it comes out the sausage maker at the end. So that is something I think we can discuss with you.

The Deputy of St. Mary:

One reason I mentioned it is through another channel I am aware that the police were disappointed that it was not taken forward and there are other aspects to it other than health or economics, and I would like to get that ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

There are a number of people that are disappointed that it did not get debated, but I think from my point of view I will leave it at this; I think if you are going to debate it you need to debate it with a Scrutiny report in front of people. I think not to do that would have been a mistake. I am not going to go into the detail of where we were but I think not to do that ... the first question I would want to know as a Back-Bencher is where is the Scrutiny report, are Scrutiny in favour of this, are they supportive of this or not? So I think without that I would not say it would be dead in the water but it would be very difficult to get even the primary law through.

The Deputy of St. Mary:

The Scrutiny report was almost ready but there we are, okay. So we come here shortly after ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Well we are getting there, yes, but it is purely around resource; resource is being made available but I think there needs to be some commitment from the Chief Minister and the Council of Ministers about where that priority sits, because there are a lot of policies that are looking for policy officers and policy resource and clearly there is going to be a challenge to ...

The Deputy of St. Mary:

Yes, I am aware there is a problem, yes. Thank you.

Deputy S.M. Wickenden:

Sorry, Minister, this is going to probably carry on with your Assistant Minister here because the next subject we are going to talk about is Jersey Sport. Could you just provide an update on the work of Jersey Sport please, Assistant Minister?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

In which part?

Deputy S.M. Wickenden:

Well can you give us an overview of what is going on at the moment?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

States Members are due to get a briefing on the annual report, which I have got in my bag, which has achieved I think the targets that we were looking to achieve through all the areas of the report. They have certainly worked to their business plan which we have asked them to do. They have given us a new business plan which again I am comfortable. The one area I think, which I know you are looking at, is around the ability of Jersey Sport to be able to raise further funds through charitable sources, and I think it is something that we need to resolve. I knew we were going to come on to it; I think we need somebody to resolve it sooner than later because it is important that they do get the opportunity to raise funds as a bona fide charity. But I am comfortable with them and I have very close contact on a ... I would not say day by day but certainly weekly with the chief executive. There are no secrets; we keep each other informed, if there are burning issues that come up it is important that I talk to them, and a lot of the things around sport with government ... because they are to one side of government, independent to a large degree. It is important that I know what their thinking is around certain areas. I could not ask for a better relationship either with the chief executive or with the chair and the board, to be fair, all of whom I see on a regular basis. So in terms of making sure that we are keeping a close eye on what they are delivering ... in fact I think they deliver over and above what we ask them to deliver and they have come out with new projects. We have got the Jersey Breeze Cycling for getting women cycling, which was one of the chief executive's schemes; all great stuff, all getting people fit and healthy, so really pleased with that.

Deputy K.F. Morel:

So in a nutshell you would say this first year or so has been successful?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

It has absolutely been successful, but the whole idea was for Jersey Sport to grow and evolve outside the government. But there is a clear business plan, there are clear targets we have set them, there are clear areas that they have to work in within schools and the swimming programme and all those type of things, physical literacy, all things which are really important to government that they have delivered over and above this year. There will be a lot more work for them to do when we move into the Inspiring An Active Jersey strategy which will be the next sports strategy, because it will be a much wider ranging strategy in terms of delivering across more demographics in terms of age groups, and certainly from the health and well-being perspective I think there is a lot more work Jersey Sport will be doing to ensure that we have a fitter population. They are chomping at the bit to get on with it and I think what we have got to do within the Government Plan is find them some funding to be able to move some of that work forward. So, yes, good relationship.

The Deputy of St. Mary:

Sorry, can I take up that point about the charitable status? I mean, I am not sure you know where we are but we were through the department ... well, you know how it came about that the Minister ran the enforcer, that is the bit we are starting to release. Where we are - you may know more than we do - but we agree we should meet with the Charity Commissioner ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Apparently, you were due to meet them today. I understand that meeting is not taking place.

