



Economic and International Affairs Scrutiny Panel

Quarterly Hearing

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

Friday, 5th July 2019

Panel:

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

Deputy D. Johnson of St. Mary

Deputy J.H. Perchard of St. Saviour

Senator K.L. Moore

Witnesses:

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

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

Mr. D. Scott, Director, Growth, Housing and Environment

Mr. I. Clarkson, Policy Principal, Strategic Policy, Performance and Population

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

[11:03]

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

Good morning. Thank you so much for coming in. Before we get started - it is just the quarterly hearing and no specific subject in mind - we will just go round and name everyone's names for the record.

Deputy J.H. Perchard of St. Saviour:

Deputy Jess Perchard, member of the Scrutiny Panel.

Deputy K.F. Morel:

Deputy Kirsten Morel, chair of the Scrutiny Panel.

Deputy D. Johnson St. Mary:

David Johnson, Deputy of St. Mary.

Senator K.L. Moore:

Senator Kristina Moore, a member of the panel.

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

Senator Steve Pallett, Assistant Minister.

Group Director, Economy and Partnerships:

Dan Houseago, Group Director, Economy and Partnerships.

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

Senator Lyndon Farnham, Minister for the Economy.

Director, Growth, Housing and Environment:

Darren Scott, Director.

Policy Principal, Strategic Policy, Performance and Population:

Ian Clarkson, Strategic Policy, Performance and Population.

Deputy K.F. Morel:

Thank you very much. We will start off with, Minister, what areas of work are the department concentrating on at the moment? Or what areas have you been working on over the last few months, since we last met?

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

Of course a lot of resource has been tied up with formulation of the Government Plan. The outcome of that will drive really the priorities which are of course linked to the Strategic Plan. So from our perspective our key areas are future economy and productivity. We could, if you want, just 2 minutes on each of those.

Group Director, Economy and Partnerships:

So the economic framework, which is one of the C.S.P. (Common Strategic Policy) priorities, as you know in C.S.P.3 the vibrant economy section, has effectively been captured in a future economy

programme and this is a programme, a cross-governmental effort effectively, to make sure that we are bringing together in a coherent way what have historically been slightly disparate economic development initiatives across different slightly siloed parts of the Government. For example, we are not just focusing on fiscal issues. We are dealing with things around productivity, like how do we mainstream skilled strategy work and make sure that the drivers have increased productivity, such as talent and skills development, are in place. But this is not just restricted to the Education Department. This is part of a bigger overarching programme and of course the economic framework is designed to do that. I think we have rehearsed that a little bit so I will say no more at this stage. We did have a political oversight group meeting yesterday so we have got a good join-up at the officer level.

Deputy K.F. Morel:

Sorry, which political oversight group?

Group Director, Economy and Partnerships:

A political oversight group for the future economy programme.

Deputy K.F. Morel:

There is a future economic political oversight group?

Group Director, Economy and Partnerships:

It has not been endorsed by the Chief Minister so he is yet to sign an M.D. (Ministerial Decision) establishing that but that was the desire of the politicians represented yesterday. That effectively it was formalised in that way. That group is trying to take charge of the C.S.P. priority 3 and also drive the economic framework to give us some proper cross-governmental political direction. We have a well-established officer group that sits below that now. We have got good funding this year and we are waiting for the determination of our funding next year. We have got a work programme that effectively highlights and brings together those strands in other C.S.P. priorities that relate to the economic framework. So there is a corralling effort at the moment. Then we are going to overlay political priorities on top of that, officer priorities and stakeholder priorities as well. So it feels well structured. This is quite embryonic at the moment but I think the principle is the right one. The big work is going to happen next year but, as you know, from moving on to the productivity stuff, we have started some productivity work analysing, for example, the impact of potentially 2 consecutive high rises in the minimum wage in the low paid sector, particularly, agriculture, retail and hospitality. I have been giving Ministers an early warning on what the impact of those are, on those sectors of the economy. The conclusion of that work is that across the economy as a whole the impact of that minimum wage increase this year and potentially next year is negligible. But those sectors will be disproportionately impacted and the Government needs to take a view on how it wants to deal with

that and create a soft landing for that. Clearly, in the medium to long term productivity is the key but productivity may just take some time ...

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

I think we shared the interim report on productivity.

Group Director, Economy and Partnerships:

On a confidential basis.

Deputy J.H. Perchard:

I just wanted to ask what the difference is between a political priority, and an officer priority and a stakeholder priority?

Group Director, Economy and Partnerships:

Political priorities I would say were those decisions that had been taken around the economy that had already been endorsed and agreed by the States Assembly. The officer priorities are those that have been submitted on officer recommendation into the Government Plan. The stakeholder priorities have already also been submitted through our relationships with Jersey Business, Chamber of Commerce, et cetera, that have helped inform those submissions to the Government Plan.

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

The political priorities lead everything and then it is how the officers manage it from then on.

Deputy J.H. Perchard:

Thank you.

Group Director, Economy and Partnerships:

Just finally on the economic framework; we are looking at an approach that just is not fiscal. It effectively is very much concerned with making sure that that framework understands the trade offs and the interconnections between industries but also importantly the social and environmental considerations that need to be overlaid on any policy.

Deputy K.F. Morel:

Excellent, and we will come to some of them later. We will talk a bit more about productivity in the future as well. Minister, you mentioned the Government Plan and obviously you have been working hard on the Government Plan. Are you satisfied with its development so far?

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

It has been an arduous few months and I think there was a lot of ... because it is a completely new process for everybody. It took me - I am not sure I can speak for other Ministers - some time to get in and fully understand the process. But as it has progressed it has, in my opinion, got better. I think we are almost there with it now. There is a little bit of juxtapositioning now going on for the funding and how that is going to be distributed. But I and my officers are fairly content. After months of what has felt like wading through quicksand we are seeing the light at last.

Deputy K.F. Morel:

Are you satisfied with funding for the department and lack ...

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

Pretty much so. We have got a few t's to cross and i's to dot but generally speaking, yes.

Deputy K.F. Morel:

We are all looking forward to seeing that when it comes out. Continuing to talk about the Government Plan, obviously you are part of the Growth, Housing and Environment super department because I think that is the only way to describe it. It is not just a department. In terms of getting what you want, as a smaller department, a regular-sized department, from the Government Plan, how have you been interacting with the other Ministers who are involved in G.H.E. (Growth, Housing and Environment)? There are 3 other Ministers.

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

We all work very closely together when we need to anyway, as Council of Ministers colleagues. There is not a real affinity between the work we all do and the department. I think I have made my position clear on that. While it is a holding position I do not think that the economic function sits with Environment and the Infrastructure functions. The understanding is phase 2 will be to separate that. I think those are discussions that are ongoing now because you have some of the economic functions sitting across the Chief Minister's Department, Treasury and Growth, Housing and Environment. I think there is an opportunity to tidy those up. Certainly now with the work on future economy, with the work on productivity and the industries that we are developing, and the new industries that we are developing, I would like to see all that focus in one department. So while it is working now, I have more interaction with the Minister for External Relations, the Chief Minister's Department and the Minister for Treasury and Resources on economic issues. That is where I think we need some work to do with that and free up the Environment and Infrastructure issues. They would sit more comfortably together.

Deputy K.F. Morel:

From a policy officer perspective, I know you work with S.P.3 (Strategic Policy, Performance and Population) for ... does Economic Development have its own policy side as well as all the policy work through S.P.3?

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

What I think we need to do, where we need to drive savings out of the function of Government, is we need to consolidate the policy function of the Government. I do not necessarily need my own policy officers, I need people to prioritise our policy when we need to prioritise it. But perhaps Ian can answer more from an officer perspective how that comes together.

Deputy K.F. Morel:

But how do you retain some of the policy work within the department as opposed to ...?

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

Yes, some of it. Do you want to explain how it is working?

Policy Principal, Strategic Policy, Performance and Population:

In a nutshell, the work that comes to an officer like myself in S.P.3 - as we are calling it - it is defined through the policy pipeline. I am going to potentially over-simplify this but the pieces of work that are tending to come into S.P.3 and are being worked on at the moment are what you might regard as the higher level policies that need to be worked on and progressed. Some of the low-level policy work that might be a lot closer to the operational is still retained in other departments.

