



Economic and International Affairs Scrutiny Panel

Quarterly Hearing

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

Thursday, 1st June 2023

Panel:

Deputy M.R. Scott of St. Brelade (Chair)

Connétable M. O'D. Troy of St. Clement

Witnesses:

Deputy K.F. Morel of St. John, St. Lawrence and Trinity, The Minister for Economic Development, Tourism, Sport and Culture

Deputy L. Stephenson of St. Mary, St. Ouen and St. Peter, Assistant Minister for Economic Development, Tourism, Sport and Culture (1)

Deputy A. Curtis of St. Clement, Assistant Minister for Economic Development, Tourism, Sport and Culture (2)

Mr. D. Houseago, Group Director, Economy

Mr. T. Holvey, Chief Economic Advisor

Mr. H. Harvey, Head of Local Economy

[10:04]

Deputy M.R. Scott of St. Brelade (Chair):

We are now advised we can start the hearing so anybody who is watching this, apologies for the false start and just to remind everybody that ... and welcome them to this quarterly hearing of the Economics and International Affairs Scrutiny Panel interviewing the Minister for Economic Development, Tourism, Sport and Culture, the Assistant Ministers responsible for digital economy and sport as well. I would like to draw everybody's attention to the fact that this hearing is being

filmed and streamed live. The recording and transcript will be published afterwards on the States Assembly website. Please ensure that all electronic devices, including mobile phones, are switched to silent. Thank you to the members of the public who have joined us in the room today. To remind you, please do not interfere in the proceedings and as soon as the hearing is closed please leave quietly; and thank you for your co-operation in previous hearings in this respect too. For the purpose of the recording and the transcript I will be grateful if everyone who speaks could ensure that you state your name and role and we will begin with introductions. I am going to suggest that panel members introduce ourselves followed by the Ministerial team. I am Deputy Moz Scott, chair of the Economic and International Affairs Panel.

Connétable M. O'D. Troy of St. Clement:

I am Marcus Troy, Constable of St. Clement, and panel member.

Deputy M.R. Scott:

Before we go to the Ministerial team, I have apologies from Constable Honeycombe, who is another member of the panel.

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

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

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Deputy Lucy Stephenson, I am Assistant Minister with responsibility for sport.

Chief Economic Adviser:

Tom Holvey, I am the Chief Economic Adviser to the Government of Jersey.

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

Deputy Alex Curtis, Assistant Minister for Economic Development, Tourism, Sport and Culture.

Group Director, Economy:

I am Dan Houseago, Group Director for Economy.

Head of Local Economy:

I am Heath Harvey, Head of Local Economy.

Deputy M.R. Scott:

Thank you, all of you. Just to start to talk about the aims of the hearing, which are to question and gather evidence in relation to Ministerial delivery plan actions, the construction industry, government

growth ambitions and business cases, sports strategy review and sports infrastructure, the development of the medicinal cannabis industry, supply chain resilience and high-value residents. I should point out not necessarily in that order. Definitely not in that order. Also to say that we have 40 questions and 51 supplementaries so I will have to ask you to give concise questions, probably about a minute, just over a minute per question. Kicking off with supply chain resilience and Elizabeth Harbour. The panel has recently been discussing supply chain resilience. Did you or do you, Minister, have any oversight of the development of the alteration of Elizabeth Harbour plans and the wider harbour masterplan in your role as Minister or in respect of your position on the Ports Policy Group?

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

I have, I guess, the same oversight as other Ministers. I do not have a specific role in terms of advising the Ports of Jersey but I do feed in, along with other Ministers, and indeed members of the public, and other States Members as well, to advise more of our thoughts but not about guiding directly there.

Deputy M.R. Scott:

In discussions, we have noted that the plan seemed to be in response to certain documents, such as the J.C.R.A.'s (Jersey Competition Regulatory Authority) freight report. Was there any direction in that respect or was this an initiative by the Ports of Jersey itself?

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

I suggest it would include my predecessor as well - I look to Dan for that - because obviously I was not my predecessor. Following the J.C.R.A. report I think it was, and I have said that I believe that many of the recommendations in there are valid and Ports have been made aware of that. They have clearly taken that into their thinking. But I have not sat down with Ports and said: "How are you going to address directly these issues?" I do not know from Dan's perspective if my predecessor had that conversation.

Group Director, Economy:

Not specifically. There is the standard Ministerial engagement with Ports of Jersey but there was not any specific meeting in that respect.

Deputy M.R. Scott:

So you said you have expressed the view that many of them are valid. But does that mean not all of them are valid or that you have not really had any intensive look at them?

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

I would have to refresh myself as to all of them, to be honest with you, but I know many of them such as ... and I know that we have had discussions recently with the Minister for Infrastructure about the freight corridor. I think that is very valid. Obviously it does not impact directly on harbours. But that, among many others, are entirely valid. I thought it was a good review and I do believe that the freight sector and the way we handle freight in the port has to be changed. It is really inefficient. That came through in the findings and Ports of Jersey are quite clearly trying to address those inefficiencies.

Deputy M.R. Scott:

Noting your position as a competent authority for the provision of food supply, how might the proposed changes impact upon supply chain resilience in your view?

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

So the proposed changes should improve resilience. Principally because they are making much more efficient loading and offloading out of the harbour.

Deputy M.R. Scott:

What analysis is being undertaken in identifying if the market and population size of Jersey can sustain competition in the supply chain?

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

Which element of the supply chain, because there is already competition in the supply chain at the shop and supermarket level?

Deputy M.R. Scott:

I would say further competition in the supply chain, particularly in respect of R.O.R.O. (roll-on/roll-off) freight services.

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

In terms of the actual ferry services there is not a discussion about competition. I think it is generally accepted that that is a monopolistic situation. As far the actual logistics element of it, the movement of freight, it is a mildly competitive market at the moment. There is more than one player; just. We have had competition in the past. I do not believe, to my knowledge, that we have done a direct review of competition in that sector and whether it could withstand competition or not again. But I do believe that there are issues with the logistics sector and the way it operates at the moment, particularly in the realms of pricing.

Deputy M.R. Scott:

The J.C.R.A. freight logistics report indicates the Condor operating agreement makes it difficult to set up new R.O.R.O. freight services. Are you anticipating changes to that agreement?

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

Sorry, can you restate the question?

Deputy M.R. Scott:

Sure. The J.C.R.A. freight logistics report indicates the Condor operating agreement makes it difficult to set up new R.O.R.O. freight services. Are you anticipating changes to that agreement?

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

That agreement is something we are talking with Condor about at the moment. Therefore there will be changes. It is interesting, the current agreement. It is the correct description, it makes it difficult to set up new services but the agreement was drafted, as I understand it, and I was not a States Member then, it was drafted in a way that it is open to competition but it creates barriers to entry for that competition. Non-financial barriers to entry for that competition because it requires a competitor to offer the same services as the incumbent in itself therefore is a high barrier to competition.

Deputy M.R. Scott:

What changes are you anticipating?

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

I am not going to discuss commercially sensitive negotiations.

Deputy M.R. Scott:

Right. Is this on the basis of any further analysis in terms of whether the market can sustain competition in that area?

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

Can I just confirm, are you talking specifically about the ferry services?

Deputy M.R. Scott:

About R.O.R.O. freight services.

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

So you are talking about the trucks or are you talking about Condor just specifically? So no, we have not, as far as I understand it, because it is generally accepted that the ferry services are a monopolistic situation. When there has been competition, competition has not lasted.

Deputy M.R. Scott:

The panel understands a new civil contingencies law is being prioritised by Government, as discussed in our last hearing. How will the new civil contingencies law impact upon the supply chain in emergency situations?

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

To be honest, you are best asking the Minister for Home Affairs at the moment. I do not have direct sight of that law but we will be pulled in at the appropriate moment to give our perspectives.

Deputy M.R. Scott:

We discussed at the last hearing promotion and support of southern freight routes. Has there been any development in this area?

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

It is ongoing. There are no developments that I can directly speak of other than we have already seen Condor provide more freight services themselves in response to our comments about this. But there are ongoing discussions with participants in that sector.

Deputy M.R. Scott:

Thank you very much. I am going to pass the questioning to Constable Troy now.

The Connétable of St. Clement:

Jersey Post. The panel understands that the operation of Jersey Post as an incorporated body is overseen by the Chief Minister and the Jersey Competition Regulatory Authority. What specific influence do you have on the operation of the postal service?

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

I do not have any direct influence on the operation of the postal services but it has been publicly reported recently that I have engaged with Jersey Post and members of the online retail industry with regard to the Royal Mail's consultation on adding a day to our delivery standards.

[10:15]

The Connétable of St. Clement:

We understand that you wrote to Royal Mail as part of their consultation on potentially removing next day delivery services to Jersey. Can you outline the points that you raised?

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

The points that I was making were principally around the difficulties that creates for the online retail sector and other export industries that are reliant on next day delivery. It has become quite clear, speaking to that sector, that when you are trading, as most of them do through services such as Amazon and other online market places, that customers are led hugely, or hugely influenced would be a better word, by the timing of deliveries. If Jersey-based companies can only offer a 2-day delivery timeframe that will lose customers for the online retail sector, and it will have a direct impact on their customer rates. Also in the letter I mentioned Durrell because Durrell have made it clear that they will be impacted by the supply of foods for their animals, many of which are more than fresh, they are alive; insects, et cetera. And there are other issues around Durrell. But those are the 2 main areas that I focused on.

The Connétable of St. Clement:

Do you anticipate any impact upon the supply chain should the changes be implemented?

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

There could be in areas. Not specifically around ... I mean as you have been in foods, because we know there are next day delivery food services, but not food from a critical perspective, from an Island resilience perspective. But there are people who choose to use U.K. (United Kingdom) firms to have food delivered to them the next day. That would be the main area. There could also be issues possibly in areas such as pharmaceuticals and medicines, if there had to be deliveries, losing that next day ability could have an impact there as well.

The Connétable of St. Clement:

Do you anticipate any such change may impact upon Jersey's economy?

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

Yes, as I have said, the online retail sector will be immediately impacted. There is another gentleman who was in the media yesterday who brings in goods from outside the Island using air freight as well as despatching them. I will be speaking to him shortly. So I need to understand how his business operates to understand how the loss of his services or the impact on his services would have an effect on the economy. But definitely online retailers will be severely impacted.

The Connétable of St. Clement:

Can you clarify what is Guernsey's position with the proposed changes and what, if any, discussion will take place with Guernsey to enable continued provision of the services?

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

Guernsey has a different situation. I do not believe they are directly impacted by these changes. But they are the best people to speak to rather than myself.