The Deputy of St. Mary:

We were, and they say that they are not there to give legal advice, which is what we thought, so ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

No, I think from our perspective it is really important that the panel gets some legal advice around how the current structure works and the importance or otherwise of the enforcer. We will take a department view around the necessity for an enforcer. I think our view is that we do not think it is a necessity but it is something that I know you have had strong views about. But I think to go away and get that legal advice, then come back and talk to us about how we can move forward, but I think we do need to move forward otherwise they will be hamstrung in terms of what they can deliver from a charity perspective.

The Deputy of St. Mary:

We are not the ones who have been dragging out feet, we had everything lined up and we have been put off. As I say, we had a meeting arranged today and ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

No, I am not criticising you.

Deputy K.F. Morel:

It has been a curious case; everyone we kind of want to speak to finds a reason that we should not speak to them and should speak to somebody else. It is interesting.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

I think it has got to be law officers.

Deputy K.F. Morel:

This is our third port of call.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

I think agreement now is it is law officers. We were discussing it this morning. We had an officer in from ... who did we speak to this morning?

Director, Economic Development, Tourism, Sport and Culture:

The Charities Commission.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Yes, from the Charities Commission, saying that the meeting today was off, very much pointing you down the line of the Law Officer's Department ...

The Deputy of St. Mary:

We had understood that they would bring the law officers with them last night, but it has not ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Well, have a separate meeting with law officers, great, do that, and we are happy to meet again, we can meet as a separate issue just to hammer out where we need to be. But I think we do need to move it forward and I apologise if there have been delays on our part but we certainly need to move it forward.

The Deputy of St. Mary:

We have been to do it and we have been trying to do it.

Deputy K.F. Morel:

Do you have timescales in your own head as to when you would like to get these things resolved, because we were doing it before Christmas and we were trying to move quickly because we felt that you guys wanted it done quickly and it seems to have dragged since then.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Anything we can do to move it forward, Darren?

Director, Economic Development, Tourism, Sport and Culture:

I think the only point of action is for yourselves to meet with law officers, get their view, and then revert back to us. As far as we are concerned, we do not see there is an issue. The issue is not that there is an enforcer; the issue is the Minister being the enforcer.

The Deputy of St. Mary:

Do you like that title, Minister?

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

Yes.

Director, Economic Development, Tourism, Sport and Culture:

Maybe the Minister has been delaying the meeting with law officers so he can retain the title.

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

Well I feel more like the enforced at the moment.

Deputy K.F. Morel:

That should be on the email sign-off.

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

I like that. Make a note of that, Ian.

Deputy K.F. Morel:

I like the question here: "Does the Minister still hold the role of enforcer?" I take it you do currently still hold the role of enforcer.

Deputy S.M. Wickenden:

Just to continue about sport, and something that has been very popular certainly over the elections, was the skate park. Have you got any update on where we are with the skate park?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

We have had an internal report in regards to site selection. We have reviewed that along with officers from ... it is not D.f.I., it is G.H.E. which we are all part of, and I was due to meet the lead officer on that about 8 or 9 days ago but I have been ill for that period of time so I have not had a chance, but I will be catching up with him in regards to coming forward with the preferred site. It has been a ... I would not say tortuous, but it has been a difficult review of the sites because all of them have got benefits and they have all got issues. It is trying to find something that ... dare I mention hospital, I do not want another hospital, I want something that we can find a site and move relatively quickly on because I think we want to deliver it before the 2020 Olympics, which is now only a year and a bit away. So I think trying to find a site that will deliver in that time frame is difficult. There are going to have to be some compromises around where the final site is going to be. I have got a site in my head where I would like to put it, and then you realise the cost of doing that is just going to be unachievable, and the consequences it will have. I think one, for example, would be the waterfront and what goes on around that. So I am going to have that meeting, then we are going to go to a preferred site, then we need to go back out to the public, to the Skateboard Association who have been heavily involved all the way through, to be fair, so that we can agree on a preferred site. But it is not going to suit everybody and wherever you put it there will be a neighbour that goes: "I do not really want this here." But we said we were going to deliver it. I do not think there was a States Member in the election that said they did not want to do it, so it is essential. We will have a consensus.

