



## States Greffe

Deputy Kirsten Morel  
Minister for Economic Development, Tourism, Sport and Culture

Cc  
Deputy Lucy Stephenson  
Assistant Minister for Economic Development, Tourism, Sport and Culture  
Deputy Alex Curtis  
Assistant Minister for Economic Development, Tourism, Sport and Culture

### **BY EMAIL**

20th November 2023

Dear Minister,

### **Economic and International Affairs Scrutiny Panel** **Government Plan 2023 – 2027 Review**

Firstly, the Panel hopes you are recovering well from your unexpected illness necessitating the cancellation of our hearing today.

The Panel had anticipated covering a number of areas relating to the Government Plan 2024-2027, however, due to existing commitments we are unfortunately unable to reschedule the hearing in a timeframe that will allow for inclusion in consideration of our review.

As such, we would be grateful if answers to the following questions could be provided in a reduced time period and would appreciate if you could please respond to this no later than Wednesday 22nd November 2023.

#### **I-DFE-GP24-001 Implementation of Digital, Visitor Economy and Elite Sport Strategies**

1. How was the required revenue expenditure for the Implementation of the Digital, Visitor Economy and Elite Sport Strategies calculated and quantified, given that the application would have been undertaken prior to the completion and publication of those strategies?
2. Will this funding provide for recruitment of staff or additional grants to delivery arms?
  - a. You mentioned funding to Visit Jersey in our hearing of the 25th October: please can you identify if this is related to the proposed revenue expenditure for these strategies?
  - b. Will additional funding be made to Digital Jersey through this proposed increase in revenue expenditure?

#### **I-DFE-GP24-002 Rural and Marine Economy**

3. Noting the adopted proposition P.74/2023 Funding to agriculture and fisheries, can you please outline implications to the proposed Rural and Marine Economy expenditure?
  - a. You identified in your letter of the 13th November that of the originally proposed £1.15 million, £850,000 was apportioned for the Rural Support Scheme, and £300,000 was apportioned for the Marine Support Scheme, roughly a 74-26 percent split. What is the anticipated distribution proportion between agriculture and fisheries of the additional funding to be made available following P.74/2023?
4. The financial and staffing implications of the third amendment identify that £3 million would need to be found, mentioning the “Value for Money” target. Can you identify what measures are being considered in meeting the funding requirement?
  - a. The recent Fiscal Policy Panel identifies that the Stabilisation Fund and Strategic Reserve should be replenished leaving Jersey increasingly vulnerable to a serious economic downturn, what actions will the Economy Department be taking to minimise the use of the Strategic Reserve as a source of the additional Funding to agriculture and fisheries?
    - i. Would a reduction in the strategic reserve for use in this manner risk a reduction in the Islands credit rating, further impacting upon the economy?
  - b. Has consideration of amending the proposed Government Plan to lower other proposed Revenue Expenditure bids been considered? If so, in what way?
5. Last year the Panel received an anonymous submission highlighting that the necessity for membership of UK farming bodies such as LEAF and Red Tractor acted as a barrier for entry for many small farmers as the membership costs were “extortionate”. Has consideration been given to providing grants in order for smaller farmers to attain these accreditations in the first instance prior to further grants through the Rural Initiative Scheme?

### **I-DFE-GP24-003 Jersey Business – Core Grant Funding**

6. Can you confirm that Jersey Business has met or exceeded its stated KPIs for 2022 and 2023 to date?
7. In your letter of the 13th November you identify that Jersey Business can offer support in reshaping business plans to downsize or safely close. How do you know that the businesses would not have learnt to save costs in other ways and that funds are not being used to support ‘zombie’ companies?
  - a. Does support of such businesses tie up staff members that could otherwise be beneficial to successful companies struggling to recruit in the tight labour market?
8. A recent Government of Jersey [blog](#) identifies that there was a negative 4% growth in the Island’s productivity outside monetary intermediation (rise in interest rates) in finance, does this suggest that Jersey Business is producing no meaningful change in GVA?
9. In your letter you identify that Jersey business has a mailing list reach of circa 2500 contacts: can you outline how it interacts with the roughly 8200 businesses in Jersey, the majority of which will not be part of that contact list?

- a. As you identify 89% of the Island's businesses have fewer than 9 employees, which it is believed to be the target of Jersey Business (i.e., small/medium enterprises), why do you believe they may not be interacting with the organisation?
  - b. Can you identify what is an addressable business in regard to Jersey Business?
  - c. Given that, in a recent survey, results of which are available on their [website](#), Jersey Business identified, that most companies (52.3%) already feel they are optimising opportunities to increase productivity and that the greatest potential for improvement within their organisation is to motivate staff to engage, motivate and empower staff, to what extent is investment in Jersey Business realistically (a) capable of reversing decline in productivity in the economy outside finance and (b) running counter to the message to companies to invest in technology to product growth?
10. In your letter of the 13th November you identify that Jersey Business will be exploring additional avenues for supplemental funding outside of its government grant. Please can you confirm if no alternative funding from commercial partners, sponsors or business relationships was included in consideration of the proposed revenue expenditure?