[11:15]

Deputy K.F. Morel:

So that is normal throughout all departments that some of it is retained in a department, while other higher level bits go to S.P.3?

Policy Principal, Strategic Policy, Performance and Population:

For example, if you ended up with perhaps minor tweaks for pieces of legislation that define how some of the more operational functions work, shipping registry, for example, it is lower level, you might expect more of the work to be done within a department. If there are perhaps bigger issues at play, strategic policy.

Deputy K.F. Morel:

Thank you.

The Deputy of St. Mary:

Just going back a touch. In the previous Government it was relatively simple in the sense that you had your designated functions and programmes; Scrutiny could shadow them, et cetera. As a member of this panel, had difficulty in targeting what your department is doing. Do you see the situation arising after the first phase of you claiming back some of these areas of responsibilities so we know exactly ... we cannot hit you but target our questions to you, Minister, rather than anyone else because we have difficulty in working out where we should be asking the questions?

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

Those channels need to be clear and if you are not clear we need to make sure you are. The idea of doing this is there was a lot of repetition, the same work being done in lots of different ...

The Deputy of St. Mary:

I am not challenging the principles.

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

I think the principles are right but as the logistics and the processes then they need to be ... the political responsibility needs to be absolutely clear. I am clear with it. I am concerned that you are not clear so we need to try and make sure you are and perhaps address that a bit more specifically.

Group Director, Economy and Partnerships:

I think there is a challenge around thematic portfolios. So if you take the trade portfolio as an example, what you have there is the law officers dealing with our constitutional position, making sure that that is correct. You have got External Relations making sure that the outside world know we are open for business and then you have Economic Development making sure that businesses are tooled up to be able to take advantage of future opportunities. So in that situation that is quite tricky. So those thematic portfolios are tricky in that context.

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

That is one reason why we should consolidate the economic functions into one department.

Policy Principal, Strategic Policy, Performance and Population:

There perhaps 3 things that might help you as a panel. The first is that I suspect you and other panels are waiting for the declaration of ministerial and assistant ministerial responsibilities that I know is being finalised at the moment. I understand that you will be seeing a report presented to the States shortly. That is perhaps one thing. The second thing is that from the perspective of your scrutinising the Minister, the department that I come from to go into Strategic Policy is in a position to help you. You, in effect, should be in a position to be able to field your questions to the Minister

through ministerial support and say: "I need X, I need Y to get to the bottom of the topic that I am scrutinising." The ministerial support function should effectively take care of matching the information you need with the area of the public services that is holding it for you.

Deputy K.F. Morel:

Thank you, very useful. As a Minister, do you have any concerns about policy direction and especially as part of the larger department, the G.H.E. Department, do you have any concerns that if you want to create a policy in a particular area that it could get lost just because you are essentially still in the silo as a Minister in Economic Development. The only person who is not in that silo is the director general. He is the only person who has a view of the entire department. The only person in Jersey with a view of the entire department. Are you concerned that that effectively puts you in a difficult position in relation to understanding what is going on when compared with the director general, who is obviously not a Minister and is an officer?

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

The broad answer is no because it is important for a Minister to have a good understanding and working relationship with the director general. It is good for the director general. It is important for the director general and the senior staff at the department to understand the priorities of the Government and the Ministers, and the States Assembly of course who authorise and sign off all these plans and policies. But the sheer volume of work in G.H.E., for example, I sometimes wonder how that is managed. I am assuming it is all managed well but it must be a real challenge.

Deputy K.F. Morel:

How do they do it?

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

Yes. Without trying to become too operationally involved I do not want to have to be persistent. I think Ministers and the Government, States Members, need to make sure their priorities are understood and then those should be carried forward. It is important that officers are there to enact policy and to prioritise the policy ... how the process, whether the policy we set ...

Deputy K.F. Morel:

Yes, the work being done.

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

They are not there to set policy or decide which policy comes first. It is important Ministers and Assistant Ministers really do need to have good working relationships with the senior team. At E.D.T.S.C (Economic Development, Tourism, Sport and Culture) I think we can say that we have an

excellent working relationship with our officers and as long as they keep doing as they are told we will be fine.

Deputy K.F. Morel:

But from the director general perspective you are not worried about that blindness you have, in comparison?

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

There is a bit of a transition period where everybody is just sort of a bit wary of how it is going to work but from my experiences, I have found the interactions with the director generals I have had to be positive and the priority has been carried through. But there could be scope for that not happening, simply because of the size of the departments. It is not really a concern but it is ...

Deputy K.F. Morel:

What I am about to say is not really a question but what is interesting I find, the director general for G.H.E., I have seen him turn up with the Minister for the Environment, because I am on that panel, I have seen him turn up with the Minister for Infrastructure because I am on that panel, I do not think I have ever seen the director general turn up with you to one of these hearings.

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

I have not got enough seats here.

Deputy K.F. Morel:

There are always enough seats.

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

No, and I think that is probably to do with the fact that we have ... Dan and Darren really are, as Ministers, our key staff. We have a very strong relationship. That is probably one of the reasons. It is not necessary for the D.G. (director general) to be I would be very happy for him to attend.

The Deputy of St. Mary:

The same in a way, the concern I have is that your priorities or your deemed priorities as Minister might not be quite the same as ... or you are in competition with the priorities of other Ministers, are you not? You are, yourself, in control of the resources going to be allocated to what you think are priorities which might not be anyone else's? That is what worries me.

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

The first part of your question, that is politics. We are all juxtapositioned, are we not, to promote our ideas and ideologies and get our policies and strategy through. That will always happen. That is why it is important we have a Strategic Plan and Government Plan because that collates all of the Government information.

The Deputy of St. Mary:

But previously you had your own resources to allocate what were your priorities. Now you have to fight with others for resources. That is what my real worry is.

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

I will let Darren take that.

Director, Growth, Housing and Environment:

I think someone said earlier there is a transition period, and there is. What you are saying is absolutely correct, the department sat underneath a Minister, had policy officers, and a Minister effectively dictated those priorities. I think the advantage of this new system that we are moving to is that that work will be better integrated into work across the piece. So whereas a department previously was or could be quite isolationist, did not necessarily have to refer to other departments, those issues would be resolved effectively at the last minute at Council of Ministers when another Minister would say: "You have not discussed whatever it is with my department." So I think the advantage of the new system that we are moving to is that when things are developed they should be in a much better place for the Government of Jersey and therefore for the Assembly. The disadvantage is the transition period. As you have pointed out, there are policy areas that the department is still doing. I have done it myself. We are in discussions with officers in S.P.P.P. (Strategic Policy, Performance and Population) about handing over both policy resource and policy responsibilities. As officers, whether it is Ian in S.P.P.P. or Dan and myself in G.H.E. I think we are very clear what both Government and the Assembly and the Minister and Assistant Minister's priorities are. But that policy work is effectively in the process of being handed over but it does not mean that the operational department, for want of a better phrase, will have nothing to do with it. Clearly we will be the subject matter experts of that dedicated policy resource.

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

He means it is a more holistic view of things from the centre. From my experience to date, I have not had any of my priorities not achieve because of the change in system to date.

Deputy K.F. Morel:

We will move away from the structure side of things to look at retail for a bit. We published the retail review, as you know, around Christmas. Still waiting for retail strategy, do you know when it is going to be delivered?

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

We were aiming for the end of March. Slightly disappointed it is not ready but I sort of on balance took the decision that it was worth spending a bit more time to make sure everybody was aligned or that the stakeholders, whether it be government departments ... it is looking at areas such as transport, and areas outside of G.H.E. or E.D.T.S.C., those departments need to be aligned and understand it; Chamber of Commerce, Jersey Business and the retail and Jersey businesses themselves. So there is still some stakeholder work going on to ensure it. As I have said, it is our policy but it is your policy as well. I do not want to publish a policy that everybody is not brought into.

Deputy K.F. Morel:

I appreciate it has lots of external ...

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

We have been pragmatic and one of the reasons I have signed the decision requesting that we start doing some work on the regs for Sunday trading is because the work ... we need to get that moving so we took the decision. So we are being pragmatic where we can.