Deputy S.M. Wickenden:

I sit on Planning and it does not matter where somebody wants to develop anything, there is somebody that does not want it to happen. It is just the way of planning.

[12:15]

Assistant Minister, Economic Development, Tourism, Sport and Culture:

But it is very much on the burner, it is not something that has been left ... the officers behind the scenes have done an amazing amount of work in terms of the site suitability report that goes into a great deal of detail and looks at each site in the level of detail that you would expect when you are making such an important decision. So that really was good, and I did not even prompt that work, the minute we needed to get the work done - to be fair to officers at the old D.F.I. - they have really gone out of their way to put this work forward.

Deputy S.M. Wickenden:

So the flow really is the first site, going out to get approved and to make sure everyone is as happy as can be with it, and then a planning application where you need funding in the Government Plan for it too, and then after all of those barriers have been stopped you can just get on and build it?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

That is the intention.

Deputy K.F. Morel:

Sorry, are you referring to the 2024 Olympics?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

2020. I have got faith in our Council of Ministers that they will deliver the Government Plan on time with the necessary funding available.

The Deputy of St. Mary:

Switching sports, if I may, we made funds available to the rugby club to see them out this season but at that time we announced that a more root and branch review was going to be carried out. Can you tell us where we are on that?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

The review will be part of the sports facility strategy review. We are just about to agree the terms of reference on that sports strategy review. Part of the terms of reference will be around considering what opportunities there are at the rugby club, for example, in terms of the site and we may be able to deliver there in terms of an Island sports hub or Island sports centre. It is not the only potential site but it is one that we ... when I say "we", whoever carries out the review, we have got a consultant in mind but I do not think we have got to a point where they are starting work yet but I think we are getting close to that. The Council of Ministers have asked that the rugby club site is evaluated in terms of what that can offer, so we may be able to in some way recoup our investment within the rugby club, but clearly the rugby club needs to be sustainable over a period of time and I think the work that we do will look at how they can be made sustainable, and a sports hub may make other sports sustainable as well. When I say that, it could be netball, it could be football; bringing them together could make them a much more viable product, together rather than singularly.

Deputy K.F. Morel:

One thing that always impresses me at Barcelona Football Club is that when you go there it always talks about being more than a club, and it advertises the basketball, the handball, and it is all together and you understand for the city of Barcelona it is the sporting destination, regardless of the sports.

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

There is a good opportunity for us there.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Comparisons to the U.K. are not always good but I think if you go and look at smaller towns around the U.K. that is what they tend to do, they have their football club and their netball club nearby or close to each other. We have got the Jersey Bulls about to start the season playing in the English League, having an opportunity for them to use the same hospitality facilities as maybe the rugby club use on alternate weekends, clearly there is going to be financial benefit with that. But that is something we need to talk through with them and take them with us rather than tell them what we are doing. But to answer your question, yes, it is going to be part of our sports facility.

The Deputy of St. Mary:

The Rugby Club is doing well at the moment, it has obviously got its plans for next season. I presume they have received certain assurances from you otherwise they would not be able to make these commitments?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Not over and above where we currently are. Darren is the one that has been dealing more on the financial side of it, from an officer perspective. I do not know if you want to update anything about where we are?

Director, Economic Development, Tourism, Sport and Culture:

No, I think everything you said is fairly comprehensive. So the £150,000 stabilisation funding that was announced has been granted to the rugby club. That has kept them where they are. We are in discussions with the rugby club, we are monitoring their finances, they are working with us and they have been extremely co-operative. As the Senator said, the intention was and the intention remains essentially to ensure that Jersey Reds remain part of that discussion. The timing would have been terrible if Jersey Reds had taken a fairly fundamental decision to exit professional rugby just at the time that the Government was starting what hopefully will be a comprehensive but very thorough and short-term review, this is not supposed to take years ...