Deputy M.R. Scott:

If I could just ask a follow up here. You mentioned the impact on online retailers. Are you able to quantify roughly the costs to the economy of that?

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

No, I cannot.

Deputy M.R. Scott:

I have some additional questions on Jersey Post. In this respect I am going to refer to the write-off in value in the States of Jersey's recently published annual accounts of Jersey Post; the capital value from £44 million to £12 million. To what extent might this reflect in injudicious investment by this company in response to Government economy policy with respect to supply chain?

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

I am afraid I do not have that oversight view of Jersey Post. You are better to ask the Minister for Treasury and Resources.

Deputy M.R. Scott:

Will the value for money review to be conducted by the Department for Economy later this year be considering the broader policy with respect to supply chain and the role of Jersey Post, and determining where the companies owned by government should be sorted into cost centres and companies reasonably expected to be self-financing?

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

Who are who asking that to because you are looking over there?

Deputy M.R. Scott:

Sorry, do forgive me. In the past when we talked about the value for money review often the group director for economy has responded, so I may have been anticipating that.

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

Our value for money review is looking at arm's length organisations, it is not looking at States-owned entities. States-owned entities would be Jersey Post, Jersey Water, Jersey Telecom, Jersey Electricity. So ours is principally the arm's length organisations.

Deputy M.R. Scott:

In that respect, will you be identifying those which you might be saying these are cost centres and basically we cannot expect them to be contributing by way of generating their own income?

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

At the moment they are cost centres to government because they do not provide ... we are talking Digital Jersey, Visit Jersey, Jersey Heritage, ArtHouse Jersey, Jersey Sport and others. They do not provide a return to government so in that sense, from a government perspective, they are 100 per cent cost centres. I have thoughts about whether they all need to be cost centres. That is something we will be looking at over time and in discussion with the people who run those organisations.

Deputy M.R. Scott:

Are you prepared to share those thoughts at this point or we will hear about those thoughts at some point?

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

No, because they are not official government policy or anything like this at all. It is going to be an ongoing discussion over this year. Okay, I will share one of them. I say this only because I have mentioned it. This is not policy, this is not something that has been adopted by Government, it is purely a thought in my head but it is how I like to look at some of these arm's length organisations. I just want to preface it with those comments. The Digital Jersey Academy, which has been incredibly successful but potentially that could be a business in itself. It could provide training for cost, as in for fees as well as ... and it does recover some costs but that, in theory, could be a business. It could also be supported by Government to make sure that people who cannot attain ... do not have the income to pay for courses could be supported by Government and those courses which Government deems as specifically strategically important they could also be subsidised by Government but there are other elements of that which could just be pure business. That is how I am thinking is: do these areas have to be purely cost centres, as you suggested, or could they be more enterprising?

Deputy M.R. Scott:

I believe in our last hearing, or one before that, that we also discussed that there are other private businesses in the Island providing training services so you will be taking that into account as well?

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

If you set up a business it would be to be a business and compete with those other businesses. I say this because my wife used to run a training company so I know first-hand. She does not anymore

so there is no conflict there, is what I am trying to say. So I know first-hand that that can be a profitable business.

Deputy M.R. Scott:

So is it appropriate for Government to be funding and giving grants to what essentially are organisations competing with local businesses?

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

I think it is appropriate for Government to fund courses that are strategically important and people who are unable to pay themselves because they do not have the income or the wealth to do so rather than funding a business.

Deputy M.R. Scott:

Last question on Jersey Post. Noting the chief executive for Jersey Post has been drawing a salary close to £300,000 a year on average over the last 3 years ... I think I already know your answer because you are going to tell me that your value for money review is only limited to arm's length organisations. So I am going to slightly change this question because I was going to ask whether in your value of money review you will be looking into whether the remuneration of directors are appropriately set in terms of private sector benchmarks, responsibility and accountability, company performance and the recommendations of the Comptroller and Auditor General in her 2019 report on the remuneration of board directors. If you do not mind, I am going to adapt that to say: will you be doing that in your value for money review in respect of arm's length organisations? That is the first question. Second, in terms of these questions I have in respect of Jersey Post, are you going to tell me I should be directing those to the Minister for Treasury and Resources?

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

Yes, I just do not have responsibility for Jersey Post.

Deputy M.R. Scott:

Let us go back to the A.L.O.s (arm's length organisations).

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

I am sure, like you, I have my own personal political thoughts on that matter but they are not government policy so I should not express them.

Deputy M.R. Scott:

So we will just ask the question about the value for money review in terms of arm's length.

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

As I understand it, the value for money review looks at the way the organisations operate as a whole, and that would have to include salaries of all ranges.

Group Director, Economy:

Chair, I think we are scoping ... you will be aware from the Ministerial delivery plan that this is work to be delivered in Q4 of this year. At this stage, we are now scoping the terms of reference for that review but I think it is pretty clear from the Ministerial delivery plan that it is a full review of the accountability of the A.L.O.s but also the funding structure, which would include all of the items that you mentioned.

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

Like the way it is spent and so on. The funding and spending.

Deputy M.R. Scott:

The way it is spent in terms of salaries. Thank you. We are going to move on to medicinal cannabis now. Could you please explain the sequencing of events in P5.4 of your Ministerial delivery plan, which I am sure you can memorise by heart?

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

I will just bring that up.

Deputy M.R. Scott:

I might be able to find a copy of that.

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

I have it here.

Deputy M.R. Scott:

It indicates strategic development work was commissioned in February to assist Jersey to “continue to establish itself as a hub of cannabis excellence” and that a long-term policy to drive the development of Jersey’s own detailed and specific regulations for the cannabis industry will be developed by your department in June. Yet the delivery plan also suggests a risk assessment of the cannabis sector is to be undertaken in June to provide reassurance that a sufficient legislative base exists for the safe and sustainable development for the sector and to determine the best way to achieve this. Why are you undertaking a risk assessment of the Island’s medicinal cannabis industry at this stage given that the delivery plan indicates that further strategic work was commissioned in February?

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

Because I believe that is also the part of the same strategic work. I will ask Dan, who is much closer to it.

Group Director, Economy:

We have been through a process, the medicinal cannabis development started many years ago in 2016. Effectively it was taken to the point that we have got to establishing a Jersey cannabis agency and made amendments to the Proceeds of Crime legislation to, in effect, create the right conditions for people to be able to invest in the Island, and that has been very significant; somewhere in the region of £60 million has come into the Island in terms of inward investment during that period. After the election it was very necessary, I think, following the Scrutiny Panel's recommendation - 11 of which we accepted - to make sure that the new tranche of Ministers were on board and wanted to continue to support that activity. So there has been a period of time where we have been effectively engaging the opinion of the necessary Ministers with skin in the game, effectively, in cannabis. It is Justice and Home Affairs, Health, Environment and, of course, Economic Development, which we have done and we have gone through quite a detailed process of ensuring that those Ministers are comfortable with the direction of travel that the Economic Development team want to take. That really created an investment framework but not a policy. I think, looking forward, we need to, as we do with other sectors, be clear about what we want to achieve between now and 2040. That work was commissioned and began in April. A first draft of that strategy and policy recommendations will be ready at the end of the June. That is really important because until we have got a policy in place it is very difficult to regulate a sector. So there is a sort of batting order. We are now in the policy strategy building stage. It was very important to the previous Scrutiny Panel that we did a risk assessment. So we have embedded that in that work as well.

Deputy M.R. Scott:

Will this risk assessment be referencing the cost benefit analysis previously undertaken by Government regarding its support of the local medicinal cannabis industry?

Group Director, Economy:

It is quite high level but the areas that it will be focusing on are effectively the legislative framework; so any risk that we have around that. The regulatory framework, which is associated to that. Financial operational and competitive issues as well. It is quite broad-ranging but necessarily high level. We will then make a decision around where that sits in our risk framework and whether it is departmental risk or whether it is a broader community risk register issue. We will use that to inform our internal processes as well.

Deputy M.R. Scott:

It could be useful to understand like what you might envisage already in terms of a risk, in terms of the legislative framework element. Are you talking about the ... what sort of risks might there possibly be in terms of legislating for one area?

Group Director, Economy:

The licensing side relates to relatively old legislation in the context of Misuse of Drugs legislation, Medicines legislation. I think if you are trying to be a global leader in a competitive market you probably want something that is a little bit more contemporary. We have agreed to produce bespoke regulations, as a Government, that will solve that problem.

[10:30]

There are clearly potentially reputational risk issues if we do not get the quality of the offering right, so it is all of these things. Making sure the operators are behaving correctly, making sure our international reputation in this space remains excellent is really important.

Deputy M.R. Scott:

Will these regulations be, just to be clear, for medicines, for the control of narcotics, or some type of other regulation?

Group Director, Economy:

I suspect that we are going to ... some legislative revision has already been undertaken by the Minister for the Environment around effectively removing permitted development rights for cannabis farms and buildings or glass. So that process, as agreed with the Scrutiny Panel previously, has pretty much got to the end. There has already been some bespoke regulatory change. Again, the scoping of regulatory change that may be necessary in the Medicines or Misuse of Drugs legislation or indeed Food Safety legislation really does depend on what the policy position is and where we want to take the industry going forward. That is to be scoped.

Deputy M.R. Scott:

Because there is mention of driving in the delivery plan. How exactly will your department be driving these sort of regulations as opposed to the Minister for Health and Social services or the Minister for Home Affairs?

Group Director, Economy:

Ministers meet collectively to make sure that there is the right alignment across government. We are driving the economic development policy. We are not driving the licensing policy. That is a

matter for the Minister for Health and Social Services, for example, in the same way that driving planning policy in the context of cannabis is a matter for the Minister for the Environment.

Deputy M.R. Scott:

What do you contemplate is the regulation that is relevant to the economic development aspect?

Group Director, Economy:

You have to be able to issue licences through the Jersey Cannabis Agency to allow the economic development activity to happen. That is the link.

Deputy M.R. Scott:

But I understand that that is the Minister for Health and Social Services who really is ...

Group Director, Economy:

Correct.

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

What I would say is that the project as a whole is being driven by Economic Development. So I chair the Ministerial Oversight Group. Effectively where there is regulation change that the Minister for Health and Social Services, for example, agrees to, I will be encouraging that to take place. In that sense, even where responsibility sits with another Minister, because this is overall an Economic Development piece of work, I will be working alongside officers to make sure that those changes are taking place in the other Ministries. It is a classic case of cross-government working.

Deputy M.R. Scott:

Rather than back-seat driving?

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

I do not understand what you mean.

Deputy M.R. Scott:

Because it was talking about driving so ...