Director, Growth, Housing and Environment:

I am sure it is not by design but it is a perfect example of the topic we have just been discussing. So I think the end result is later than the Minister had originally intended. But I am 100 per cent confident that the end result will be a much better product with much greater buy-in and engagement from not only stakeholders but also important internal stakeholders. It is not the Minister's retail strategy, it will be a Government and a States Assembly endorsed retail strategy. But the important point, as the Minister has just highlighted, is that I do not think we are sitting around waiting for that document. So some of the action, some of which were highlighted in your report, which was published last year ...

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

I think we adopted 90 per cent.

Director, Growth, Housing and Environment:

... are being taken forward while the document is being developed. But I met with the Chamber of Commerce, the retail specialist within Jersey Business, the former town centre manager, to discuss

getting a smaller group to put the finishing touches to what will effectively be a government strategy in conjunction with input from other government departments who will be affected.

Deputy K.F. Morel:

We are just going to have to wait to do our second part of our report because the second part of our report hinges on your retail strategy.

Senator K.L. Moore:

Minister, you mentioned the Sunday trading decision. What consultation was conducted with the industry prior to signing that decision?

Policy Principal, Strategic Policy, Performance and Population:

In terms of industry, the key source of consultation feedback that the Minister was working with came through the development of the retail development strategy itself. I am not the official that was leading that work but I have seen a significant quantum of the material that was generated from that. My understanding is that while it would not be right for me to say that there is an absolutely unanimous view that everyone wants Sunday trading, the balance of views that I believe were put to the Minister has shifted, certainly since the 4 or 5 years ago period when we also had feedback on file. So that retail development strategy work has been the key source.

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

My correspondence with the industry has been through the Chamber of Commerce, through Jersey Business and speaking to some of the larger store owners. But we have also taken as much care to seek the view of the Islander and the consumer and the customers because their interest to me are as important, if not slightly more important in issues like this, than business. We have also, by announcing what we are doing now, there is still a number of months before it is debated. So there is enough time now that we have made our intentions clear what we are going to ask the States this time is for some more consultation there, but also I think more importantly, the law is not compelling anybody to do something. It is just opening up an option.

Senator K.L. Moore:

Putting children first is one of your strategic priorities, so what consideration was given to families and children in taking this decision?

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

I would think promoting the interests of the consumer, we are trying to give consumers more choice.

[11:30]

We are trying to provide more things to do at the weekend, not just for Islanders but for holiday makers as well. In addition to that we have seen a significant improvement in the protection of employee through improved employment legislation and we have family friendly legislation on the rise. I think that is going to continue to evolve over the years ahead. So we have not said: "How does this impact on children?" unless any of my officers can correct me on that. We have not done that. We have looked at it as a broad-brush approach. That is something that the new ... like I say, we are still in the new world of how we protect children. Many of us are signed up to our own charter of what we want to do for children but I think that is going to take a bit of time for us all to get into the habit of putting these issues at the heart of these sort of policies. I think without having said we have not done any specific work on how it would affect children, I am confident that Islanders will benefit from this.

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

That is a really interesting question. The vast majority of shops can open now and most choose not to. It is a small number of shops that are over 700 square metres. Having spoken to one or 2 of them, in terms of putting pressure on staff to work a weekend, which I think is the point you are trying to make around putting children first, the feedback - I can think of one particular store - they have had is that staff are prepared to work weekends because they value the time to take off during the week so they can be with their families. It is a double-edged sword to some people. But I think we need to review it maybe after a year and see what effect it is having on family life because I think that is going to be one of the major concerns that States Members might have around supporting Sunday trading, and making sure that employees' rights are properly protected. But I think the bigger supermarkets feel it is an unfair playing field. I feel that to some degree is true. There are those that are just under that level and can do as they see fit yet you have got those that are over 700 square metres, and we know which ones they are, not being able to operate. As long as they are responsible employers I do not particularly see that being an issue. It does not just give the shopper more options it gives the staff more options as well to some degree. I do not think you are going to sell it on that but there are staff that would prefer to take a Monday, Tuesday off and sometimes work at the weekend. That will play out over a period of time. But I think it will need to be reviewed to make sure that ...

Deputy J.H. Perchard:

Just to follow on from your comments. I think one of the concerns that has been expressed to me from a member of the public is that staff may not be given that choice in the way that you described and that in fact people on lower incomes will end up being told: "We are changing your shift pattern, you are now going to work every third Sunday" and therefore they will be losing out on time with their family because obviously during the week typically most people will work Monday to Friday and

children are at school so Sundays are really valuable precious days for families. I guess my question is: what provisions will you be putting in place to ensure that the rights of the employee to choose, particularly based on religious beliefs but also just the choice to spend that day with their family, are protected?

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

There are people that have that view and there are people that do not. I think there is a certain amount of conjecture of what might happen. The fact that thousands and thousands of people in Jersey work across a 7-day period at the moment. We decided not to pursue that because it would simply make it impossible for hospitality and other sectors that rely on staff working 7 days to be able to offer that. I do not see how you can offer some people the right not to work on a Sunday and others have to work on a Sunday. Ian, we have done some work, do you want to ...?

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

Can I answer that? From a health and well-being perspective, which I have some responsibility for, the point is absolutely well made that we need to make sure that people have a balanced life, an opportunity to exercise at the weekend, relax with their families and enjoy the Island. My view is still that we need to bed it in. If there are issues then there is legislation in the U.K. (United Kingdom) and we accept that. That is something we have to look at if it becomes problematic. But the Minister is quite right. There is a vast majority of people already that service the Island and I do not hear too many complaints about people that have to work weekends, although I do hear some. That: "I have to work rather than have a choice."

Deputy J.H. Perchard:

I suppose the point is how are you going to make sure that the voices of those are heard? Because obviously if you consult with the consumer and you consult with the store owners, you are going to hear a certain view but they are also easier to access from your point of view on consultation. We find in all of our reviews it is very difficult to access a certain demographic so I guess the question is: how are you going to ensure that that demographic is proportionately represented in your consultation or in your review?

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

That is a good point. What I have done is I have asked law draftsmen to prepare some regulations. It still has to go through a process and there is still some information and consultation we are going to follow. When I have spoken to some of the larger stores who already open their estate across 7 days it is only out of ... some of them with 30 or 40 stores, it is only a couple of the large ones that do not open; the rest do. So all of their staff are on 7-day shift patterns anyway. The shops that do not, for example Waitrose have only got a big store, they do not open, they tell me that there is no

shortage of volunteers, both from existing staff and other staff who want to work weekends. We are in a tight labour market at the moment, employers need to look after their staff and work with them on shift patterns. I have been approached by people who work Monday to Friday who really want opportunities to go and work a few hours on a weekend.

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

We speak to Waitrose on a regular basis. They are a very good employer and they have no issue about us talking about it. They have got a very good relationship ... well, all their staff are partners. There are processes in place within that organisation to make sure that staff concerns are fed back and that feeds all the way up to senior management in the U.K. It would be nice to think that would happen in other stores as well and that staff did have an opportunity that it could be fed up to senior staff. Better work place health and well-being is something that has to become something natural. I went to a briefing conference the other night about that. I think there is an understanding now that you do need to talk to your staff on a regular basis and you need that relationship with them to help you build and make your firm more profitable. So there are benefits to productivity in that as well. There are things that can be put in place and are put in place by some firms. I think that good practice will continue to be built. Should we be contacting employees? Probably at some stage to see whether they are comfortable with Sunday trading legislation. I think the Minister has already said that. I think it is something we might have to consider.

Deputy J.H. Perchard:

If large stores do choose to open, what impact do you think there will be on the convenience stores that already are open, particularly outside of town, places like Gorey or St. Martin? There are pockets of communities.

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

The vast majority of the convenience store market now are operated by the big retailers. Many of them are over trading at the moment. If you try and get into some of the smaller M. and S. (Marks and Spencer) stores on a Sunday or the Co-op stores; Senator Moore and I regularly bump into each other. They are busy, they are over trading. I will not mention any names but some of these stores have different price structures and on a Sunday when there is a big demand in some of the smaller stores customers are paying higher prices than if the big stores were open. So I think it will introduce more competition on a Sunday in that particular sector. They will see a redistribution of the trade across their network of businesses.