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

The review is sports facilities and an Island stadium.

Director, Economic Development, Tourism, Sport and Culture:

I think it is important that the Jersey Reds are part of that conversation, hence the intention of the funding.

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

They will need to be an anchor tenant of any such facility really, and we must not underestimate their economic contribution; we have many thousands of visiting rugby fans come to Jersey for the games and who make a contribution.

Deputy K.F. Morel:

And just the thousands of Islanders who enjoy it.

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

Yes, exactly.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

I think one important point leading on from Darren is that the review needs to be short and sharp. It has got to feed into the Government Plan because it has clear capital expenditure consequences over a period of time. So I think having that work done and certainly focusing on some areas of it certainly initially will be important because if you miss the Government Plan you are going to knock this work back another 3 years. So I think having the Council of Ministers understand what some of the commitment might be is important.

Deputy K.F. Morel:

We have just got to mop up some questions which we either missed out or did not fit in neatly. Minister, the migration policy, which I know does not fit under the department's remit totally but for that reason there is a policy development board that has been created to develop the migration policy and the population policy essentially. I was just wondering ...

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

Immigration.

Deputy K.F. Morel:

Immigration policy; what input do you have into that? Because obviously it has a clear effect, whatever the ...

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

Very little at the moment.

Deputy K.F. Morel:

Is that concerning for you?

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

No, not at the moment, because I think that when it comes together we will all be appropriately involved. But I am not sure whether population policy stuff ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

I sit on the Housing and Work Group as an appointment from the Minister, and clearly there have been some areas when we have been looking at registrations and licences where policy would have been helpful. But I am confident that we can manage the licences and registrations and issues around the Housing and Work Law adequately within the group at the current time. But clearly there is ...

Deputy K.F. Morel:

You are talking about H.A.W.A.G. (Housing and Work Advisory Group)?

Assistant Minister, Economic Development, Tourism, Sport and Culture:

I am talking about H.A.W.A.G.

Deputy K.F. Morel:

Yes, but I was thinking of the migration policy development board with John Young, Sarah Ferguson and others ...

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Well I do not sit on that, I can only ...

Deputy K.F. Morel:

... and I am just wondering, they are developing policy and there is no economic representation, that is the way I see it.

Assistant Minister, Economic Development, Tourism, Sport and Culture:

Well I think from a H.A.W.A.G. point of view that there are issues of policy that come up on a regular basis that will stem out of a future migration policy, so I think there is relevance to making sure the work is done in a reasonable time frame because I think from an economy point of view they will have knock-on effects.

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

It is absolutely essential that we have some influence over that group, and I understand it is written into the terms that the Chief Minister or Deputy Chief Minister will sit in whenever necessary and tend to exercise that right.

Deputy K.F. Morel:

Which makes it fortunate that you are Deputy Chief Minister otherwise the economy would have no representation there at all. The cost of living panel that we mentioned, or cost of living review; is it a panel, can I just check, or is it just a piece of work?

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

It is a panel.

Deputy K.F. Morel:

I was just going to ask who is on the panel.

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

So Chief Minister, Minister for Treasury and Resources, Senator Vallois, myself. It is being led by the new economic adviser. We lost a month because they were heavily involved in the Fiscal Policy Panel, and so now we are moving on at pace with it.

Deputy K.F. Morel:

Can I just get the name of the new economic ...

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

Nick Vaughn.

Deputy K.F. Morel:

Rural strategy; you were going to review the rural strategy, how is that coming along?

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

Dan, would you update on that?

Group Director, Economy and Partnerships:

Sure, so we have started some preliminary discussions with the stakeholders above and beyond the standard day-to-day liaisons we are having with them. The reason that we have put in a mid-term review, which is the first time we have done that in the rural economy strategy, was that primarily we felt that Brexit was a big deal for them. Obviously, we are still in Brexit and we still do not know what the outcomes of that are going to be. So we are waiting for that but we are still

discussing issues around what in the existing strategy over the 2 or so years has been successful and what has not. We have got a new agriculture business adviser in place who is an ex-industry representative in both dairy and arable settings, so John Vautier is doing an excellent job and a really good appointment. He is looking at the numbers primarily in a way that we have not looked at before in terms of, as Senator Farnham mentioned earlier, the return on investment we make in the arable sector, which is quite significant. That has been a bit of an eye opener for us in terms of what the future investment looks like going forward. I think the other issues ...

