



28 October 2020

Senator K Moore
Chair-Government Plan Review Panel
States Greffe: Scrutiny
Morier House
St Helier
JE1 1DD

By email only

Dear Senator Moore

Re: Government Plan 2021 to 2024

Thank you for your letter of 12 October and for providing IoD Jersey with an opportunity to provide the following comments, which we hope are of assistance to you and your colleagues, in respect of your overview of the Government Plan 2021 to 2024.

Prior to my doing so, I would like to express my sincere thanks on behalf of our membership for all of the significant work which you and your colleagues have done and continue to do as this global pandemic has reached our shores, and to ensure Jersey navigates its way through this crisis.

1. Engagement

Whilst no one would doubt that the last few weeks have been exceptional, difficult and challenging circumstances for all concerned, a positive to take away from the recent crisis has been the swell of co-operation amongst our community. Also, the fact that Covid-19 has made us all look long and hard at what has and has not worked well in the past and how best to re-set for a successful future.

Jersey has continued to demonstrate real stability, consistency and operational resilience (as we did throughout Brexit) during the Coronavirus crisis. The proximity of our stakeholders has also enabled us to make decisions quickly which has been imperative and we need to maximize on all of these strengths, as much as possible, going forward.

One of the key factors to our success is collaboration. If we can continue to work together across the various business sectors and with Government in order to leverage the relevant expertise, as we have done in recent weeks, we can once again achieve a good result, and recover quicker.

IoD Jersey therefore welcomed receiving a letter from the Chief Minister on 29 May requesting it *“to outline [its] prioritised views on the top five issues that [it] believes should feature in our renewal planning.”* A copy of this letter was circulated to our Membership and a working group assembled which contributed to the response which I subsequently provided on 12 June.

2. Five areas of focus

For the reasons set out in my letter, IoD Jersey considers our top five areas of focus (which are not set out in any particular order) to be as follows: -

(i) Create certainty

- People tend not to manage well in uncertainty (including in relation to taxation); creating certainty would increase confidence and stimulate the economy through clearly communicated direction and plans
- Even if the plan for recovery takes longer, that is better than stopping and starting and risking going backwards
- Reduced government income, inappropriate savings plans, increased spending on economic measures, leads to a black hole in government finances
- Give consideration to the term over which recovery should be planned
- The desirability of paring back government spending through partnership working and outsourcing, as well as investing in the digitisation of Government and Parishes and centralising of common services, to create more efficiencies of scale where possible
- Increased flexible working space and support services instead of the requirement for new offices
- Certainty over longer term measures to repay the government debt, particularly the impact on individuals

(ii) Developing resilient and thriving businesses boosted by innovation and entrepreneurialism

- Understand the industries hardest hit, and those which the future of the Island depends on and continue to provide appropriate support
- Rather than just paying co-funded payroll, use the scheme to leverage knowledge from the workforce to help others and stimulate the economy by increasing productivity and incentivising environmentally friendly parishes
- Provide a stimulus in terms of services as opposed to simply monetary payments
- Stimulate innovation and entrepreneurs by providing support for start-ups both financial and resource wise – increase the capacity of Jersey Business to provide free support to new businesses
- Reduce regulatory obstacles to start-ups and ensure Jersey is regarded as a welcoming jurisdiction
- Create a “can do” business friendly environment and robust support for the post Covid economy

- Encourage a partnership with hard hit industries through mentoring from successful businesses, or subsidized provision, or temporary transfer of workforces

(iii) Skills and productivity

- Retrain the local workforce – incentivize apprenticeships, new courses, availability of advice
- Develop a long-term vocational education plan to develop in our people the skills Jersey needs, potentially creating a University campus at Highlands to encourage our skill young workforce in Jersey
- Support with the emotional impact of losing your job and loss of confidence of individuals
- Different types of skills now needed – how to match people’s skills with new job requirements
- Need to improve productivity – better use of technology, automation which will again bring new challenges.
- A happy workforce is a more productive one – so consider stimulating mental and physical wellbeing

(iv) Strengthen Jersey Culture

- Connect the population with the Values of the Government
- Promote and encourage local produce/purchasing/talent and provide reliable statistics showing the overall contribution to the economy of so doing
- Use knowledge of the private sector to review Government spending and suggest options possibly through better partnership working
- Kickstart Climate Change Action, with further excellent initiatives like the recent on demand electric transport system. Money spent on projects to generate clean power, improve air quality or reduce congestion is a win-win in terms of economic stimulus and environmental impact
- Jersey should generate more of its own renewable energy and reduce its intake from the European grid
- Maintain a reduction in rush hour traffic congestion by staggering school/business hours and creating a comprehensive long term public transport strategy that limits the need for car usage in so far as possible and installing perhaps a monorail as well as park and ride stations. This should also decrease stress for the population generally and increase productivity as well as the clear environmental benefits. An Island that is easy to travel around by bike and bus also has a clear benefit for tourism.