Deputy J.H. Perchard:

Do you envisage any community stores closing and redistributing staff?

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

No, I do not. I know the convenience store market very well because I operated in it for 30 years in my private business life. That started to change in probably the 1980s with the smaller stores. We have probably got a tenth of the number of true independent convenience stores that we had 30 years ago because society has changed. Those few independent convenience stores that are left I think have found their niches in the market and I do not think there will be a big impact on them. Because nearly all of the large but still within the 700 square metre range are open on a Sunday, so it is a busy Sunday market for food and retail.

Senator K.L. Moore:

What do you think of the sector as a whole across the Island? Do you think it is currently serving the Island well and the right size for our scale of population?

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

Retail?

Senator K.L. Moore:

Yes.

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

I think we have tremendous retail offering for an Island this size given the challenges retail are facing globally but in particular in the U.K. and E.U. (European Union). People can shop online 24/7, there are no barriers or limitations to shopping online so there has been a huge impact on the range of product that retailers can sell. But I still think we have a really good offering for an Island our size.

Deputy K.F. Morel:

Do you have a sense that internet shopping is going to eat more into the local offering? Do you think there are about 1,000 shops or so in the Island?

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

I think into the future and not just because of online retail but because of the way modern societies are existing we could probably see a consolidation of retail. In Jersey, we have a tight labour market, we have high rents. We have an expensive stretch of water to bring goods across and if you put all those together it creates high prices and more challenges for retailers. We have seen it before. In the food sector we have probably had 200 or 300 food shops consolidate into 50 or 60 and they are doing more. In one way that will drive our productivity. We sort of need that. We need all sectors to become more productive. I would rather see the same amount of people working in fewer shops.

The sector will have to become more productive and they have to balance ... we all know, I am not saying anything new here. We have to balance convenience with price and range.

Deputy K.F. Morel:

Do you not think the market regulates itself in that respect anyway in respect of ... you are saying consolidation? That will happen naturally perhaps as opposed to needing Government intervention.

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

I am for minimum Government intervention. That is what we have done generally in Jersey, we have let the market regulate themselves and adapt and grow and shrink accordingly.

Deputy K.F. Morel:

You are happy for that to continue?

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

It is about an experience, it is about a day out in town. The town centre is more of a destination now where people come for a morning or a day out. I know we are talking about the whole Island but from a St. Helier point of view that is why I welcome more pedestrianisation. I would very much like to see the Broad Street section closed to traffic at certain times of the day and that is an opportunity to create another vibrant part in St. Helier. The unfortunate circumstances that led to the fire of the pizza restaurant, which then led to that road being closed during the day, I think highlighted some things. To me it did not seem to cause ... the traffic seemed to flow as well, if not better, but it created a new vibrancy in that part of town. I think we must examine those opportunities and make St. Helier ... continue to make it a more attractive place for people to come and then that gives the businesses in St. Helier more chance of being sustainable.

Deputy K.F. Morel:

Just before we disappear from retail, I just wanted to point out - and this speaks to what Senator Pallett was saying - recommendation 14 of the retail review that has been provided said that: "When the Minister for Economic Development brings forward proposals to deregulate Sunday trading [which has happened] appropriate protection for staff in terms of religious beliefs and adequate date in lieu should be included. The effects on out of time convenience stores should also be monitored." Obviously Senator Pallett just said that we should look at it in a year's time to see how the effects on the family ...

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

I say a year's time, I think that would probably be an appropriate time to see if ...

Deputy K.F. Morel:

I was going to ask without holding you entirely to it. Do you think it is feasible to undertake the review in line with our recommendation in a year or so's time, to give you some moving room?

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

I think it is essential that we monitor and we review it. The retail strategy, which will be ... as I said before, we do not want to say: "Here is a strategy" and put it on a shelf.

[11:45]

Deputy K.F. Morel:

Yes, but in terms of this Ministerial Decision because obviously you said the strategy is going to be March, so in a year's time the strategy will have just come out.

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

No, it was meant to be last March.

Deputy K.F. Morel:

Yes, it was meant to be last March. I thought you were also saying it is coming out in March. I did think that was a long time.

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

We are weeks away, I think. We are very close to it. That strategy will say that we must continue to review on a regular basis the performance and impact of the retail sector. Yes, I absolutely agree. I wanted to avoid a trial period. I do not think that will work because I think if you start something and try it for 2 years and it is successful in some areas or not, it is difficult to undo it.

Deputy J.H. Perchard:

Can we expect to see in the retail strategy protections for staff included when it comes out?

Director, Growth, Housing and Environment:

I think the strategy itself will discuss the issue. It will not contain measures but I think discussions are taking place with the Minister for Social Security and officers about what that needs to look like on the basis of your review.

Deputy J.H. Perchard:

In our recommendation, we have recommended that those protections are included in the strategy but that is the effect on community stores out of town being monitored. So there are 2 different things we were hoping to see.

The Deputy of St. Mary:

When is the strategy going to come out then?

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

That is the question, is it not?

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

I think there was a misunderstanding. It is not next March.

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

No, it is not next March.

The Deputy of St. Mary:

Okay, that is what I wanted to know.

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

It is close to coming out.

The Deputy of St. Mary:

It is close; a political term.

Deputy K.F. Morel:

We will move on. Minister, we have recently seen the release of figures this week for G.V.A. (gross value added) in the finance and legal sector. I know they are not directly your responsibility but they show a small increase in productivity. I was just wondering what your thoughts were on that.

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

It is not my particular area but it is still important.

Deputy K.F. Morel:

I am looking at the productivity more than the finance sector.

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

It is the first real growth we have seen in a G.V.A. product in the financial services sector for some time, which is welcome. Particularly welcome is an improvement in the banking sector, which I think has grown by 2 per cent, if I remember the figures rightly. If you understand the whole G.V.A. figure, the whole productivity figure is really skewed by the size of the financial services sector but within the financial sector the banking sector was by far the biggest. In comparison to Guernsey, who have not had the same productivity and G.V.A. challenges we have had, that is because their banking sector was far smaller. So when it contracted there was less of an impact on their economy, a much bigger impact on our economy. While it is still 28 per cent smaller in terms of G.V.A. than it was at its peak in 2008, it is a welcome return. We seem to have bottomed out, seem to be coming back a little bit, so I am pleased about that.

Deputy K.F. Morel:

One of the concerns is that interest rates play straight into the productivity of the banking sector and obviously interest rates went up half a per cent during 2018. Personally I have heard talk about, certainly in the U.S. (United States), interest rates are going back down again. From your perspective, working on productivity, does that sort of thing concern you, when something as simple as an interest rate could ... yes, it might make things look good, but it is not dealing with the underlying issue, if you know what I mean.

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

It is difficult for us, because we do not control monetary policy ...

Deputy K.F. Morel:

No, we do not, I appreciate that. Absolutely, of course.

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

... and we do not control fiscal policy. We have sort of consolidated now. The financial services sector have taken stock, it has readjusted, and I would rather see slow and steady growth rather than a hike in interest rates just for the benefit of the banking sector. That would give us a blip in our G.V.A. figures, but it would not be good on the whole for the economy or for Islanders. It would be inflationary. I support consistently low interest rates into the future, so we can create a solid sort of base on that. We have got more chance of improving our productivity across the board in that sort of environment than a high interest rate environment.

Deputy K.F. Morel:

Thank you. Talking about productivity, the productivity framework, you mentioned it earlier. I do not know if we have talked ... I cannot remember. Did we say when we are likely to see a productivity framework?

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

We have made good progress on it. I am going to ask Dan now to ...

Group Director, Economy and Partnerships:

This is an integral part of the economic framework. The economic framework has got at its heart the need to increase productivity, but it is, in my view, important not to conflate 2 kind of considerations. One is, in my personal view, that we are not trying to - I do not think - aspire to levels of productivity, for example, in the financial services sector that we have seen in the past. I just do not think that is where we are trying to get to in the context of the productivity framework. What we are trying to do is recognise that a big part of our G.V.A. is non-financial services sector-driven and that the reality of the productivity framework is to make sure that all sectors of the economy, more people working in the economy are benefiting from growth. Growth is essential in that it allows, through productivity improvement, people to keep up effectively with inflation. I think that is the absolutely fundamental principle around the productivity framework. As I said earlier, we have just established the political website function and the office of functions to deliver this into the next Government Plan. Productivity will be the first framework that we will deal with, I suspect, from an officer perspective. As we have said earlier, we have talked ...

