

# STATES OF JERSEY



## PUTTING JERSEY BUSINESSES FIRST (P.56/2020): AMENDMENT

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Lodged au Greffe on 29th May 2020  
by the Council of Ministers

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STATES GREFFE

PUTTING JERSEY BUSINESSES FIRST (P.56/2020): AMENDMENT

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**1 PAGE 2, PARAGRAPH (a) –**

Replace paragraph (a) with the following paragraph –

“(a) that the States of Jersey will continue to support the Island’s social and economic recovery from the Covid-19 crisis by maximising the amount of goods and services that the States of Jersey procures from on-Island suppliers;”.

**2 PAGE 2, PARAGRAPH (b) –**

Replace paragraph (b) with the following paragraph –

“(b) to request the Minister for Treasury and Resources to review and amend Government of Jersey procurement evaluation criteria, policies and processes, so as to better promote Jersey’s economic, social and environmental well-being, including the need to support our local businesses, as part of an effective and sustainable recovery from coronavirus (subject to exemptions for specialist services that can only be purchased from off-Island suppliers);”.

**3 PAGE 2, PARAGRAPH (c) –**

Replace paragraph (c) with the following paragraph –

“(c) to request the Minister for Treasury and Resources to update, by 1st October 2020, the amended procurement policies and evaluation criteria, in support of the Government Plan;”.

**4 PAGE 2, PARAGRAPH (d) –**

Replace paragraph (d) with the following paragraph –

“(d) to request the Minister for Treasury and Resources to present an annual procurement report to the States Assembly detailing expenditure by the States of Jersey on different types of goods and services from off-Island suppliers, including the reasons for not having chosen to use an on-Island supplier, and detailed analysis on the top 100 suppliers by value across goods and services, as part of the annual accounts; and”.

**5 PAGE 2, PARAGRAPH (e) –**

Replace paragraph (e) with the following paragraph –

“(e) to request the Minister for Economic Development, Tourism, Sport and Culture to commit to develop supply-use tables for Jersey as part of the evidence base building phase of the Future Economy Programme.”.

COUNCIL OF MINISTERS

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

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

- (a) that the States of Jersey will continue to support the Island’s social and economic recovery from the Covid-19 crisis by maximising the amount of goods and services that the States of Jersey procures from on-Island suppliers;
- (b) to request the Minister for Treasury and Resources to review and amend Government of Jersey procurement evaluation criteria, policies and processes, so as to better promote Jersey’s economic, social and environmental well-being, including the need to support our local businesses, as part of an effective and sustainable recovery from coronavirus (subject to exemptions for specialist services that can only be purchased from off-Island suppliers);
- (c) to request the Minister for Treasury and Resources to update, by 1st October 2020, the amended procurement policies and evaluation criteria, in support of the Government Plan;
- (d) to request the Minister for Treasury and Resources to present an annual procurement report to the States Assembly detailing expenditure by the States of Jersey on different types of goods and services from off-Island suppliers, including the reasons for not having chosen to use an on-Island supplier, and detailed analysis on the top 100 suppliers by value across goods and services, as part of the annual accounts; and
- (e) to request the Minister for Economic Development, Tourism, Sport and Culture to commit to develop supply-use tables for Jersey as part of the evidence base building phase of the Future Economy Programme.

## REPORT

A large proportion of the States of Jersey spend on goods and services is with on-Island suppliers, which is good for Jersey.

Of our top 100 suppliers, 71% of spend has been directed toward local businesses, supporting our economy, employment, and the Jersey pound, and a large part of the remainder is highly specialist contracts, such as some of those held by Health and Community Services, or infrastructure such as the sewage works.

As we recover from the impacts of coronavirus, we need to increase this emphasis on local supply, and on-Island benefit, as part of an overall approach to recovery.

It is the case that proactive support for local suppliers does take place already; for example, a strong factor of pre-qualification of tenders for contracts is the supplier's local knowledge and understanding; we award contracts to off-Island providers including conditions around upskilling local workers or commercial partners; and importantly, we are also developing pilot programmes around how our procurement practices and processes can operate as "social value initiatives" – recognising the wider impact of our procurement on society and the environment. Indeed, these wider well-being considerations are reflected in the new Public Finances Law. Nevertheless, more can always be done.

As we develop measures to recover from the impact of coronavirus, procurement policies will have an important part to play, as part of an overall economic and fiscal package. This will likely include fiscal stimulus, which supports on-Island economic activity and employment.

In doing this, Ministers will also consider the wider social and environmental opportunities as part of a coherent overall approach focused on our well-being as an Island.

This amendment seeks to recognise that these wider well-being considerations are important, placing procurement policies as a key component in our drive to recover from the impacts of coronavirus as soon as possible.

The amendment also seeks to be mindful of the need to maintain a good level of adherence to international trading rules, supporting our good reputation as a liberal and open trading centre, respecting potential future obligations around WTO most favoured nation status.

In this way, a review of our procurement becomes part of a wider programme of work, which is aligned with the economic recovery work, and the development and delivery of the 2021 Government Plan.

### **Amendment to paragraph (a)**

Ministers fully support the motive and intention of this paragraph to support local businesses, while needing to stress that in some instances it will not be possible to choose a potential Jersey supplier over a potential off-Island supplier, for reasons of quality, or the cost implications of doing so may be unreasonable, or because of deadlines, or potential infringements of international trade agreements which Jersey has signed up to.

### **Amendment to paragraph (b)**

Procurement is a responsibility of the Minister for Treasury and Resources, so this amendment corrects that responsibility (as do the amendments to paragraphs (c) and (d)).

This amendment also proposes that we review our policies to promote the overall well-being of Jersey, which includes supporting local businesses, as well as the social and environmental well-being of Jersey, as part of a value-driven procurement approach.

### **Amendment to paragraph (c)**

The Minister is content to present procurement policies and evaluation criteria, alongside the Government Plan, so as to deliver a coherent package. Members can then propose amendments to the Government Plan as they see best.

The change of date from August to October recognises the significant impact that Covid-19 is having on limited resources, while still being before the Government Plan.

### **Amendment to paragraph (d)**

This amendment means that instead of reporting all amounts spend on all suppliers, an annual procurement report will be produced, including on and off-Island sourcing and procurement information, and reasons for procurement decisions, which will include more detailed information in respect of our top 100 suppliers.

This would be a practical approach, while also being an important piece of transparent reporting to complement existing financial reporting.

### **Amendment to paragraph (e)**

This amendment protects the Minister from a commitment to develop a set of multipliers which would not be possible. Existing data would not produce an accurate index of multipliers that show the economic impact of spending the States of Jersey funds within Jersey's economy through the purchase of goods and services from Jersey-based suppliers, and off-Island suppliers employing Jersey-based staff. However, the Minister has committed to the Future Economy Programme, which include plans to develop supply-use tables for Jersey as part of the evidence base building phase of the Future Economy Programme.

### **Conclusion**

These amendments seek to identify a practical way forward, as part of our recovery plans, in broad agreement with the Deputy around the importance of procurement as we do this.

The amendments seek to support transparency, respect our international obligations, and recognise that procurement decisions can impact on our wider well-being, not just economic.

The amendments also aim to secure practical and achievable deadlines as part of an overall approach to recovering from the impact of coronavirus.