(v) Ease of doing business

- Innovation: we need a clear, fully resourced process for identifying new opportunities, evaluating them and getting them to market quickly
- Digital enablers: tied in with above, we need to adapt to the post-Covid and climate change realities; all barriers to doing things electronically/remotely need eliminating

across Government and businesses; investment by both the private sector and Government in cutting edge technology in support of all economic sectors, with the objective of creating a world class service and becoming recognized as a leader

- We need to capitalize on the fact that we have an excellent telecommunications network-one of the best in the world
- Jersey should be the easiest place for high-quality clients to do business and we need to offer/ensure the best service levels; that means having a framework which is constantly subject to ongoing maintenance
- A robust and determined plan to incentivize and support private sector investment in projects that enhance the Island's infrastructure, coupled by a significant and complementary upscaling of Government's own infrastructure investment
- Talent is a key factor when it comes to resources; Jersey must have the right tax, services, environment and immigration framework to attract and retain talent. Brexit remains a threat to this, but that is only part of it - in the future will all our sector's staff even live in Jersey, if remote working becomes embedded? What can we do to ensure they still contribute to Jersey's success wherever they are based?

3. Taxation

In addition to the above items, a further key factor identified by our Members for the success of the Island's future is taxation. We need to recall how we initially obtained success as a jurisdiction which was inter alia, an enterprise supported by low taxation. In light of this, it was respectfully contended in our letter of 12 June that Government should continue to focus on growth in the short to medium term, rather than a need to immediately replenish the depleted reserves that have necessarily had to be used to support the island through the crisis. IoD Jersey is pleased to note the proposals of Government in this regard.

It was also contended that Government should ensure no tax increases or any fundamental changes, to protect Jersey as a leading international financial centre at all costs but consider broadening the tax base.

Consideration should instead be given to replacing commercial debt with Government Bonds as well as a co-ordinated and targeted plan of tax reductions and incentives, to encourage business start-ups and investment and thereby stimulate enterprise once again which will enable a faster recovery.

4. IoD Jersey's role/Economic Council

As in recent months, the members of IoD Jersey wish to continue to work collaboratively with the Government of Jersey, as far as is possible going forward, to ensure the best outcome for businesses.

IoD Jersey therefore welcomed the approach by Government for it to join the Economic Council which it established in June 2020, in light of the crisis created by the Covid-19 pandemic. Since that time, myself and other individuals from diverse backgrounds, representing a wide cross-section of industry and social sectors, have volunteered our time to work together, to develop some new perspectives on Jersey's economy.

As you are no doubt aware, the essence of the task of the Economic Council is two-fold:

- 1) To provide an immediate sounding board for the Government on short term economic measures, including ideas and initiatives that would help Jersey's economy in the "recovery" phase of the Government's work;
- 2) To stimulate new and challenging thinking about Jersey's longer-term economic prosperity, in order to help orientate the island's strategy and plans for the "renew" phase, under the rallying cry of "building back better".

The full Economic Council includes Government Ministers as well the independent members, which has led to very fruitful discussions on a wide array of potential short-term initiatives, with actions already having been taken in several cases, some of which feature in the new Government Plan 2021-2024.

There is much work still to do if the Economic Council is to fulfil the ambition set out in the terms of reference. However, in light of the focus given by the Council to longer-term challenges and opportunities for our economy, beyond the term of the current Government Plan and political cycle, the decision was taken that the independent members would publish some of their thinking and initial conclusions in the hope and expectation that doing so might prompt consideration and debate as to these issues.

This decision has led to the preparation of a paper which we are in the process of finalising in Q4 of 2020 and which summarises the views to-date of the independent, non-Government members of the Economic Council.

This is very much a preliminary paper, based on several hundred hours of voluntary time spent by a diverse group of people who all share a passion for Jersey and who wish to see our island prosper for the benefit of all of its citizens.

The newly published Government Plan 2021-24 states:

"We will create a sustainable, vibrant economy and skilled local workforce for the future."

In publishing this paper, the Economic Council aims to provide new perspectives on what achieving this goal entails and to set out elements of a vision for Jersey's long-term economic prosperity.

I hope the above comments are helpful, but please do let me know if IoD Jersey can be of any further assistance.

Yours sincerely

Lisa Springate
Jersey Chair
Institute of Directors - Jersey Branch