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

Just to discuss some of the ideas we are looking at to improve the way ...

Deputy K.F. Morel:

Just quickly before we go there, on the political oversight framework, who are the political members of that, may I ask?

Group Director, Economy and Partnerships:

Off the top of my head, Senator Farnham chairs it. We have got Susie Pinel, Minister for Treasury and Resources; we have Senator Gorst, the Minister for External Relations; we have Graham Truscott; we have Deputy Steve Luce. I can forward you the full list. I think that is broadly probably right - Senator Pallett is on as well, I think - but a combination of Ministers and Back-Benchers, to make sure we have got good political challenge in that context. Some of the productivity things that we are looking at have started to show that there is real opportunity. I think people have often questioned this: are there things in the short term that we can do for productivity? If you take Jersey Business's business development programme as an example, it is a pilot and it was reporting back yesterday. Officers were pleased, and I have been very pleased, at the outcomes of that work. We cannot just throw money at sort of random initiatives, so we do lots of pilot stuff. I think the outcomes of that work really clearly show that if we have got the right capability, particularly to borrow from

other jurisdictions and how they have been working with businesses to improve productivity, that can really happen, particularly in the low-paid sectors. There is often this misconception that we have done everything we can in those sectors to deal with it, but it has often been the fact that we have lacked effectively specific expertise. In our new target operating model, we are trying to generate greater capacity and capability to allow us to do that stuff, working with external people to build capability in our internal teams so that we can address some of these issues. So a range of initiatives in agriculture, there are some in retail and hospitality as well, and of course the Minister's approach to events-based tourism to boost productivity in the hospitality sector in the shoulder months is again another initiative that starts to boost productivity.

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

We are looking at medicinal cannabis opportunities, which will significantly boost productivity in the agricultural sector.

Group Director, Economy and Partnerships:

We are very clear that while we are developing a framework, there are still initiatives that are running in parallel, so this is not a linear thing. We have got lots of things in development.

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

Can I just say, that comes with a bit of a health warning? We are looking at each sector, each sub-sector of the economy, and aiming to improve productivity there. But we could make significant improvements in those sectors, significant improvements, but the impact on the overall economy will still be small if we do not see an improvement in productivity in financial services, which is why these figures are good, because we saw increases, but the net effect was on the financial services figures we have just seen. The net effect of that is a 1 per cent increase in their productivity, which is really important, so we have to work 5 times harder in the other sectors to make the same impact as the financial services sector does.

Group Director, Economy and Partnerships:

One further point really is this issue, that the Fiscal Policy Panel has identified productivity as a key issue here. The forecast for productivity improvements over the next 10 to 15 years is very modest. For me, there is a decision to be taken here around do you want to invest in those productivity improvements as a Government and change that forecast? I think that will be the challenge that the productivity framework brings into conversation because I think we can make a difference to that forecast, but we are going to have to invest in that to do so.

Senator K.L. Moore:

Will there be also an emphasis on policy decisions and the impact that has on existing businesses and their productivity as well as entertaining the idea and notion of driving new business opportunities for the Island?

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

There has to be, because at the heart of the productivity challenge is our population issue. We have allowed growth in our population to keep the furnaces of industry burning, if you like. That is the biggest challenge, because business and our economy is good at the moment, we have got virtually no unemployment. I know that there is a demand in certain sectors for businesses to expand but they cannot because there is not the available resource to do so, so this population policy is going to be an essential part of how we manage it in the future. The key policy decisions are going to be about what resource we allow to come in to allow industry to grow, which is why it is important to focus on productivity and financial services, digital and tech sectors.

Deputy K.F. Morel:

It was mentioned earlier briefly, the consultants that you got in to help you with the productivity, Metro Dynamics. I have to ask, I have spoken to Island-based consultancies who were obviously unhappy that you chose an off-Island supplier without any tender process, any quotation, competing quotes or anything like this. Can I ask: why did you choose Metro Dynamics?

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

Have you not had a separate discussion with the panel on this?

Group Director, Economy and Partnerships:

Informal, but I can answer that. Originally the productivity commission for the productivity work in low-paid sectors was driven by effectively a timeline around the Employment Forum's recommendations to the Minister around what level of minimum wage there should be. We inherited this relatively late in the process, so it was an officer decision, it was not a political decision, to go with what was available at short notice. That was my decision, I take that responsibility, but it was well within Financial Directions, so it was legitimate in terms of the way we procure things.

Deputy K.F. Morel:

I accept that, yes.

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

I mean, from my perspective, I understand and accept what the director has said, but for the record - and my officers know this - I prefer to limit these consultants wherever possible. Wherever

possible, I like to keep the money in the local economy, but I accept the reasons that those decisions were taken.

Deputy K.F. Morel:

No, I accept that. The thing that concerns me is, to the best of my knowledge, Metro Dynamics have never worked in island economies, they have always worked in the U.K. urban economies, so I would question whether they had the appropriate skillset in that respect.

Group Director, Economy and Partnerships:

I think that is a fair challenge. I think the push-back may be that often we are, in economic terms, in my view, a little bit too insular. I think you are right to a certain extent, and certainly I am determined to use local firms where it seems appropriate, of course, but on some of the bigger macroeconomic issues where a lot of challenges are external, I think it was quite useful to have an external pair of eyes on something that had been analysed in terms ...

Deputy K.F. Morel:

I think you slightly misunderstood my point. It was not just it could be an external supplier, but an external supplier who specialised in island economies, as opposed to an external supplier who specialises in country-based urban economies.

Group Director, Economy and Partnerships:

I see, yes. I think once you have had a chance to properly review the report, my personal view is I think those reports are really good and they go ...

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

I mean, we accept your point; I accept your point. I think that is a valid point. As it happened ...

Deputy K.F. Morel:

I have got a few more questions.

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

Yes, go on.

Deputy K.F. Morel:

Carry on.

Deputy J.H. Perchard:

Sorry, I just want to go back to the F.P.P. (Fiscal Policy Panel) forecasts, because they were modest and they were modest for a reason. I was just wondering how you envisage changing the forecasts. I know you alluded to it.

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

Which part of the forecasts were you referring to exactly?

Deputy J.H. Perchard:

The productivity, so they are ...

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

All right, yes. In terms of economic growth, they are forecasting ... are you talking about the economic growth predictions, 1.6 per cent?

Deputy J.H. Perchard:

Yes. It was, as I say, a really modest forecast. They have done that for a reason. They obviously do not necessarily think that Jersey is going to become kind of like a hub of A.I. (artificial intelligence), leading world technology, so they have been modest.

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

Sure.

[12:00]

Deputy J.H. Perchard:

But you alluded to the idea of changing the forecast, so I just wondered in what ways you hope to achieve that.

Group Director, Economy and Partnerships:

Just from an officer perspective, at the moment we are not making any significant interventions in the context of productivity. Going back to my previous point around the need to drive growth in the economy, so that through productivity improvements and that sustainable growth effectively leads to small but important productivity improvements that allow people living in the Island to keep up with inflation, so therefore their standard of living is not impacted by that. I am not saying that we can make huge, huge changes to the productivity forecast in global terms, but what I am saying is unless you start to put some interventions in place that have got some proven efficacy, which we do have, you are going to start to draw the conclusion that there is a chance that we are keeping up with inflation. So those small incremental increases across the entire economy are absolutely

essential, in my view, to allow us to deal with any inflationary issues so that people's standard of living can be maintained. Of course other figures also show that we are falling behind, the gap between the U.K. and Jersey is narrowing, so it is something that we do need to address. The good news is there are things we can do and the framework will pick those up and make recommendations around investment in those places. After all, the economic framework is the precursor and the advisory document that allows Ministers to make sensible decisions around where they invest in the future. We do not have that yet. That then starts to impact on our spatial planning and our strategic partnerships going forward, so you might imagine that a lot of this work is tied up with making sure it is co-ordinated with the migration policy work and the Island Plan work as well. But I am not trying to get to a point where we were in the past, where banking is giving us great productivity numbers. I do not think we are going to get there, but we need to make sure the argument is really clear about what we are doing in the productivity sense.