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

Yes.

Deputy M.R. Scott:

Insofar as who is driving it, it is the Minister for Health and Social Services who is responsible for the ...

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

For the actual change in her legislation but, in a sense, you could call it back-seat driving but I prefer to call it leading, to be honest with you. At the end of the day, you can pick all sorts of areas - cannabis is one - but there are loads of other areas where a Minister has a policy which requires change in legislation which sits under Ministers. It is then down to that Minister who wants to see that change happen principally, who has come up with the idea, to drive that. So that happens in all sorts of areas.

Group Director, Economy:

It might be worth an *aide-mémoire* around the Scrutiny Panel's recommendation that came out at the beginning of 2022. It was written to C.O.M. (Council of Ministers) and I think the reason it was written to C.O.M. was that it was recognised by the panel that this was a cross-government piece. I think it is a really good example of Government working collaboratively and looking for the right alignment to deliver economic benefit.

Deputy M.R. Scott:

Absolutely and we will ask a few more questions about that. But before I carry on asking a bit more about regulations, what assumptions have been made as to the cost of the Government's work in regulating this area and the revenue gains or economic growth potentials of the medicinal cannabis industry in Jersey?

Group Director, Economy:

Can you say that question again, sorry?

Deputy M.R. Scott:

What assumptions have been made as to the cost of the Government's work? I think what we are basically saying is building on the initial cost benefit analysis, which I understand was in a report by consultants. In terms of justifying the additional work in regulating this area what assumptions have been made in terms of the cost of actually doing all this work and enforcing it, weighing that against the economic growth potentials of the industry here?

Group Director, Economy:

I think our task initially was to simply create the economic conditions for success using our existing workforce. That has generated the inward investment at no additional cost to the taxpayer, so all the amendments to the Proceeds of Crime legislation, liaison with the U.K. Home office, was all

done by existing officer teams. There has been no investment and, up until this point, no commissioning of external advice on the matter. We built this ourselves and therefore we understand it quite well. In terms of the projections, these have been based around private sector companies looking at an opportunity and articulating that through a business plan that they submit as part of their licence application. So they speculate on the area of cannabis production. It is a simple multiplier about the market value per gram of the product. Then we look at what that market is likely to achieve and then we overlay a 20 per cent tax rate on top of that, and that generates the projected value of the sector. Really this is about Government not over-functioning, just creating the right conditions for economic success, and the businesses clearly have responded to that. We have got a number of licences now and a number of companies that are quite close to getting into commercial revenues hopefully this year. We have not spent a lot of money. I think going forward though we do need to recognise that the sector is becoming bigger. It is going to require some additional investment and resources to do it well from the Government's perspective. So we have put in growth bids to support that emerging sector of the economy.

Deputy M.R. Scott:

Who has scrutinised these business plans in order to justify Government investing more in terms of supporting these businesses?

Group Director, Economy:

It is not an unusual model. We invest in people to support other sectors of the economy. That is how the team is structured. This is a new sector so we recognise that we have to probably continue to follow the same form-follows-function type approach. My recommendation to Ministers has been now this is starting to get to the point where we are formalising policy, we are building bespoke regulations, we are needing to put a bit more effort into making sure that the process is streamlined and efficient and fit for purpose. There is a lot of work around policy development piece, the regulatory piece. We are going to need some bespoke resources to deliver that effectively. A bit like we do with ag and fish or culture, arts and heritage; we have a dedicated team to drive it. We do not have that with medicinal cannabis and other plant-based medicines, and that pharmaceutical or plant-based medicine sector needs an equivalent level of support.

Deputy M.R. Scott:

It is not unusual, as you say, for Government to support businesses through regulation but nevertheless I would have thought that an officer would recommend to Government that Government should be doing that based on the potential for growth in that area, and bearing in mind that there are so many other demands for things like human resources within Jersey. Am I to understand it that an officer has made this recommendation?

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

Yes.

Deputy M.R. Scott:

On the basis of what has been produced to that officer in the form of business plans by private companies?

Group Director, Economy:

It is based on our view that this is an emergent sector that could bring significant fiscal receipts into the Treasury to drive public services going forward.

Deputy M.R. Scott:

Bearing in mind the public has a better understanding of this, what are you anticipating in terms of potential, bearing in mind - underlined 3 times in red - potential income from this area, say, in the next 5 years?

Group Director, Economy:

I would have to go and dig the numbers on that but it is multimillion pound returns that are being speculated.

Deputy M.R. Scott:

Thank you very much. If the regulations which you were talking about relate to medicines, because you were talking about risks, will they follow W.H.O. (World Health Organization) recommended procedures for developing regulations for medicines in this area or medicines generally? Beginning with a gap analysis of what Jersey has in place and what Jersey needs.

Group Director, Economy:

I think we have worked with law officers previously to try and identify where we do have gaps more specifically. We have got some recommendations from our law officers that were provided to the chief pharmacist at the time. So really this is a conversation for the Health Department. But certainly we have had a good look at where we think that there are legislative and regulatory gaps, and we are pretty clear about where they are.

Deputy M.R. Scott:

Are they in line with the World Health Organization recommendations then?

Group Director, Economy:

You would have to ask the Minister for Health and Social Services that.

Deputy M.R. Scott:

Okay. Just before I move on, Constable Troy takes over here. Do you believe regulations for the medicinal cannabis industry needs its own regulatory framework?

Group Director, Economy:

It is a position that the Scrutiny Panel took. I think there are pros and cons, if I am honest. We do not pick out other controlled drugs and regulate specifically for them. I think that is unusual. Having said that, I think it can provide Jersey with a competitive advantage when we are trying to be a global leader in this space. So having bespoke regulation that is really clear about how we are going to deal and regulate cannabis, bearing in mind that it is a real market advantage to be based in a high-regulatory regime. We see that in financial services as well. It is a similar model. I think I and industry representatives would say, I think, that a high regulatory bar gives a competitive advantage.

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

I think if I could come in there as well, we have also had interest expressed to us about other companies that are interested in other plants to create medicines from. So plant-based medicines plus some other plants as well. The interest that has come that I have seen has made me then think this is an area of potential growth for the Island. Particularly from a research and development perspective, not necessarily from a full production perspective. But maybe so. So I think we do need to look at whether it is separate regulations just for cannabis or whether there is separate regulation which enables research and development particularly in plant-based medicines in the Island. It could be an area which is lucrative, given that the pharmaceutical industry is obviously globally a highly-lucrative industry.

Deputy M.R. Scott:

If the numbers support it.

Group Director, Economy:

I think the other point, Chair, if I may, is that it is not just about the cultivation businesses. It is all of the development up and downstream of the sectors, logistics, advisory services. It has the potential to increase the productivity and the rural economy significantly driving the productivity improvements that Tom has articulated are so important going forward. So it starts to change the dial on a low productivity sector to a higher productivity sector. We have 2 relatively big companies licensed in Jersey now. They will be driving additional higher-value jobs, probably about 50 per site. So this really is quite, in my view at least, uncontroversial in the sense it is higher-value jobs in the countryside increasing the productivity of that sector. These I think are good examples of how we

need to look at the economy going forward, looking for those sorts of opportunities to drive the broader economy in the right direction.

Deputy M.R. Scott:

Are you consulting with these companies in terms of the actual ... what they perceive to be the needs in terms of ...

Group Director, Economy:

Certainly, yes.

Deputy M.R. Scott:

Do you anticipate these regulations that are needed to support their product would be based in primary or secondary legislation?

Group Director, Economy:

I think we have the primary in place, which is the Misuse of Drugs and Medicines Law. I think it will be secondary.

Deputy M.R. Scott:

Would these be separated from regulations surrounding the control of narcotics?

Group Director, Economy:

The narcotics element is driven by U.N. (United Nations) Convention on narcotic drugs and that is where the requirement for a cannabis agency is embedded. That is why we have a Jersey cannabis agency, which is a sub-agency of the U.K. Home Office.

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

That is why there is a direct link to the Home Office because this stems ultimately from the U.K.'s international obligations. So the U.K. has an obligation to ensure that Jersey, as self-governing as we are, it is about international obligations. The U.K. has to make sure that Jersey is in line with those international obligations. Everything we are doing here is ultimately overseen by the U.K. Home Office.

Deputy M.R. Scott:

I am going to pass on to Constable Troy to ask you a few more questions on this area.

The Connétable of St. Clement:

Minister, can you outline what progress has been made with respect to the further strategic work to assist Jersey in establishing itself as a hub of cannabis excellence, which you anticipated would be completed by quarter 3 in your letter of 19th May?

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

This is the work that Dan has been talking about. We have engaged an external expert group to help us with that strategic work basically.

[10:45]

The idea is to have a clear way forward for the medicinal cannabis industry. I think at the moment the work that the previous Minister undertook was about getting everything started, getting things up and running, attracting inward investment. That was something I wanted to add to Dan's testimony there, which is I think it is really important ... I may have said this before and I apologise if I have, but even if you were to end the industry today it has brought in £50 million to £60 million of inward investment to the Island already. So from that perspective of cost benefit analysis I can promise you we, as a Government, have not spent anything close to £50 million to £60 million on developing this. Yes, we have had that inward investment so the benefit to the Island is already clearly a positive.

Deputy M.R. Scott:

Sorry, Constable Troy. I have a question here: how has that £50 million to £60 million manifested itself when you talk about the ...

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

That is investment in building, constructing the cannabis farms principally. You cannot create ... because we have a high regulatory bar it is not possible to create a cannabis farm without spending millions of pounds on it.

Deputy M.R. Scott:

So it is construction industry then?

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

Principally.

Group Director, Economy:

Not entirely though. For example, there is significant added value to the bottom line of the Jersey Electricity Company. There are already people employed running these businesses. So while they

are not in revenue they have significant on-costs for staff that are paying tax into the economy as well. There are benefits around advisory services that are starting to come through and people providing those services as well. This is the point about the up-and-down stream development, as well as the cultivation facilities themselves, is starting to drive effectively new elements of the economy, which is encouraging.

Deputy M.R. Scott:

What is the link with the Jersey Electricity Company?

Group Director, Economy:

A high proportion of the fixed costs are electricity and this is new business on the bottom line.

The Connétable of St. Clement:

I think you have answered probably question (a): is there a risk of missing the opportunity presented by the development of this industry if action is not taken quickly?

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

There is always a risk, which is why we move fast. But Jersey, while we are attempting to be one of the first movers, and we are among the first but we are not the first, Jersey's reputation is, and this is effectively policy already, pinned to the mast of high regulation and high quality. That is the only way this will work in Jersey. That is what has attracted people here already, is they see that we want to be about quality and highly regulated.