Deputy K.F. Morel:

Without being too rude; how come you have not noticed that before?

Group Director, Economy and Partnerships:

Well we have not had the figures, so our agricultural returns I think have been somewhat limited, so we require people to do a business assessment each year; John has extended that and started to look into what we ask for going forward. So in terms of our returns we are now developing a more sophisticated way of looking at those businesses. So we have got the numbers now, if that would be helpful in the context of the mid-term review and ...

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

And helpful in terms of Government Plan.

Group Director, Economy and Partnerships:

Yes, exactly. The other point is Senator Farnham has also mentioned some of the developments in terms of alternative crops, which is a key driver in terms of diversifying the economy and we are looking at developing that as a new sector of the economy which is generating a lot of interest. We are in the process of developing the licensing framework and we are convinced that we have got the appropriate regulatory framework, and of course that is really critical in terms of developing a ...

Deputy K.F. Morel:

So you have kind of developed it on paper?

Group Director, Economy and Partnerships:

Well, I mean, yes, we are working very closely with the Health Department, the chief pharmacist and the Home Office in the U.K., looking at what the licensing criteria would look like. There are some minor amendments that we would want to make by Order through the Health Department but that is for them, but that process is going smoothly and has got potential.

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

I cannot overstate the importance of moving quickly with this to get a bit of a lead.

Deputy K.F. Morel:

Yes, that is why I was going to ask about kind of rough time frames on this, I will not hold you to them in future but rough time frames, just because you said it was a priority?

Group Director, Economy and Partnerships:

So there are some technicalities here, I will not bore you with too much of the detail, but at the moment there are effectively 3 products that people are interested in in Jersey; one is effectively hemp products which is effectively culinary oils. The other product is something called C.B.D. (Cannabidiol) which is effectively ... it should benefit oils and products that stem from that, and the third product is effectively medicinal grade, high grade T.H.C. (Tetrahydrocannabinol), which is where the medicinal cannabis side comes in, and so we are developing that process in a fairly strict batting order. So currently people under our existing legislation are allowed to grow hemp with the necessary permission from the chief pharmacist. They can also grow C.B.D. crops but what we do not have in place at the moment is the legislation for them to harvest the flowers to use for C.B.D. That is quite a lucrative market in itself before you even get to T.H.C. So that I believe, according to the chief pharmacist, is an order that will be brought to the States in June, and that is progressing through the Health Department.

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

But it is essential we finalise the licensing process because there is a huge amount of investment and there is a lot of local companies now waiting to invest some money in facilities, and we are not going to see fields and fields into the distance of hemp, this is sort of creating a new glass industry, whether it be rebuilding glass with relevant security creating ...

Deputy S.M. Wickenden:

The issue with T.H.C. of course is it is a very lucrative drug that people want to get their hands on and the idea that where they grow it in places like Florida it is grown in areas which are much further away than any population, so you cannot just drive up the road and find a field that has got the cannabis plant being grown in it. In Jersey you do not have fields that are not in close proximity to roads; so is Jersey really a place that we want to grow such products?

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

Well we will not be growing it outside, it will be grown inside in secure areas, and you cannot ...

Deputy S.M. Wickenden:

Does that mean that when we drive through the countryside all we are going to see instead of green fields is greenhouses?

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

No, because I asked this morning at a presentation for States Members, so States Members can be properly informed because there are all sorts of ... we have currently got about 17 hectares of glass at the moment, we have got some unused glass. But that sort of amount of high-grade production for cannabinoids would produce huge amounts of return. You cannot just ...