### **Jersey Opera House**

11. It appears there has been some delay in the Jersey Opera House project given that the expenditure is now anticipated to continue to 2025 when it was previously anticipated to be completed during 2024; what are the reasons for this?
12. The Project total of £11.731 million remains unchanged; can you confirm that inflationary, or other further costs, will not create a need for an increase in funding?
13. The Economy Department was the supporting Department identified in last years plan: this is now indicated as the Infrastructure and Environment Department; can you outline the reasonings for this change?

### **Sports**

14. The Panel has received a submission from the Jersey Sports Association for the Disabled which identify lack of provision for gymnastics, indoor football, martial arts and wheelchair basketball. How are these gaps to be addressed?
15. What is status of Inspiring Active Places, noting the lack of proposed funding in the previous Government Plans and the funding granted last year?

### **Technology Accelerator Fund**

16. The Panel understands that there is a proposed transfer from the Technology Accelerator Fund to the Consolidated Fund: can you please outline the purpose of that transfer?
  - a. There is also proposed programme expenditure of circa £4.1 million per year to 2026. Can you confirm that this is enough to enable the success of the Technology Accelerator Programme, Impact Jersey?

- b. The 2027 estimate for the fund anticipates no spending on the programme and a £1.3 million transfer to the consolidated fund: can you please identify the reasoning behind this?
  - c. Would this funding not be better used in meeting the CSP 2023-2026 priority to: “Develop a more sustainable, innovative, outward-facing and prosperous economy”?
  - d. Will the Impact Jersey programme be wound up in 2026?
17. As you hold overall political responsibility for the Technology Accelerator Fund, can you please confirm that the transfer of to the Consolidated Fund is in line with the agreed Terms of Reference of the Fund as identified in [P.75/2022](#)?

### **Unsuccessful Bids**

18. The Panel questioned unsuccessful bids identified in WQ.371/2023. Can you confirm that to your knowledge this included all bids, or were those that were purely inflationary grant requests by Arm’s Length Organisations excluded?
19. In your correspondence of the 13th November you identify that the unsuccessful bid “Development of Jersey as a Regional Economic Hub” sought funding to build upon existing work to enhance Jersey’s economic and connectivity links with the near abroad and particularly Northern France. Can you please outline the existing work that had been undertaken?
20. Why was the Jersey Heritage Trust Pre -87 Pension Deficit not funded given the potential ongoing cost to Jersey Heritage and the concerns it expressed in its submission regarding covering inflationary costs, which you identify as a significant portion of its annual grant?

### **Duty**

21. The Panel has been in correspondence with Randalls who have questioned the reasoning behind the rise in alcohol duty, we also understand the Jersey Hospitality Association has raised concerns. What actions have you undertaken to ascertain and mitigate the impact upon the Island’s economy for duty increases?
22. Should the Council of Ministers separate the way alcohol duty is charged to allow for exemption or lower rates to be imposed on the hospitality sector (or a rebate to be available to hospitality businesses)?
23. Similarly, should exemption of duty increases be provided to businesses on other duties, such as fuel, in order to support the Island’s economy?

If you have any questions regarding this or our work in general, please do not hesitate to contact me. Please note that unless otherwise stated, all letters will be uploaded to the Scrutiny website as a matter of course.

Yours sincerely,

A handwritten signature in black ink that reads "Moz Scott". The signature is written in a cursive, slightly slanted style.

Deputy Moz Scott  
**Chair**  
**Economic and International Affairs Scrutiny Panel**

**Government Plan 2024 – 2027 Scrutiny Review**  
**Terms of Reference**  
**Economic and International Affairs Scrutiny Panel**

1. To review components of the Government Plan 2024-2027 Proposition [[P.72/2023](#)] which are relevant to the Economic and International Affairs Scrutiny Panel to determine the following:
  - a) The impact of the Government Plan proposals on departmental budgets, savings, staffing levels and spending of allocated funds will ensure productive service delivery that meets departmental and Ministerial objectives including those concerning increasing productivity in real terms.
  - b) The impact of the proposed Administrative Tax Measures and budget measures on the cost of doing business in the Island.
  - c) Whether the revenue expenditure growth, capital and other projects are appropriate and likely to have a positive impact on Islanders and Island life.
  - d) How the proposed revenue expenditure growth, capital and other projects align with the Common Strategic Policy to deliver on the priorities, and with the objectives of the Ministerial Plans.
  - e) Whether the resources allocated to revenue expenditure growth and capital and other projects are sufficient, ensure value for money, demonstrate best use of public funds and include sufficient performance indicators to measure economic growth and progress.