The Connétable of St. Clement:

I think also section (b): can you provide information on the type of investment or interest in investment, which has been received to date? £50 million to £60 million in infrastructure basically. This is a bit of a long one. The previous panel's first recommendation, following its review of regulations for the licensing production and export of medicinal cannabis in Jersey, was to ensure that there is adequate representation from the Jersey Cannabis Agency, including the Minister for Economic Development, Tourism, Sport and Culture, the Minister for Infrastructure, Housing and Communities, and Environment, so that matters related to all sectors impacted by the medicinal cannabis industry are fully considered. This was accepted with a target date for completion by quarter 2 2022. Your letter on 19th May indicated that this recommendation is currently being considered by the Minister for Health and Social Services. When do you expect a response from the Minister and what actions are you carrying out as Minister to progress broader representation on that agency?

Group Director, Economy:

We accepted the fact that putting the Jersey Cannabis Agency as a responsibility for a single individual, and in this case the Minister for Health and Social Services, was not ideal. Arguably there is a broader set of considerations beyond just the Misuse of Drugs and Medicines legislation. Of course social environmental impacts, in particular. We have now got to the point where we have effectively a political oversight group that, in a sense, reflects all of those interests it has now met. But also before that, I established what I would describe as a shadow Jersey Cannabis Agency that was a more expanded group of people that included representatives from Economic Development, representatives from the Health Department, representatives from the Planning Department, representatives from customs and policing that is a little bit more akin to the Bailiwick of Guernsey's cannabis agency, which is very much more expanded than ours. So I think my sense politically is that there is a desire to move to that position, and officers have organised themselves to be ready to take on those responsibilities should they be passed on through delegated powers.

The Connétable of St. Clement:

You indicated, Minister, in the letter of 19th May, that the inaugural meeting of the Medicinal Cannabis Ministerial Group was due to meet. Can you confirm that this has taken place?

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

Yes, it has.

The Connétable of St. Clement:

How is the group constituted?

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

I chair the group. It is the Minister for Home Affairs, the Minister for Health and Social Services, and the Minister for the Environment, and Dan sits on that group.

The Connétable of St. Clement:

How have you been providing Ministerial oversight of this important area? We do not need that because you have had a meeting ... without a meeting.

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

And we will continue to have meetings.

The Connétable of St. Clement:

I am sure you will. Are there any areas of discussion from that meeting that you can outline?

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

No, it was a good meeting. As I say, referring to the chair's questions earlier about driving it, I wanted to have the general discussion, make sure that everybody is on board, that they understand where our aims are and talk through the issue of regulation, talk through particularly with the Minister for Health and Social Services in a way we might be going in that direction.

Deputy M.R. Scott:

Roughly what are the terms of reference and could we have a copy of those in writing please?

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

Absolutely. I can pick up the terms of reference here.

Deputy M.R. Scott:

Thank you. We will ask for those in writing but if you do not mind just sort of ... when you talked about your aims.

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

The terms of reference of the Ministerial Oversight Group is to oversee the whole industry, the way it is regulated.

Deputy M.R. Scott:

That sounds consistent with a title, thanks. We will look at those.

The Connétable of St. Clement:

Can you also let us know about the officer membership of the group?

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

I could not tell if you are a member of the group particularly but it is a Ministerial group.

Group Director, Economy:

As the senior responsible officer for the programme I would tend to report into that group but the membership from an officer perspective will be dependent on the subject matter in the agenda.

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

So officers are not members of the group. It is Ministers.

Deputy M.R. Scott:

A separate one was mentioned in your letter of the 19th though, an officer group?

Group Director, Economy:

I have established an informal grouping of officers effectively, is probably the best way to describe it, so that we are in an operational readiness state should the Minister for Health and Social Services determine to delegate licensing authority to that group, as is per the case in the Bailiwick of Guernsey. I think that is quite a good model.

Deputy M.R. Scott:

That is the group you already mentioned?

Group Director, Economy:

Yes. It is very informal. It is just a grouping of officers that meet on a regular basis to make sure that we are triangulating the activity and can report back into the Ministers.

The Connétable of St. Clement:

Minister, what actions are you undertaking to ensure openness and transparency of regulation of the cultivation of cannabis to the public and industry? With regard to a recent question 208/2023, the Minister for Health and Social Services indicated that it was not possible to publish the memorandum of understanding without consent of both the Minister and the Home Office. Will you be advocating further consideration of how to share the memorandum publicly ?

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

That is a really good question. It is, in general, any communication between the Government of Jersey and any other Government outside of Jersey. It is not chaired. That is standard diplomatic practice.

Deputy M.R. Scott:

How might we ensure greater transparency here, just because we seem to have a number of memoranda of understanding which are not published.

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

I understand your frustration and I have sat in your chair, and I understand that very well indeed. I am more than happy ... I do not have an answer for you but I am more than happy to go off and see how that may be achieved. It may be, for instance, sharing it with the panel in confidence not to go any further but that is part of the ...

Deputy M.R. Scott:

Not so transparent but thank you.

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

Part of the role of Scrutiny is to take on those bits which are not able to be made public but you are able to then see it on behalf of the public, effectively, and come to your conclusions, et cetera. So I am more than happy to take that away and see how we may get to do that.

Deputy M.R. Scott:

The mechanism is something that I think could be of interest and how that might be adjusted to ...

Group Director, Economy:

Chair, it might be worth noting that the memorandum at the time was shared with the Scrutiny Panel prior to its publication of its report. It may not be the most contemporary version but it certainly was, but it was shared in confidence. Effectively it is a regulator-to-regulator document. As well as the diplomatic overlay there is that sensitivity as well.

Deputy M.R. Scott:

If it has been updated we would be interested in the updated copy.

Group Director, Economy:

It is certainly a live conversation that the Minister for Health and Social Services is having with her legal advisers at the moment.

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

I personally have no problem sharing it with Scrutiny on a confidential basis.

Deputy M.R. Scott:

I will get the Assistant Ministers into the game. I am going to ask some questions on digital economy strategy now. How is the development of the digital economy strategy progressing?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

It is progressing well, thank you, Chair. Following our briefing that officers and myself gave to the panel, we have been conducting a range of what we would call the phase one or round one consultations. These have been consultations with government officials, arm's length organisations and selected members of the public on a range of topics to enable us to get, in essence, a broad steer on a set of views both on what can be policy direction but also crucially, given the kind of ... I think we discussed the interweaving nature of a digital economy strategy with other strategies and other pieces of government work where we can understand and minimise deduplication. We are currently within the phase of running these phase one or round one consultations. Those that we have done so far have gone incredibly well. We had a really good and lively conversation and

workshop on start-ups, scale-ups and gear-ups and understanding that that sector of the digital economy, how we are understanding the specific barriers and the climate for creating start-ups. We were lucky to be joined by someone who is looking at their journey into the Island, and they were able to bring their experiences from their extensive business experiences into that conversation. So we gained a lot from both sides of the industry; both incredibly experienced people working in the digital entrepreneurial sector as well as bringing in members of the D.J. (Digital Jersey) Tekex bootcamp to understand how their recent journey through a start-up programme on the Island has been effected to start fleshing out policy ideas.

Deputy M.R. Scott:

Does that tie in with your barriers to business work?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

Again that is where we need to understand and we were clear to try and steer away from the conversations that need to happen within barriers to business. One conversation ...

Deputy M.R. Scott:

Business can perform it?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

It can, and vice versa.

Deputy M.R. Scott:

I do not understand why we would be steering away from it.

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

It is not about steering away. It is understanding, a bit like in our skills one, the nature of how the digital education strategy and its requirements link with the digital economy strategy rather than rehearse some of the generic points around barriers to businesses that all businesses face. We did discuss them. I mean they always come up, people talk about ...

Deputy M.R. Scott:

Because we must be talking about specifics.

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

It is the aim to try and understand and split some of the specifics to those facing businesses looking to start up and looking to scale up. A lot of conversation in that one, for example, was around entrepreneurial hunger in the climate and conditions for hunger. Then you get into some ethicist

questions about strategy, about how do we priorities areas. I have been key in all of these workshops, which I am chairing here, that what we have to do when we develop our digital economy strategy is understand prioritisation. It is easy to create a wish list and a bucket of these are the things to do. But I have been challenging different workshop members on how would you prioritise this and obviously the moment they say: "I would like this, I would like this" and you say: "If you could pick one, what would it be and why?" So trying to understand the priorities within any sector, whether it be that for starting up a business, whether that be about export in the digital economy, which is separately necessarily to sometimes how we consider logistical export as well as skills. How would you prioritise skills training? How would you prioritise?

Deputy M.R. Scott:

Can I just clarify something here? We are talking about a strategy that is founded on the idea of improving economic productivity, are we? Is that the key?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

Yes.

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

But specifically it is about growing the digital sector.

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

Growing the economy.

Deputy M.R. Scott:

In terms of the growth we are talking about in terms of its contribution to economic productivity? It is just when we are talking about prioritisation.

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

We have to prioritise the mechanisms and levers to achieve that, and we also have to know that that is not prioritisation of just digital businesses that are selling a service, for example.

[11:00]

We see and we know that we will need a digital economy strategy that delivers productivity improvements throughout the economy with digital as the enabler.

Deputy M.R. Scott:

Okay. So the delivery plan identifies this strategy but will recognise the importance of the life choices and well-being of Islanders. Would you like to elaborate on this?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

Well, that is part of the emphasis to question, is it not, about how you enable different elements of the digital economy, but at the same time if we are going to be interventionist in that sector of the economy we are going to have to consider how do we support different people. One question that came up was about maternity care and from a start-up perspective how we are enabling the conditions for digital businesses, remote working. All those elements are about creating greater choice but also do have to be debated on the counter side. There is a lot about all sorts of work life and the conditions of the economy that I think play into that.

Deputy M.R. Scott:

So you mean in terms of the extent to which these could be a contribution towards productivity or actually counter productivity?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

Well, if we take the start-up and gear-up example, there is an interesting challenge. Some members of the workshops we have held really see that what Jersey could do more with is entrepreneurial hunger, and hunger will grow scalable businesses and appetite to deliver more and that will translate into economic productivity. The challenge is generating the climate for hunger. As one member said in the group, the easiest way to do that is to tank the economy first and then everyone becomes hungry again. So that is what I mean when I talk about the conditions and climate. It is about understanding how you create the conditions while considering that to make hungry people you do not want to do so in a way that necessarily prejudices certain sectors or groups but you also still need to focus on economic growth in the digital sector and the economy.