[12:30]

Deputy K.F. Morel:

Israel has had a great success.

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

Exactly. You cannot just dig up a cannabis plant, get the flower and ring it out and get ... it is a huge amount of investment in the extraction plants. We are looking to cultivate and extract to produce that product in a highly regulated environment to export to the blue-chip pharmaceuticals, who are already providing medicines with cannabinoids in, into their country's health systems. So that is how it would work.

The Deputy of St. Mary:

To grow hemp in an outside field at the moment, is there a special licence granted for that?

Group Director, Economy and Partnerships:

You need to identify where you are growing but it is not a controlled substance and nor is C.B.D. T.H.C. is controlled so as soon as you move into T.H.C. product you are into drugs legislation and controlled substances.

The Deputy of St. Mary:

But the farmer can just grow hemp rather than cauliflowers, can he?

Group Director, Economy and Partnerships:

He can, as long as he identifies the field and lets the chief pharmacist know that he is not doing the T.H.C. and controlled substance stuff.

The Deputy of St. Mary:

Would that hemp be useful if it was outside?

Group Director, Economy and Partnerships:

Culinary oils at the moment, sometimes fibre. I mean, people have not chosen to do that here, they have tended to focus on culinary oils. The irony is the C.B.D. products are very lucrative so these are the creams, hand lotions, face washes and stuff like that have got benefits allegedly to health. These substances are currently being brought in and exported by Jersey Hemp, for example, to add to their product range, rather than something that is much more economically sensible, which is them being able to produce a non-controlled substance in the Island for inclusion in their products. So that is what the Order is trying to do going forward. So I think we are in a good place in terms of that, we are doing it properly, we are doing it in the property regulated way. There is a process to go through to make sure that the correct controls are in place and we are going to be issuing very shortly some guidance to applicants to make sure that they understand what the requirements are for licensing of these products going forward. So I think we are in quite a good place with that. The other piece, just to supplement the Minister's conversation around productivity, we have just about completed a piece of work about productivity in low-paid sectors which includes the agriculture sector. We will be reporting back to Ministers probably within the next 2 or 3 weeks and that is the beginning of our, effectively, look at productivity across the economy. So that is the starting point. It was effectively prompted by concerns around the minimum wage which I think we need to address.

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

Have you got time to very briefly talk about the success of the L.E.A.F. (Linking Environment and Farming) accreditation?

Group Director, Economy and Partnerships:

Yes. So one of the things we wanted to do in terms of the contract that farmers have with the Government historically has been, in my mind having been a farmer, a bit of a negative contract. So it is a subsidy to do farming effectively. I think we are trying to move that contract into a procurement of public goods and services model so that we can demonstrate the benefit and who the beneficiaries are of good quality agriculture in the Island. Part of that process is to make sure that all producers that receive support in financial terms from the Government are effectively working to the highest assurance standards that are internationally recognised through L.E.A.F. on a global ...

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

Environmental standards.

Group Director, Economy and Partnerships:

Well, not just environment, it is social standards as well and certainly the standard of fruit production as well. We have got a very, very good take-up of that. We were mentioned very recently at L.E.A.F. annual conference and Jersey was picked out as an exemplar in that. We have still got things to do because there is the updating of infrastructure and so on and so forth that facilitates some of this work, but certainly moving towards a model where we can much more clearly define who the beneficiaries are of agriculture and what those benefits are in terms of public goods and services, which is I think a much more healthy and positive “contract” between the Government and the rural economy.

Deputy K.F. Morel:

Is there anything you would like to bring up that we have not mentioned? I have got things in my head; we just do not have time; Visit Jersey, we have not talked about those. If there is anything on tourism you would want to say or ...

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

Not at this stage.

Deputy K.F. Morel:

Fair enough. Innovation Fund, where we are going.

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

I think public discussions for another day.

Deputy K.F. Morel:

Absolutely, I just give you the opportunity in case there was something you wanted to highlight. Thank you so much for coming in.

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

Thank you, Chairman. Thank you, members.

[12:35]