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

It is about investment, infrastructure, skills, competition and enterprise. Those are all the high-level things that we need to deploy fairly quickly, as advised by the F.P.P.

Deputy K.F. Morel:

It makes me wonder how things were done beforehand.

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

Yes. How did we manage ...

Deputy K.F. Morel:

A more ad hoc type feel.

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

... for the last 800 years?

Deputy K.F. Morel:

Sorry, going back to the Metro Dynamics contract, I just have a few itches I need to scratch on this. One thing when I look at Metro Dynamics - and I think this is very important - is that of their 13 directors, consultants and researchers I can see on their website, only 2 were female. I am not including things like their H.R. (human resources) people, their finance people; there are more females there. Of the people who did the policy and analytical research or do the policy and analytical research, only 2 were female. Do you worry, Minister, that that sort of ... when we are bringing in consultants who have that sort of gender-heavy ... you know, it is clearly massively male-

dominated, that they bring those unconscious biases that men will bring about how an economy should work, things like this that they bring that to their work, because basically ...

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

Yes, they do. We all have this unconscious/subconscious bias. We do have it. I mean ...

Deputy K.F. Morel:

We do, exactly, and one way to deal with that is to have diversity in the structure of a company.

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

I can demonstrate it to you right now, if I ask you the name of my new P.A. (personal assistant) ...

Deputy K.F. Morel:

I have no idea.

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

It is Ben. People I ask that to give me a list of female names.

Deputy J.H. Perchard:

I will just declare for the record that I did not ask.

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

Deputy Perchard did not, yes.

Deputy K.F. Morel:

But anyway ...

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

Yes. Look, I do, and that is something that I did not understand until recently, but I have taken it upon myself to learn more about how this affects society. I do think about that. I would like to see a lot more gender balance on all of our oversight groups and so on and so forth, but I think that the ladies in the States Assembly - the females in the States Assembly - because you are outnumbered 2½ to one or something, but there are not enough of them to go around, so it is really challenged.

Deputy K.F. Morel:

But when you are buying in expertise, do you think that is something we should be looking at?

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

I think it is, but not just a gender balance, we have got a target ...

Deputy K.F. Morel:

It makes sense to do it.

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

It does make sense, but I think in reality the culture has got to change and it is changing slowly. I must be honest, still now, if I was looking at that, I would not have considered that. I would not have considered to look at the consultants and look at the gender balance.

Deputy K.F. Morel:

No, which is honest and fair enough, absolutely, yes.

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

I would not. It is ...

Deputy K.F. Morel:

I understand.

Deputy J.H. Perchard:

Can I just follow up?

Deputy K.F. Morel:

Go for it.

Deputy J.H. Perchard:

I suppose the point is particularly pertinent when it comes to economic models, because our current society's model of the economy is based on a centuries-old model that was developed by ... it is basically fundamentally on Adam Smith's model of economy, which in itself makes women invisible, in the sense that his economic modelling gave no value in economic terms to the women, who at the time were the people staying at home. Since then, our economy has been built upon this idea, which is why we do not measure the economic value of certain parents, for example, currently. It has all come from this model that we have slowly adapted and built upon, but have not fundamentally changed. When we are talking about economies and productivity and then getting experts in to guide us on our policies, I think it is particularly important for your ministry to ensure that we are breaking away from the kind of modelling that inadvertently excludes a certain demographic. It is not a question, sorry.

Deputy K.F. Morel:

May I suggest if I was to hold up a mirror here, the Economic Development Department does not have any women working in its policy areas?

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

No.

Deputy K.F. Morel:

No.

Group Director, Economy and Partnerships:

Can I just make one or 2 comments? Going forward, obviously we are trying to address quite a lot of things in a different way as a Government and I think that development is really positive. We are trying to address the economic framework in a very different way. We have been working on something called a 5 capital model, one of which is the social side of that, where we are trying to look at how our institution is constituted, where there is inequality. Those issues are not lost to us at this stage. I think we have not considered them properly in the past, but I think we are certainly, quite rightly, being challenged on that now. But just to bring a little bit of positivity to that discussion, we are doing some diagnostic work with Oxera at the moment and that is being done by a consultant. Katie-Lee English is the person that we are dealing with, so while we do not choose proactively, I think certainly where we do get engagement, it is not solely from men, but clearly there is work to do on that.

Deputy K.F. Morel:

Just the last one on the Metro Dynamics, going back to the decision, I was just wondering - again, it is just an itch I have to scratch - one of the founders of Metro Dynamics, Mike Emmerich, served on the Greater Manchester Authorities with Charlie Parker. I was wondering if Charlie Parker, the C.E.O. (chief executive officer), had anything to do with the appointment of Metro Dynamics or suggested them in any way to you.

Group Director, Economy and Partnerships:

No. I came across Mike Emmerich in the interview process. He was someone that ...

Deputy K.F. Morel:

Which interview process?

Group Director, Economy and Partnerships:

For this job. He was part of the interview process, so he was a technical specialist that was testing my expertise.

Deputy K.F. Morel:

Okay, so the interview process for your job?

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

Yes, correct.

Group Director, Economy and Partnerships:

Part of that process, we had an hour-long conversation about our economy, and effectively it was quite a modern interview, we shared our views on stuff. I thought he had some quite interesting ideas.

Deputy K.F. Morel:

It would be interesting to know how Mike Emmerich ended up on your interview panel.

Group Director, Economy and Partnerships:

I think all those interviews at tier 2 had specialists to advise ...

Deputy K.F. Morel:

Yes, but I wonder how those specialists were ... given that he served with Charlie Parker.

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

That is the appointments panel. It is an independent process.

Group Director, Economy and Partnerships:

Bearing in mind though this is an Appointments Commission process, the agency had ...

Deputy K.F. Morel:

Yes, absolutely. No, I appreciate that. There seems to be a lot of overlap. It is not your place to answer, do not get me wrong.

Group Director, Economy and Partnerships:

Yes, but going back to your question now, I thought that bearing in mind that we knew that we probably needed some ... well, certainly my view was that we certainly needed some combination of internal expertise and external expertise to get our economic framework right, bearing in mind we

do not sit in a vacuum in isolation, in a way, that that was quite useful to sort of test that. We are yet to find out whether we think the efficacy of those reports is any good.

Deputy K.F. Morel:

Absolutely.

The Deputy of St. Mary:

Getting down to more specifics - and I will not labour the point - Licensing Law. Without going into it into great detail, where we are in the overall scheme of things?

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

It is still a priority of the Council of Ministers. I have been asking for some resource to be able to move it forward. That resource has now become available within the policy department. I think in terms of moving it forward, there are several things that we could do, but I think one of the things we need to do is see where we were with the previous draft proposition. One of the things that I think that has come out of the discussion that I have had with Ian, who is going to be the policy officer, is that as much as we have had input from industry, some really good input from industry around the law in the past, one of the areas I think that we are a little bit worried about is we never had input from States Members on ...

The Deputy of St. Mary:

Is what? Sorry, the ...

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

From States Members on the policy, apart from the Scrutiny Panel. I think one of the thoughts that we have got at the moment is rather than re-lodge the previous proposition with some changes - and it is something I think I support - is let us have either an in-principle States debate or an in-committee debate and let us draw out some of the issues that States Members may have concerns around. I think that would then inform us around further consultation that might or might not be required with the industry, but rather than going to the industry again, bringing forward a proposition and States Members not having any input in that proposition, I think it is the opportunity to discuss it with States Members, some of whom I am sure will be lobbied by industry around some of their concerns. For me, it seems to be an opportunity to get something in front of the States quite quickly while business is fairly light and we can have a good old free-for-all around what we think about it. It will inform us about the direction that we could go in. I am not massively a huge fan of in-committee debates, but I think with something like this, where States Members have ... it has been a decade now since States Members have really had an opportunity to talk around licensing. I think it would

be good. We have got a lot of new States Members as well now and it would be a good opportunity to talk about it.