Deputy M.R. Scott:

So in the context of that example you used, because you were talking about hunger and I was thinking about what was really meant by that, it sounds like you are talking about motivation. Am I correct?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

Yes.

Deputy M.R. Scott:

Right, okay. Yes, I think there are different ways of satisfying hunger so I got kind of ... yes, okay.

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

Yes, it is about motivation.

Deputy M.R. Scott:

Yes, thank you. Could you outline how the strategy will target both enabling the use of existing technology and the creation of new technologies?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

So it is still at an early stage so I probably could not give you a detailed breakdown on that.

Deputy M.R. Scott:

I will probably get a similar answer to this question then, but I will give it a go. More widely, in seeking to improve growth and with reference to the Economic Council's *New Perspectives* report, will any policy documents compare the advantages of potential exponential growth of locally established new economy technology creation enterprises to the advantages of linear growth of improved margins through capital investment in old economy enterprises?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

I would say, Chair, that is quite specific and gives us a good place to go away and take that recommendation. It feels more like a recommendation than a question because it is quite specific but I will task officers and myself to work through that.

Deputy M.R. Scott:

It is a question.

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

I will take that away and we will ...

Deputy M.R. Scott:

Yes. Maybe the chief economic adviser can come back to us on that as well. Because also I know that you are working on future economy so that is a different ... and again, the ...

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

Future economy programme.

Deputy M.R. Scott:

Yes, the future economy programme and I think I have a question there already, so I will move on. Can you yet identify how the digital economy strategy will impact and be influenced by the 2(1)(e)

policy for high-value residents and assess barriers to future immigration of capital-backed tech founders into the Island?

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

Do you want me ...?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

I would be happy if you could take that.

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

Yes, I was going to say because Alex does not sit on the Population and Skills Ministerial Group or the Housing and Work Advisory Group. Lucy does, but not Alex. So there is no direct kind of ... there is no direct impact that is foreseen or expected, but there is no question in my mind that when it comes to inward investment in the Island our 2(1)(e) policy can be used to attract inward investment, I believe, and also one piece of work that we will be doing in the Population and Skills Ministerial Group is seeing whether we can establish a kind of entrepreneurial route to residency in the Island, so rather than just high-value residents, the disconnect being that a high-value resident may well have assets, may well have income streams, but just by virtue of being high value it does not necessarily mean that they are seeking to set up businesses or be entrepreneurial. Someone who is entrepreneurial may have some assets, may have some income, considerable amounts, but less than the criteria. So at the moment we are putting before the Assembly £250,000 income tax paid on an annual basis plus assets of £10 million. Entrepreneurs, particularly if they are a bit younger, may not have accumulated £10 million of assets but they could have a significant impact on the economy of the Island. So we are seeking to find can we create a route which attracts I guess you could say high-value entrepreneurs because I do not think it would just be: "Oh, there is someone with a good idea, let us bring them in." I think they need to have an element of a track record. So we are using it to see how we can stimulate entrepreneurialism in the Island.

Deputy M.R. Scott:

Thank you. It was identified in the letter of 12th April from the Assistant Minister that consideration was being given to this. Will the outcome ... because you probably know that I will be asking you, Minister. Will the outcome of this consideration be in the common population policy that is due to be published later this month?

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

Yes. So we will see the Common Population Policy later this month. I do not believe it directly ... I am just trying to think. I do not think it directly refers to the entrepreneurial route but it does refer to the high-value residency scheme.

Deputy M.R. Scott:

So do we have a sort of ... because we are talking about 2 policies that do not recognise this, but you are saying that nevertheless this is something to be considered. Yet the common population policy is going to be published, so I am trying to understand how exactly this concept is going to inform it or not.

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

If I may, Chair, the Common Population Policy is, and Deputy Stephenson can correct me, a yearly updated piece of work that the Council of Ministers have to bring back. The digital economy strategy is a long-term strategy that we are looking at, and I think when we presented our timelines we are looking at November, December launch. So with regards to when our conversations are, we will be a good 5 months away from after the population policy coming out from the Population and Skills Ministerial Group. So while there are ongoing conversations and this plays to, as I believe we touched on when we briefed you, there are a lot of interweaving and interlinking conversations we have with education, with the future economy programme, whether it is with officers on inward investment, that are longer-term threads to discuss and to work into the strategy that are not necessarily going to be ... we cannot pre-empt the digital economy strategy within the work of the Population and Skills Ministerial Group before this year.

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

If I may as well, I think one of the issues which I see and you will see over your time is there is no perfect sequencing in government.

Deputy M.R. Scott:

No kidding.

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

Exactly. So ideally, if we were to start government today, we would probably start with the future economy programme and then from there you would then have a digital economy strategy, a tourism strategy, a rural economy strategy falling out of it in that sort of way. That is not the world we are in. I was undertaking the rural economy strategy, for instance, when I was an Assistant Minister before the future economy programme had any real substance to it. So it is just a truth that in Government you are having to do pieces of work which ordinarily perhaps you would prefer to sequence in a different way but circumstances mean that you cannot.

Deputy M.R. Scott:

That is a great quote.

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

So in that sense that is why conversations need to take place constantly.

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

I would just add that is why the Population and Skills Ministerial Group, which was set up in the Chief Minister's 100 days, brings together Ministers and representatives from across different departments to ensure there is that ongoing dialogue and discussion and linking. So that group does not make decisions itself, it discusses and collaborates and then respective Ministers go back to their departments and they ...

Deputy M.R. Scott:

Sorry, now I am confused. This group is what? What is the name?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Population and Skills Ministerial Group.

Deputy M.R. Scott:

Okay. So that does not make decisions, that gets together and informs?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Yes.

Deputy M.R. Scott:

It is the common population policy who has decided ... and who makes the decisions there?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

So the Common Population Policy is owned by the Government. It is the Government cross-cutting policy.

Deputy M.R. Scott:

The Council of Ministers, yes. So just coming back to this imperfect sequencing ...

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

Yes, and it would always be so, by the way. I do not see a way out of that.

Deputy M.R. Scott:

I know. I am really upset about that but I am going to have to live with it, am I not? So the common population policy you tell me is going to be produced every year.

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

Yes. The States have decided that we have to do that. That was a decision taken last ...

Deputy M.R. Scott:

Okay, so in terms of what we discussed about different types of people and their ability to contribute to their economy, you do not anticipate that informing the common population policy that has been produced this month but ...

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

Literally I think next week.

Deputy M.R. Scott:

Next week, but ...

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

Or the week after.

Deputy M.R. Scott:

But this is something that could inform the next common population ...?

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

Absolutely, yes.

Deputy M.R. Scott:

Right, in terms of sequencing. Thank you very much for that. Could you please confirm the membership and remit of the digital strategy leadership group mentioned in your letter of 25th April, please?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

I can. The remit has nothing within the Economic Development portfolio so that is a group that I chair under my role as Assistant Chief Minister. Its remit and scope is for internal government digital, internal government meaning the services government provides to both its own staff and to citizens.

Deputy M.R. Scott:

Okay, so such as internal government I.T. (information technology) services?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

It could be digital I.D. (identification). It is everything from how we provide the services for Islanders to fill in their tax forms but it is the services that Government provide through the Modernisation and Digital team and wider strategy by all departments in delivering their digital needs.

Deputy M.R. Scott:

The investment in technology which you would like or the ... which you are encouraging the private sector to do, yes, to increase productivity, yes. Right, okay, thank you. To what extent is the Assistant Minister - that is you, Assistant Minister - ensuring that public money is being used efficiently with respect to the resourcing in Digital Jersey in light of the availability of online learning resources? I think we must be talking about the Skills Academy and that sort of thing. So to what extent are you ensuring public money is used efficiently with respect to, say, grants that are linked to the training?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

Maybe Dan can correct me but the Government of Jersey and Digital Jersey have 2 partnership agreements. Skills currently is funded largely through a budget from the C.Y.P.E.S. (Children, Young People, Education and Skills) Department. So there is a challenge here. What we will do, and I am sure with the arm's length review, is consider the validity of maintaining multiple partnership agreements and the future working relationship with Digital Jersey, but skills and that funding is a C.Y.P.E.S. commitment with their own officers.

Group Director, Economy:

Tied to that, Chair, as you might expect, there is the Public Finance Law that we have to adhere to and part of that is to ensure that officers are content that value for money is being achieved through the provision of grants, quite a sophisticated and long-winded process but obviously one that we are compelled to go through by law.

Deputy M.R. Scott:

So let me just understand. So when you do the value for money review, which I presume you are doing even as we speak, but ... no? The value for money review does extend to Digital Jersey?

Group Director, Economy:

Absolutely.

Deputy M.R. Scott:

So when you do this, will you be assessing this area or is that something that is given over to Education in terms of that element of ... because I understand that Digital Jersey gets grants from 2 places, one the Department for Economy and the other from Education. So is Education doing its own review in this respect or will you be extending it?

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

We are looking at Digital Jersey, so we are taking in the whole scope. We are not going to specifically carve out that money and say we will not look at that. When you are looking at an organisation and you are looking at the way they offer value for money, it certainly will not be in our minds to not look at the bits that we do not directly fund. We are just looking at the organisation.

Deputy M.R. Scott:

Okay. Thank you. So that will extend to the availability of online learning?

Group Director, Economy:

Absolutely. I think this feels a bit like a root and branch review, not just of the individual A.L.O.s themselves in isolation but how they operate as a collective. I think that is an important consideration.

[11:15]

But as the Assistant Minister has said, the reality is that we do have separate partnership agreements that are based on separate business plans and separate key performance indicators that we monitor on a quarterly basis. So there is quite significant governance around it, is my point, as it stands.

Deputy M.R. Scott:

Okay. Thank you. How is it anticipated that the Skills Development Fund, as approved through P.116/2022, will support and who, mindful of the resource provided to Digital Jersey to provide the digital academy? So basically I think what we are saying there is the Skills Development Fund has been approved but at the same time resources are being provided to Digital Jersey, so how is it anticipated that the skills development ... the interplay?

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

At the moment it is not anticipated ... the discussion about how to scope the Skills Development Fund is still ongoing, so I could not anticipate one way or another which way it is going to go in relation specifically to Digital Jersey.

Deputy M.R. Scott:

Do you anticipate being involved in that discussion and that the grant to Digital Jersey will be taken into account?

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

We will be involved in the discussion, and whether the grant for Digital Jersey is taken into account, I think it would have to be but it depends. There are so many different ways you could look at the Skills Development Fund. You could look specifically at grant-giving to other arm's length organisations as part of that or you could not look at grant-giving to arm's length organisations. It entirely depends how you want to look at the Skills Development Fund. Because you may set up the Skills Development Fund, which leaves it to individuals to choose entirely where they wish to spend that money, in which case we would not be looking ourselves to say this has a direct impact on Digital Jersey and its funding. So it depends on the model that is chosen for the Skills Development Fund.

