

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2022- 2025 (P.90/2021): TWENTY-FIRST AMENDMENT (P.90/2021 AMD.(21)) – AMENDMENT

REMOVE FUNDING FOR TECHNOLOGY FUND

Lodged au Greffe on 7th December 2021
by the Chief Minister

STATES GREFFE

PROPOSED GOVERNMENT PLAN 2022-2025 (P.90/2021): TWENTY-FIRST AMENDMENT (P.90/2021 AMD. (21)) – AMENDMENT

1 PAGE 2, PART 1

After the words “except that” insert the term “ -- (i)” and after the words “to £0” delete the word “and” and insert the words “; and (ii)”.

CHIEF MINISTER

After this amendment, Part 1 of the 21st amendment would read as follows:

PAGE 2, PARAGRAPH (c) –

After the words “Technology Fund” insert the words –

“except that –

i. The transfer to the Technology Fund shall be reduced to £0;
and

ii. The proposition to create such a fund shall explicitly seek the Assembly’s approval of the purpose and terms of that fund”

Note: After this amendment, the proposition would read as follows –

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

c. to approve the transfers from one States fund to another for 2022 of up to and including the amounts set in Appendix 2 – Summary table 2 to the Report, noting that the transfer from the Consolidated Fund to the Technology Fund is subject to the Assembly’s approval of a proposition to create such a Fund in 2022, in line with Article 9(2)(b) of the Law, **except that –**

i. the transfer to the Technology Fund shall be reduced to £0;
and

ii. the proposition to create such a fund shall explicitly seek the Assembly’s approval of the purpose and terms of that fund;

REPORT

This amendment simply splits the Panel's amendment into two elements, in order to give the Assembly the opportunity (should the panel so agree) to vote on those two elements separately. The Council of Ministers would be supportive of the second part, but not the first, for the reasons set out below.

The Council of Ministers set out in the Government Plan their intention to use part of the extraordinary dividend relating to the sale of the Internet of Things part of JT Global to invest in technology projects.

As shareholder of JT Global, the Government is in receipt of an extraordinary dividend of £40 million relating to the recent sale of the Internet of Things (IOT) part of the business. As a result, this plan enables the creation of a £20 million fund to assist with technology projects that seek to assist with the Island's objectives, including enhancing the digital economy, closing known gaps in Jersey's innovation eco-system and ensuring government, states owned enterprises, arms-length partners and other key players, are equipped to play their role in incubating and supporting new high-value initiatives. Proposals for the creation of this fund will be set out in a forthcoming proposition.

The Government Plan clearly states that the Council of Ministers will bring a proposal to create this fund, which would be under Article 6 of the Public Finances (Jersey) Law 2019. Under this article:

6 Establishment of other funds

- (1) The States may, on a proposition lodged by or with the consent of the Minister, establish a fund for specific purposes.
- (2) **When establishing a fund under this Article, the States must specify the purpose of the fund, the fund's terms** and the circumstances in which the fund may be wound up.
- (3) When establishing a fund under this Article, the States may –
 - (a) permit money received in respect of the fund to be credited to it;
 - (b) authorise the Minister or the Treasurer –
 - (i) to obtain financing for the benefit of the fund,
 - (ii) to lend money from the fund, and
 - (iii) to provide a guarantee or indemnity from the fund.
- (4) The States may, on a proposition lodged by or with the consent of the Minister, vary the purpose or terms of a fund established under this Article or the circumstances in which the fund may be wound up.

The second part of the proposed amendment is therefore a requirement of the Public Finances Law, which the Council is already obliged to comply with and therefore happy to accept.

However, it remains entirely appropriate to signal our intention to create this fund to invest in Technology, and to ring-fence the extra-ordinary dividend to achieve this

purpose. Reducing the transfer to £0 would send a message that we do not support the tech and digital industries, which are important parts of our current and future economy.

Financial and manpower implications

None