The Deputy of St. Mary:

I will stop while I am ahead. I would not be averse to that, but one other comment I make to our new States Members, we have an Assistant Minister for Treasury and Resources who has a different view apparently of the objectives maybe of what the previous law was about. All I am saying here is that - not trying to be controversial here - the health lobby was important in the last debate. It resulted in a major discussion we had there, but ...

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

I think the intention would be ...

The Deputy of St. Mary:

Sorry, let me just finish. It is simply that we are maybe going to ask the point, that the health issue could be dealt with other than by the pure Licensing Law. If the Licensing Law itself was to concentrate on the fitness of the premises and the fitness of the licensees, and as in Ireland, they deal with a health issue and it would be separate legislation, that might be unblock some of the problems we had before.

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

I think there is some misunderstanding with States Members about the approach we were originally taking around what the law was setting out to do and what statement the licensing policy sets out to do. The law itself is a really administrative process around how we administer alcohol sales in the Island. A statement of licensing policy would give the licensing bench, or whichever term the authority is, some rules and guidelines as to how they implement that. That is something that the States and States Members should have a say on because it will affect how we deal with alcohol in the Island ...

The Deputy of St. Mary:

No, I agree.

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

... moving forward. But I think in terms of Deputy Ash; I have spoken to him. We have had a meeting in regards to how we can use his input. I think the view is that if we are going to come forward with an in-principle proposition or an in-committee debate, what that will be based on will be informed by a small group of interested parties, in which Deputy Ash will be one, so that what information we

give the States Assembly prior to that debate is a rounded view and takes everybody's concerns and interests on board, of which Deputy Ash has made his quite clear.

The Deputy of St. Mary:

Anyway, short of time, but you are taking it forward and it is still a priority. Thank you for that.

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

But for me, let us get States Members' views before we end up in a really messy debate further down the line on a proposition that would not meet everybody's ...

The Deputy of St. Mary:

While I am on it, another matter within my ambit, as it were: Jersey Sport. There was a situation about the constitution. We received information which makes it clear that you are not waiting for us. Are you happy with that now?

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

There has been some misunderstanding. I will ask Darren to comment on it further. My understanding of it is that the board were trying to register the trust as a charity rather than the company as a charity. The advice I think we have had legally is that as long as it is the company that is registered as a charity, there is no issue in regards to independence.

The Deputy of St. Mary:

On that particular point, yes. It always was the company. I was aware it was the company. Okay.

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

Yes, so I think the intention now is it will be the company that will be registered as the charity, so there will not be any intention or need to remove the Minister as the enforcer on the trust.

[12:15]

Unless I have said something ...

The Deputy of St. Mary:

Anyway, you guys are pursuing that rather than us and that is fine.

Director, Growth, Housing and Environment:

I think there was some misunderstanding from the Charities Commission on the paperwork that Jersey Sport had submitted, so you are correct. As far as Jersey Sport and the board were

concerned, it was always the company that was making the application to be charitable and not the trust. So I think the Attorney General either has or is writing certainly to yourselves as ...

The Deputy of St. Mary:

We are not allowed to disclose that, but as far as we are concerned, as long as we are on the same wavelength, that is fine.

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

We are on the same hymn sheet and it is being dealt with.

The Deputy of St. Mary:

Thank you.

Deputy K.F. Morel:

You have got the skate park as well.

The Deputy of St. Mary:

That is right, yes.

Deputy K.F. Morel:

I know, Senator, you recently held some meetings up in Les Quennevais Park. How did they go? How have they been received?

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

We did, with States Members, users of the site and residents, and they got steadily more thorny as the week moved forward, as you can probably imagine. At the moment we are just reviewing the consultation, of which we had 1,100 responses, which I thought was excellent. I managed to read through them last night. I am not going to go any detail, other than generally supportive, but there are clearly some concerns from residents and some users on the site, which we are going to have to mitigate if we move forward. But I want officers to review the consultation so I have got some clear understanding of what was said and put a recommendation in front of me with some idea of what the next steps will be.

Senator K.L. Moore:

It is a significant investment that is being proposed and clearly there are other sports in the Island, some of which have ... well, figureheads such as Serena Guthrie, who is leading a national team. How was that decision made to invest such a large amount in one particular ...

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

I think we all did that on the platform at the last elections, all of us said wholeheartedly: "We are going to build you a fantastic skate park." I think that was the catalyst for it all, standing for election. I am jumping in here.

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

No, you are right. You are absolutely right.

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

I think all of us said that. I do not think £800,000 ... what did we put aside for it?

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

Well, there is the figure for the specific skate park itself and then there is the add-on facilities around the Island, but skate park figure was £800,000. We felt it prudent to put in a figure that would definitely cover the cost. I do not think it is going to cost that much.

Senator K.L. Moore:

I think the figure that is being circulated in public is much, much higher.

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

It is £1.3 million, but that includes satellite facilities around the rest of the Island, of which none had been decided in terms of where they go. Some of that would be used to enhance some of the current facilities on some of the current sites around the Island. But that is a standard cost for a skate park built in concrete if you go anywhere in Europe or the U.K. We based the figure on what other skate parks have cost us, plus clearly some uplift in terms of the Jersification of building things here, but most of the work will be done by local contractors. I think the finishing side of it is something that needs to be done professionally.

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

I do not think that is a lot of money. I mean, you talk about putting children and young people first: when was the last time we made any significant investment in proper facilities for our young people?

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

Or sports facilities.

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

I would argue we should ... having looked at some of these magnificent parks around the world, I think we should push the boat out and do something really world-class. I would be arguing for something even more than that, but ...

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

But it is an absolutely good point. I mean, the point is that is a lot of money and there were comments made in the consultation around: "Why are we spending this sort of money when Rome is burning elsewhere?" but I think investing in young people is important.

The Deputy of St. Mary:

Yes. Pursuing the cost element, having a skate park elsewhere will free up the present skate park and basically hand Ports of Jersey a site.

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

It will.

The Deputy of St. Mary:

Is the intention there to ask Ports of Jersey for a contribution to it?

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

Ports of Jersey already contributed to it in terms of funding a lot of the work up to date now, rather than relying on Government to do that funding. Admittedly it is under £100,000 in terms of what they have given us, but in terms of the support they have given us as well, I think it is ... and understanding, because it has been difficult for them, because it is around the health and safety of young people and there has been concerns on that site for some time now.

The Deputy of St. Mary:

I appreciate that. What I am saying is if they are getting rid of it ...

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

I do not want to go into that, but ...

The Deputy of St. Mary:

Or they inherited it, yes.

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

In my view, it was never the right site.

The Deputy of St. Mary:

No, I understand that. Yes.

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

But we had to have something and I think Ben Fox, to be fair to him, found a site that he thought could cope with a skate park for probably longer than it should have been, really.

The Deputy of St. Mary:

So P.o.J. (Ports of Jersey) are contributing to the costs in some form?

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

They have already contributed to the cost of some of it. Are there opportunities for other arm's length bodies, including Ports, to maybe help as the process moves forward? Possibly, but we have not gone there yet. We have put the money in the Government Plan because I think my view - and I hope that among States Members - is that is a Government issue to resolve, but arm's length bodies are part of Government in one way, shape or form.

Deputy J.H. Perchard:

When can we expect to see much newer facilities for the local netball team?

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

What is happening at the moment, we are having the second I think really important part of some work done by consultants, KKP. Now it is specific about where facilities are required and what facilities are needed. They are currently carrying out that piece of work at the moment. Netball is a priority in that piece of work, so they are identifying the level of facility required and what the options are and where they can be sited. It would be wrong for me to prejudge their work, but I think we are looking at 2 options, one a short-term option to get them through 3 or 4 years, or a longer-term option to give them a home for netball. At the moment, the figures between the first one and the second one are not great and I think we need to make some decisions about ... and netball need to make some decisions as well: are they prepared to not have the facilities they need for a short period so that they can have a long-term home or do we plump for a shorter term? There are several options. We have got a bubble-type facility that you have got for tennis down at Caesarean, but on a much larger scale. That could be erected fairly quickly and could also be used for other events and facilities as well and other sports as well. But I think we need the work from KKP to say: "In our view, as experts in an area where we ..." you know, and they do a lot of work in this area: "Our view would be to go for this option." When we have got that, we need to make that decision in conjunction with the sport itself. But yes, it is the biggest participation sport for women and we are talking about diversity and fairness. I am not daft enough to think that does not run into sport, because clearly it

does. But we do need to find a solution and my phone is often red hot with people wanting to know what we are doing with netball.