Deputy M.R. Scott:

All right. Thank you. Digital Jersey, as we have mentioned, also receives a grant from the Economy Department. So I just wonder if you just would say roughly what does that cover and how do you ensure this provides value for money?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

In what capacity does it cover? Will it cover staff and business and other expenses on Digital Jersey?

Deputy M.R. Scott:

To provide what?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

To provide the resource to deliver against their operational plan for the year.

Deputy M.R. Scott:

So just specifically, what is it that they are doing for the economy that you ensure that they are providing value for money?

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

They have a wide range of things in their operational plan. I do not have it to hand, but we worked through it at quite tight pace last year. It was already in finished form, but we had a chance to get

involved. It is everything from their business enablement function and business support through to their projects team and obviously to the running of the Digital Jersey hub.

Deputy M.R. Scott:

So in terms of ensuring value for money, and I do understand that there is a value for money review, are you looking at return on investment? Are you looking at, say, the bottom line G.D.P. (gross domestic product) as a sort of performance measure? How are you ensuring value for money? That is the question. Or will you be looking at that ...

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

The value for money review, yes, it does have that in the back of its mind, effectively, but ultimately the value for money review is how do the A.L.O.s operate and could they be operating more efficiently, could they be raising more money by themselves, do they have to be entirely reliant on Government for funding? But at the end of the day, something like Jersey Sport you might not be so concerned about its economic return to the Island because sport has many other functions beyond economic return. Something like Digital Jersey or Jersey Business you may be more focused on that economic return. Because this is a review across the A.L.O.s it is looking more about the structures and the way they are funded and how those structures efficiently deliver the outcomes for their funding.

Deputy M.R. Scott:

With respect to the A.L.O.s, then you basically have, Minister, inherited quite a few which have policies that were decided by previous Ministers.

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

Which is why I want to see the value for money review because they take 75 per cent of all the money that comes into the department.

Deputy M.R. Scott:

I am trying to establish that there could be a certain extent to which certain decisions made by previous Ministers regarding policy, if you like, perhaps might on review be regarded as perhaps needing adjusting or revising to ensure just better value for money all round. So will this value for money review have that width, if you like, in terms of assessing whether some of the policies that are driving the expenditure themselves need to be revised?

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

Yes, it will do, but in particular areas. So, as I said, I think you can package up in one sense Digital Jersey and Jersey businesses clearly being direct economic drivers, so how are they performing in

that area? Jersey Sport has an economic element to it but it is about well-being and health and those sides of things as well, as well as community, so you would want to be looking at how it delivers there. Interestingly in relation to Jersey Sport was that it was set up as a charity to raise its own money as well, so one of the questions I have is: is it successfully raising its own money? Because that was definitely one of the drivers that the Minister had when they set it up a few years ago.

Deputy M.R. Scott:

Is that realistic? We are coming back down to what I was saying when we were talking about ...

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

Yes, it is entirely realistic.

Deputy M.R. Scott:

Because I think what I understand, but perhaps I can just clarify, you quite rightly are saying that A.L.O.s perhaps have different considerations and objectives and let us say you might well say in terms of Jersey Sport there is this sort of public health element and some of them are perhaps more related into potential contribution to economic contribution where you might look at return on investment than others. So I did earlier ask that question about cost centres and ... yes, some that you might not expect, so I suppose we could say that that ties in with this element and that has been addressed. Okay.

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

If I could just quickly say one which is really interesting is Visit Jersey. Visit Jersey at the end of the day is a marketing organisation for the Island. It does undertake some other functions beyond that, but it really is 90 per cent of its functions are focused on marketing the Island. So there is a clear direct link to the success of our tourism industry and the success of the marketing that Visit Jersey undertakes. Visit Jersey is quite unusual, I would suggest, in that it has such a clear direction in terms of its scope. It is very focused. Most of the other A.L.O.s are much broader in their scope, and so I think that means you do have to start looking at it. One of the questions I ask is: are some of these A.L.O.s focused enough? Are they overly broad in their scope? Because you can try to do lots of things with good intention but it becomes harder to deliver lots of things, whereas if you are focused you can deliver one thing well.

Deputy M.R. Scott:

So just before I pass the questioning back to Constable Troy, are we in a position perhaps to look at how, if you like, in terms of these objectives and having identified their forms of contributions for these different A.L.O.s that are going to be the subject for the value for money review, whether you

have provided anything in that respect in terms of the performance measures that you might be using to do this value for money review?

Group Director, Economy:

I think we would look at the performance measures. We will look at the existing strategic plans in the case of D.J. They have a plan that was written, a strategic 5-year plan, written in 2021, still some time to travel on that. But I think you have to take everything into account when you do this type of review and what the existing strategic ambition is, is that still fit for purpose, is it consistent with common strategic policies, is it consistent with our own government performance framework, which has sustainability built at the heart of it, not just growth and productivity improvements. So you have to look at all of those things and it is quite a blended challenge.

Assistant Minister for Economic Development, Tourism, Sport and Culture (2):

What I would briefly add on that is within an operational plan from an A.L.O., and if you take Digital Jersey, it details the work they are going to do and the K.P.I.s (key performance indicators) that they are looking to be assessed on. What I am sure we will be taking into account, and even outside of the wider review in any subsequent operational plan, we will and I will be looking at what are those K.P.I.s and do they equate to outcomes and are those outcomes aligned to the policy and strategic direction we want, rather than necessarily outputs.

Deputy M.R. Scott:

I think in that respect I will just mention that the panel did do some comments on the common strategic policy and did ask some questions about whether the performance measures themselves might be refined.

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

Could I just ...

Group Director, Economy:

Sorry, Minister.

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

Yes, go for it.

Group Director, Economy:

I think my own view, speaking frankly, is that we have to move the dial a bit on performance measures and K.P.I.s. They are not, in my view, outcome focused enough and I think it is quite difficult in some cases to get outcome-focused K.P.I.s because you do not often have the data that

sits behind it to allow for an appropriate measurement. You also have the challenge of if you built up some form of measurement then changing it again and starting from a baseline, there is the loss of that trend information. But more generally I think K.P.I.s are something we really do need to look at in the context of making sure that they focus on the outcomes that we are trying to achieve.

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

This goes back to when you were talking about entrepreneurial motivation earlier. I believe it was to this panel, it may have been to another panel, but I know you had a couple of arm's length organisations were saying: "If we do not get more money from Government we have to stop doing X, Y and Z." The question I raise is: why are they dependent on money from Government? Arm's length organisations were set up to have a degree of independence. They were set up to deliver government policy, absolutely, but in my mind that independence allows them to be entrepreneurial. It allows them to seek other ways to find funding as well. As I said, one of them, Jersey Sport, was set up specifically with the view to being able to raise its own funding as well. So I do not accept that if the Government does not increase funding that, therefore, you have to cut services. I look to the A.L.O.s to exercise their independence in terms of being entrepreneurial and also finding other ways to raise their own funding. I think that is a really exciting challenge and I think that is, in my view, one of the reasons why A.L.O.s were set up in the first place, but it has become the story that it is a case of they see Government as providing 100 per cent of their funding. I do not believe that has to be the case.

Deputy M.R. Scott:

I think we could have a bit more of a discussion about the Institute for Innovation and Public Purpose because I understand that there is a wider issue here about A.L.O.s and the extent to which they are compensated for Government not being structured in a certain way and why we have them. But anyway ...

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

I believe they can add value by being more entrepreneurial themselves.

Deputy M.R. Scott:

I would hope they would. Anyway, I will move on to Constable Troy.

The Connétable of St. Clement:

Minister, this is rural and marine economy. Your delivery plan identifies that you will be implementing the rural and marine economic framework. How is the development of policy options for the sustainable development of these sectors progressing?

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

So obviously we have the rural economy strategy, which is being implemented every day. The rural economy strategy is improving the world of farming, to be honest, and it is doing a fantastic job. I think one of the most interesting pieces of data that I have picked up recently was that this year I believe we had ... well, basically at the moment we are expecting 20 more farmers this year than there were last year, and the year after we are expecting another 20 farmers. The reason for that is that for the first time the rural economy strategy has been designed so that it supports smallholders and smallholders have been an element of focus. Not the only focus; there are plenty of other focuses in the rural economy strategy. But the 2 principal reasons why we really want to support smallholders, one is to help with the succession issue in farming. As we know, as we have moved away from family farms being sustained through generations within families, we have to find new farmers to come in who perhaps have not farmed before. Smallholders are one of those routes. The other element of focusing on smallholders is that smallholders are more able to try alternative methods of farming, whether that is regenerative farming, organic farming and so on, without ... because they do not have a crop that they have to deliver to market this year in order to be profitable. Those large commercial farmers do. It is easier for a smallholder to be innovative in that way and try new methods and then pass those new methods on to existing larger commercial farms. So the rural economy strategy is a piece of policy which I am incredibly proud of, and it is being looked at outside the Island as well for the support scheme that is in there. The marine economy strategy, I think one of the best things that has come out of the work we are doing there is the Marine Economy Advisory Group. That meets regularly and obviously one of the first pieces of policy in there was to create a support scheme for the marine economy, and that is available now. It is capitalised to the tune of £300,000 and I think again it is really important for the sustainability of that marine economy

[11:30]

I think what is going to be really important going forward is to look at the marine economy from the perspective of how can we find new markets and also what other areas of the marine economy can Jersey succeed in. We saw recently those incredible images of the Titanic. All of that work, while the company was a Guernsey-headquartered company on paper, all of that work was done in Jersey. That makes me fascinated as to that is the marine economy in action. So I think we have some really exciting possibilities going forward.

The Connétable of St. Clement:

Are you involving the Minister for the Environment in this work?

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

The Minister for the Environment through his officers, yes, absolutely.

The Connétable of St. Clement:

In your letter of 3rd February ...

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

Sorry, just quickly on that, one of the reasons ... I am being a bit slow. One of the reasons the Minister himself is not involved is because the Minister plays the regulatory role and the Economic Development Department kind of plays the business development role. So it is important that the Minister remains free to regulate. I may want to push the industry in a particular direction, but the Minister may have environmental reasons why he thinks that is not appropriate and so he needs to be free to make those decisions.

The Connétable of St. Clement:

Understood. In your letter of 3rd February 2023 you confirmed that the rural initiative scheme is not designed to provide finance for business to become established. There are currently no mechanisms in place specifically for this, although consideration is being given to support this requirement. Could you update the panel as to progress on this issue?

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

I will have to provide that in a more written form, but it is true. It is one of the areas which the rural support scheme and the rural initiative scheme do not really operate is helping someone just set up a farm full stop. So even the smallholders, they have to get going before they can access the support scheme, so I think it is worth us looking at it.

The Connétable of St. Clement:

How is the delivery of a revised rural initiative scheme progressing?

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

I would have to get back to you on that.

The Connétable of St. Clement:

Yes. There is a scoring system used in the rural initiative scheme which prioritises larger farmers over smallholders and newcomers as they will be more likely to have been able to invest in meeting criteria such as achieving industry accreditation. What consideration have you given to altering the scoring systems to allow for allocation of the grants in a manner that might support the continued growth of smallholders and new entrants and avoid potential growth of monopolies?

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

We are always adjusting the rural support scheme and, as I just said, for the first time in a very long time it directly supports smallholders. It is also really interesting because the main environmental accreditation that farmers have to adhere to is L.E.A.F. (Linking Environment and Farming), the L.E.A.F. standard. I have spoken directly myself with people from L.E.A.F. about them developing a smallholder element of their service and that is an ongoing discussion. But I believe L.E.A.F. are committed to providing that smallholder element because we realise that the barrier is too much. L.E.A.F., like many environmental standards, is about auditing a lot of the time, setting benchmarks and constant auditing, and if you are a smallholder who just does not have the resources, either human or financial, it is harder to do that. So they need a scaled-down version of L.E.A.F. and we are having conversations about that.

The Connétable of St. Clement:

During oral questions at the sitting of 23rd February you indicated that the marine support scheme was due to be launched in May. Can you confirm that this is the case?

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

Yes. It has been launched. Did we make it ... or did it get launched today? I think it may have crept into June.

Head of Local Economy:

Yes, I think it is creeping into June.

The Connétable of St. Clement:

What benefits does the scheme provide?

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

It is £300,000, so it is cash and it is structured in a very similar way to the rural support scheme in that there are criteria against which fishermen receive credits. Those credits add up to a financial payment. So it is not about ... there is an element to catch but it is also about management, so the way they manage themselves on the seas and pushing as well for improved environmental performance, safety standards, things like this. The safety scheme is built into the marine support scheme as well.

The Connétable of St. Clement:

How do individuals apply for the scheme?

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

They just have to contact the department directly. I believe that the officer, the head of rural economy, has made that clear as to how to do that, I believe.

The Connétable of St. Clement:

That is your department, not ...?

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

It is my department, exactly. I believe that the fishermen do understand how to do that.

Group Director, Economy:

Through you, Chair, there is a collaboration between the Environment Department who manage the logbooks and so on and so forth, so this is about making sure that the applicants are bona fide. That is just a supplementary point.

Deputy M.R. Scott:

I think the panel will probably be following up in terms of more details of this scheme.

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

Absolutely, feel free. Like I say, it really is based on the rural support scheme so it has taken that model and is applying it to the fishing industry.

Deputy M.R. Scott:

So 2 things I just wanted to establish at this stage. We had a delay in starting this hearing, as we know. Would you be able to stay an extra 15 minutes?

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

Well, we did not have a 15-minute delay but ...

Deputy M.R. Scott:

Yes. Okay, we will negotiate a bit later. We will do 10 for now. Also, Constable Troy, would you be happy to move on to the sports section now?

The Connétable of St. Clement:

Yes.

Deputy M.R. Scott:

I would like to ensure that the Assistant Minister has an opportunity to speak and the other questions I can follow up later.

The Connétable of St. Clement:

Assistant Minister, the panel understands you have commissioned an independent sports review. Can you please update us on how this is progressing?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Yes. The review is well under way. Obviously, it is independent so I do not have an awful lot to say myself about how it is going. Simon Cooper was in the Island a few weeks ago, so that is the individual who is carrying out the review. He met with a number of stakeholders, and myself included, and he - but facilitated by officers - is due to put out some formal survey questions which are being opened up to the public in the next couple of weeks hopefully.

The Connétable of St. Clement:

Which begs the question: why was an external adviser appointed as opposed to a section officer within the Sports Department?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

I was very clear from the beginning that I wanted this to be an independent outside expert in this field. If you look at the terms of reference - I do not know if you have seen them but I can read them out - the first one is: "To review how the Government's sport and physical activity policy and strategy are formulated and implemented and to review if the existing arm's length partners, structure, organisation, management and delivery remains appropriate, relevant and fit for purpose to meet the Council of Ministers' Common Strategic Policy and Ministerial priorities of the Minister for Economic Development." In my view, if we had had an officer leading that review it is the Government marking its own homework, effectively.

The Connétable of St. Clement:

What oversight of the costs of this review do you have and can it be considered value for money and is this part of the value for money work being undertaken by the department?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

So the outline budget is around £12,000 for this review, plus there will be some hopefully small costs associated with the 2 visits which are planned to the Island by Mr. Cooper. I personally think that represents excellent value for money for this kind of work from somebody with huge experience in delivery and strategy and policy in some really exciting projects.

Deputy M.R. Scott:

Sorry, to just follow up, is he looking into the value for money aspect?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

The terms of reference do not specify the costs and value for money, but I expect that his work will link into that very much. I think there will be some crossover and some learnings that can feed into the more general A.L.O. value for money piece of work as well.

The Connétable of St. Clement:

Is it appropriate for funding of adult sport to come from the Department for the Economy budget, given the contribution of sport to public health?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

The funding around Jersey Sport particularly, because that is where all sport funding currently from Government goes to, is one that has taken me time to get my own head round, being perfectly honest with you. It does come from different departments. There is money from Education. There is money from Health and Public Health as well. The Economy Department acts as the grant giver and I understand that is the formal mechanism with most, if not all, of the A.L.O.s. An interesting element of that is that then this department is held accountable, quite rightly as it should be, for all of it. So one of the things I have been really keen that I wanted Simon to explore, as it were, is around how those relationships work across Government and then with Jersey Sport as well.

Deputy M.R. Scott:

How does ... sorry?

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

Sorry, yes, I was just going to ask if you do not mind ... we have that situation obviously we discussed earlier with Digital Jersey as well, how there was funding from the Education Department there. There is no one place you can put somebody's activity. So sport is classic. It has public health benefit. It has educational benefit. It has economic benefit. So whichever department you put it in, there will always be some elements which kind of do not "belong" in that department. I am really comfortable with these sitting in the Economy Department and we work closely - as Lucy said and Alex said with regard to Digital Jersey - with other departments to help fund that. Yes, they have to sit somewhere and I am really proud that they sit with us.

Deputy M.R. Scott:

I am going to just ask a follow-up, if I may. In terms of this contribution towards public health, would the key performance measures not relate to public health? So how does this factor into the Department for the Economy giving grants that are related to an area that perhaps is very much

driven by public health and in terms of the actual measures that you might apply there in terms of how it is performing?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

I think the key thing for me is collaboration and communication across Government. Again, it is one of those things I hope in the next few months we move on past this review to really create a system fit for the future to ensure that that happens.

Deputy M.R. Scott:

So how much has the Minister for Health and Social Services informed the terms of reference?

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

Public Health does not sit with the Minister for Health and Social Services. It sits in the Cabinet Office.

Deputy M.R. Scott:

The Cabinet Office, right, but it is a public health measure.

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

I believe.

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Yes, it does. It does. But that is just also one element of it, and there are many elements that all link together.

Deputy M.R. Scott:

I think if we could have a copy of the terms of reference and then we can perhaps ...

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Yes, and they are public so, yes, we can ...

Deputy M.R. Scott:

I think we will follow up on that, yes. Thank you.

The Connétable of St. Clement:

Can I ask: are the inspiring active places strategy, the Island public estate strategy and the asset management plan as well as the Fort Regent decant in scope of this review?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

No. So facilities sits under the remit of the Minister for Infrastructure, and you will recall I have an Assistant Minister role there now to ensure that I have crossover and overlap. So facilities do not fall specifically within the scope of the review, but I do know that naturally they are very interlinked with sport and physical activity and I have no doubt that they will come up as part of it. But it is not specifically in the terms of reference.

The Connétable of St. Clement:

Okay. The panel understands that the inspiring active places strategy remains under review by the Minister for Infrastructure. What influence do you have in overseeing that work?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

So the Inspiring Active Places Board has been reconstituted. We have met twice since that has happened. The Minister for Infrastructure chairs that board and I am the deputy chair. That is to get that work going as part of the inspiring active places strategy. I think it is fair to say that one of the first jobs has been to take a look at the terms of reference for that group and also to just start reviewing the strategy itself as well. That strategy was written ... the world has changed somewhat in the last few years since that strategy was first written and I think we need to just refresh it perhaps.

The Connétable of St. Clement:

It is understood that the decant of Fort Regent is reliant upon the completion of the school and community sports facility development at Oakfield. What progress is being made in that regard?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

You will be aware that the Oakfield project has encountered a delay, mainly due to the collapse of Camerons, which was the contractor, which had been due to start on that project. So in the next few weeks we are due to go back out to tender on that project and at the moment are hoping to get spades in the ground by the end of the year hopefully.

The Connétable of St. Clement:

Can you confirm when the contract solution for the AquaSplash facility is due to be renewed?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

I believe it is July.

The Connétable of St. Clement:

Do you have any further updates as to further development of sports facilities in St. Helier Town Centre, as well as Les Quennevais, as identified in the inspiring active places strategy?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Obviously, we have gone live now with Springfield and the move to there and I think it is fair to say the next few months there is going to be snagging works and bedding in needs to happen around Springfield.

[11:45]

That will be worked out. That is obviously a shift in movement but it also presents an opportunity for a large part of St. Helier that live around there, very much within walking distance as well. So I think that is important from, as you mentioned, St. Helier specifically. The Inspiring Active Places group is also working with the States of Jersey Development Company on what the requirements from Government may be for down at the waterfront for the replacement of facilities down there.

Deputy M.R. Scott:

Sorry, Les Quennevais?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Sorry, Les Quennevais remains in the inspiring active places strategy as a long-term project that we need to start thinking about now because it is of an age that its replacement is due in the not-too-distant future. There is not any active update on that but ...

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

It has a good skate park.

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

It has got now a very good new skate park.

Deputy M.R. Scott:

So might you come back to us about Les Quennevais and how you might be ... what you might schedule in terms of looking at that?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

I can in due course, yes. As I say, it is very much in the strategy that it needs to be looked at, but on the to-do list we just have not quite got there yet.