Deputy K.F. Morel:

You mentioned the arm's length bodies, so we will quickly move on to that. Could you, Minister, give us an update on the development of the partnership function within the department? It has been developing for a while.

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

Yes, I am fully supportive of the new partnership function. I am led to believe that it has been agreed in principle now that that is going to be created. I understand it is moving to the Chief Executive's Office under the Chief of Staff. .

Deputy K.F. Morel:

Potentially, so it is not decided yet?

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

The principle of doing it has been decided. I have been pushing it, because I think it needs to go.

Group Director, Economy and Partnerships:

Just in terms of where we are today, so the G.H.E. target operating model in the economy and partnerships function has a head of partnerships role and that is the birth of that new function in the Government. Where it sits in the future is up for debate, but at the moment it is part of the G.H.E. consultation process. The consultation process was launched on 3rd July, so very recently. That will run for 30 days. There will be a 2-week period to analyse the consultation responses and then assuming there is no challenge to that, that will go out to recruitment, at which point we start to develop that role and that function. Obviously, as you might expect, in the background we have been doing some thinking around the scope that that role would have. To some extent, that is dictated by what is on offer over the next Government Plan period, so you could make that a huge function or you could start it more modestly and develop it as required. But in scope, it will certainly be arm's length organisations and States-owned entities and making sure that there is correct strategic alignment with the C.S.P. and the political priorities.

Deputy K.F. Morel:

I have understood that the M.O.U.s (memoranda of understanding), which you have talked about these before, kind of govern the way we interact with them and what we expect from these arm's length organisations, that they are being reviewed. Have we come anywhere closer to coming to the end of this review?

Group Director, Economy and Partnerships:

I think Darren can probably talk about that.

Director, Growth, Housing and Environment:

We have been working with colleagues in Treasury, which as we have discussed before is where the M.O.U.'s sit. There is a clear history to this, so the Comptroller and Auditor General talked about the need to review these. At the moment we are in the middle of a series of workshops around those M.O.U.s, so we have had a workshop with Jersey Post, together with Treasury colleagues. We have got one next week or the week after, I think, with Jersey Telecom, as well as other officers from across the States, so that work is ongoing. Again, I think there is a question - and we have discussed this with, I think, the head of Scrutiny as well as your Scrutiny officer - where does this work sit in terms of engagement and discussion with Scrutiny? That is something we need to have, but it is a discussion we need to have with yourselves and your officers as to where that work will sit eventually.

The Deputy of St. Mary:

One of my concerns, we are involved with ... well, you are too, the P.o.J. one. I would be concerned if there was going to be a standard M.O.U., because I do not think there can be one. Each industry must have its own, peculiar to its circumstances.

Director, Growth, Housing and Environment:

Yes. This is a recurrent theme of the workshops, so I think where we have got to so far is there are elements that should be standard, there are elements that can be standardised, so you can have an overarching common element, but the vast majority, I think as we have discussed previously, it will be bespoke and will be for that individual States-owned entity.

The Deputy of St. Mary:

But Scrutiny might be - will be - involved before you finalise?

Director, Growth, Housing and Environment:

Absolutely. I think there is a discussion to be had with yourselves and with the States Greffe and Scrutiny officers about where that piece of work, from a Scrutiny perspective, sits.

The Deputy of St. Mary:

Okay, thank you.

Senator K.L. Moore:

If we could continue along that line, at the last quarterly hearing you mentioned the development of a central policy for P.o.J. We were wanting to know how that work is progressing, please.

Director, Growth, Housing and Environment:

It is progressing well. We are working with the economic adviser and the shareholder function in Treasury. We have agreed terms of reference, which we have sent to Ports for their final comments - I will share those with you before they are finally agreed - and that work is progressing. I think again, going back in history, that piece of work was waiting for 2 things: (a) I think to give the post-incorporation piece time to see how the organisation functioned post-incorporation; and also in terms of resources, it was sitting effectively behind the development of a telecoms policy, so the focus is now on developing that. I do not think it is a major piece of work. I think States Members, the States Assembly - both the previous Assembly and this Assembly - are fairly clear what they want from Ports, but we just need to re-check that. I think key Ministers again are fairly clear, but it is good for P.o.J. Limited, I think, to have a concise one document so that it is clear what Government and the Assembly want from it as an entity. It is one of those things, again as part of the partnership function, that avoids misunderstanding on both sides.

Deputy K.F. Morel:

We have also talked in the past about an aircraft registry and I was just wondering how work is ... well, obviously we have an aircraft registry, but it has been talked about developing it. How is work progressing on that?

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

We have been working with Ports over some time now to decide what the future of the registry will be. After close discussions and working closely with them, they entered into a tender process to find a new operational service provider. That has been completed. Nobody has been appointed yet. We have asked them to engage one by Friday, 12th of July, which is coming up fairly soon, so until we have reached that date, then it would be wrong for me to suggest or to talk about who those bidders were and who is going to be taking it forward. But the intention is to have a new operational service provider to take the registry forward in some way, shape or form, not only just based on their business model, but some areas where we feel it is vital that Jersey is serviced and local aircraft users are serviced as well. So we are getting very close to the point hopefully where we can announce it.

The Deputy of St. Mary:

So the appointment will be made next week, you are saying?

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

We have asked them to give us a decision by Friday, 12th July, next week. There are times where the process has been bumpy and we have not always met those target dates, but I would hope by next Friday that we have an operational service provider engaged by Ports.

[12:30]

The Deputy of St. Mary:

Will that appointment cover what it sees as its future? Because what I am really getting at, we have a register at the moment. Are we looking to expect more as to a programme on areas it might ...

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

All I can say is it is based on a specific business model. I cannot go into that business model right now, but happy to when they are appointed. I think it is an exciting opportunity. We have accepted the recommendation of Ports as to who this particular operator will be, but we are waiting for them to engage with this particular service provider to take the registry forward. There are other areas where we are going to have to work closely with Ports on legislative changes. Irrespective of who they appoint, there will be legislative changes required. I think both have made it clear that that is part of their business case. That is something we would need to talk to you about in regards to what that might be and the timeframe for that.

Deputy K.F. Morel:

So with regard to any previous work that was undertaken perhaps before the election, last year's election, with various partners and so on, has that work ceased and stopped or has that carried on?

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

In terms of where we are currently, probably Darren would be in a better position to ...

Director, Growth, Housing and Environment:

The simple answer is no. Effectively what happened was when it became clear that it was in the best interests of Jersey that P.o.J. effectively became the frontend to the aircraft registry, the Minister signed an M.O.U. with Ports in early February. Effectively all of the work that we had done between the point of the Assistant Minister's predecessor kind of effectively put a pause on the previous business model and asked officers to come up with whether or not there was a future for the aircraft registry. Ministers then made a decision, so all that work that was taken was effectively - and the partners that you are referring to - handed over to Ports. As the Assistant Minister said, Ports put a procurement process in place to secure basically an operational service providers, somebody to run and market the registry. Running the registry is the easy bit. The difficult bit, I think which you have alluded to, was that effectively the legislation was not fully built in that sense, so there is a significant

programme of work in the background, whatever business model is determined, to essentially make the registry fully operational. So the operational services provider is key for 2 reasons: (1) they will be the frontend; and (2) they will play an important part, a leading part, in suggesting the legislative development that will come to the Assembly to enable the registry to be effectively fully operational. But I think the Assistant Minister has outlined the position. The Minister has detailed a very detailed timeline to Ports. Ports have agreed to that timeline and they should have an appointment by today, tomorrow.

Deputy K.F. Morel:

Thank you very much. We have come to the end of the time, resume your sunny weather. Thank you, all of you.

[12:33]