The Connétable of St. Clement:

I am going to be very naughty here. East of Island?

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

Where is that? [Laughter]

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

East of Island. The Connétable will know that I have made it ...

The Connétable of St. Clement:

Grouville, St. Martin.

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Myself and the Minister for Children and Education have really worked hard to ensure that the Le Rocquier project gets the attention that it deserves. A decision has been made to progress that with focusing on the needs of the school initially. That will be a school facility for use by the school, prioritised by the school, but then with community use in the evenings and at weekends. That project is now, as it were, back in the hands of Education as a capital project for them to pursue, so it is not under my remit, although I continue to have an active interest in it.

The Connétable of St. Clement:

Which means you might have some more money further down the road.

Deputy M.R. Scott:

Have any dates been mentioned in terms of delivery?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

That would now be a question for Education, but I do believe that there are bids in as part of the Government Plan process to further that work. It is fair to say the school really needs ...

The Connétable of St. Clement:

What actions are you undertaking to negate the issue of parking near the new facilities at Springfield?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

There are 3 areas of parking, so some mitigating attempts have been made, including taking back some parking in the gyratory across the road from Springfield that was previously leased out to residents and which has created, I think, another 40 or so spaces for active users. There is also overflow been created out of hours at Springfield School. So some steps are being taken. There is also a need, I think, to police the car parks that exist where perhaps it has not happened in the past

and people had parked and walked into work and town. Steps are being taken, but I do acknowledge it is a facility not next to a multi-storey car park. It is going to be a challenge in that respect. Discussions presumably will be under way about buses and others - it is on a circular bus route - and obviously we want to encourage active travel as well.

The Connétable of St. Clement:

The Assistant Minister indicated during oral questions on 23rd May that she had requested an update on usage figures for the facilities. Have you received an update as to whether there has been an impact on Active card membership or use?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Not yet. I am still waiting for it. I think we are now 2 weeks in and the suggestion is that it is sensible to ... let us give it a month and have a look at where we are at.

The Connétable of St. Clement:

Here we go, I had forgotten we had this, yes. Could you update the panel as to the sports work around Le Rocquier School as identified in ...

Deputy M.R. Scott:

It sounds like that ...

The Connétable of St. Clement:

We have covered that.

Deputy M.R. Scott:

... is with the Education Department.

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Yes. One thing I would add is that, and again the Connétable will know, I think the instruction has gone that can we design something that could be added to in the future as well.

Deputy M.R. Scott:

Okay. As the clock ticks I will be asking for quickfire answers as much as ...

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

Can I just very quickly add that there is also ... east and west there are also some interesting private sector projects which are aimed at sports infrastructure, which Government needs to work with in terms of if they go ahead there is no point duplicating provision. But it is interesting.

Deputy M.R. Scott:

It is good to know you are aware.

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Of course, we are due to debate the F.B. Fields enabling law on 13th June as a States Assembly.

Deputy M.R. Scott:

Right. Have we had a copy of that? Have we had any details of that?

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

It is on the Order Paper.

Deputy M.R. Scott:

Okay.

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

Not the Order Paper, the website.

Deputy M.R. Scott:

Thank you. So, quickfire answers, hopefully. The Ministerial delivery plan identified the design of an elite sports strategy by quarter 3 2023. Could you please update the panel as to the purpose and progress of this strategy, noting that during our last hearing the elite sport pathway was identified as being a priority for officers?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Yes. So the aim of it is to come up with a collaborative and co-ordinated approach which allows people to fulfil their potential in Jersey and reduce some of the inequalities around access for elite or potentially elite athletes. That is very much work under way and a growth funding bid has been submitted as part of the Government Plan process.

Deputy M.R. Scott:

So what do you expect to ... because I understand you have recruited an officer in this?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Yes.

Deputy M.R. Scott:

So in terms of the funding, what ...?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

So the sports sector officer has been in place since February and is doing some absolutely fantastic work on a very long to-do list that I had developed over the previous few months around sports policy generally, and this is one of her priorities.

Deputy M.R. Scott:

So what additional funding are you anticipating is needed to produce this strategy?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

I think the bid is around £150,000 a year. That is not to produce the strategy, that is to deliver on it.

Deputy M.R. Scott:

In the form of what?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

So currently it has 3 key elements, which is around support for athletes, support for coaches and increased opportunities to access higher-level competition and training on and off the Island, and the benefits of taking that kind of approach is that as well as supporting the individual athletes and the teams around them, it will also trickle down into sports development more generally.

Deputy M.R. Scott:

Okay. Could you please clarify the difference in terminology of the strategy and pathway used in the delivery plan and that of our last hearing?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

I think we just have not quite settled on what we are going to call it quite yet.

Deputy M.R. Scott:

So they are interchangeable at the moment, right. What progress in the identification of an Island stadium has there been, please?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

None at all. It is in the inspiring active places strategy as an aim but no site has been identified for it and personally I have not received any representations from sports since I have been in this role that anyone is interested in an Island stadium provided by Government at the moment.

Deputy M.R. Scott:

So I think that suggests you are not considering Springfield Stadium in this regard at this moment in time then. What action has been taken to discuss the possible relaxation of rules, such as the need for large-capacity stadiums, in league progression of the small jurisdiction sports teams with sport bodies such as the Rugby Football Union?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

I would suggest it is a question for those teams individually. I have not been involved in any discussions.

Deputy M.R. Scott:

So do you not feel there is some room for Ministerial or governmental representation?

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

No. No one has come to me and said that they want to have the conversation.

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

I was going to say have we been asked for that.

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

Yes, I have not been asked for that.

Deputy M.R. Scott:

Nobody has asked for that, okay.

Assistant Minister for Economic Development, Tourism, Sport and Culture (1):

It is not currently my priority.

Deputy M.R. Scott:

We are going to move on to 2(1)(e) policy and high-value residents. So, Minister, following your correspondence of 17th April, the panel is mindful of the proposition lodged by the Minister for Treasury and Resources concerning 2(1)(e) taxation. How could that proposition impact upon your work regarding high-value residents and Locate Jersey, which I believe is within your remit or a Minister within your department?

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

Well, obviously the Minister for Treasury and Resources' proposition impacts directly in terms of it is Locate Jersey that helps attract ... it is their work to attract high-value residents to the Island. So

as we change the criteria for high-value residents, then obviously Locate Jersey will have to communicate that to potential candidates.

Deputy M.R. Scott:

It seems quite reasonable. I think we have already answered a question about potential tech founders, other paths. Just out of interest insofar ... and I know we have had a general discussion in terms of the way in which policy may be evolved to discuss this, but this ... which seems to be on the assumption that you are looking into the potential for attracting tech founders and the potential that might be brought by people who are perhaps less asset rich but more knowledge rich. How will Locate Jersey target those individuals, do you contemplate?

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

How do they or how will they?

Deputy M.R. Scott:

How would they?

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

That is something we will work through as we develop that policy. I am not in a position to say at the moment.

Deputy M.R. Scott:

I am going to pass to Constable Troy.

The Connétable of St. Clement:

Can I just ask a quick supplemental on 2(1)(e)s? Have we ever considered using 2(1)(e)s as a sort of cheap consultancy? These people have huge experience in business.

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

I would not like to use the word “cheap” but I certainly ... there is no question that I have already asked questions of people who are high-value residents where I know that they are experts in particular fields, and that to me is part of what we want. Deputy Perchard in the last Assembly, she brought a proposition forward which was about the social value of high-value residents, and to me that is part of the role they can play is bringing that expertise to the Island and us being able to tap into it.

The Connétable of St. Clement:

So we could potentially coerce them into giving 100 hours over 3 years of free consultancy ...

[Laughter]

Deputy M.R. Scott:

In terms of the question about potentially ...

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

I do not think I would frame it ...

The Connétable of St. Clement:

Probably the wrong phrase, yes.

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

... in terms of X amount, if you understand what I mean. I do not know if that is appropriate because it almost sounds like punishment then.

Deputy M.R. Scott:

Yes, coercion does not sound like ...

The Connétable of St. Clement:

I believe there are some that would willingly give the time.

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

That is what we look for, exactly. I do know high-value residents who do ... new high-value residents who are really vital in some areas of the work we do.

Deputy M.R. Scott:

I believe that is a question that I separately asked and the Chief Minister raised this potential advisory council, this actual use, and I do understand that many of them ...

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

It might be quite good to formalise it in that way.

Deputy M.R. Scott:

Yes, a voluntary ... acknowledging, as I believe we do, that many of the high-value residents in this Island have been prepared to volunteer services. There is a question about how well that has been received and used in Government, so I think we perhaps can follow that up in different ways.

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

It is a constant question. I know at least one who has felt a bit frustrated that the Government has not listened to their expertise, but I also know others who have been listened to for sure. It is not polite, if nothing else, to not listen to people. Part of government is always listening to people.

Deputy M.R. Scott:

Would you be supportive perhaps of a more structured way of using this as a resource?

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

I think that is probably a good way to do it. I do, and I think on the surface that seems like a good way to do it, to structure it in an effective way.

Deputy M.R. Scott:

Yes, a more transparent way.

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

Yes, transparent but I think just structured, because obviously people in the street I speak to, they offer me advice all the time, too, and that is taken on board. We must remember high-value residents are residents of Jersey, like any other citizen, but some of them bring expertise which is wonderful to tap into.

Deputy M.R. Scott:

Okay. We might just move on to the expenses.

The Connétable of St. Clement:

So export and inward investment strategies. The delivery plan identifies you would be publishing export and inward investment strategies by the end of Q1 2023. Can you let us know the reason behind any delay?

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

Who shall I blame for not publishing? I will blame myself for not publishing it because the export strategy has been substantially complete for a few months but I have just not been satisfied that it is 100 per cent complete. So I have just been asking for tweaks and changes to be made, but it will be published very soon.

The Connétable of St. Clement:

Can you explain the gross value added of full-time equivalent employee inclusion for inward investment applications as identified in the delivery plan?

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

The G.V.A. (gross value added) of the employee?

The Connétable of St. Clement:

Yes.

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

No, I cannot, sorry.

Deputy M.R. Scott:

So maybe we might follow that question up in writing to give you a bit more time.

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

Please do. I will ask Thomas to get his calculator out.

Chief Economic Advisor:

That will be quite a calculation I have to say.

The Connétable of St. Clement:

What means for evaluating productivity or potential productivity of inward investment businesses have been identified?

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

Would you mind repeating that, sorry?

[12:00]

The Connétable of St. Clement:

What means for evaluating productivity or potential productivity of inward investment businesses have been identified?

Deputy M.R. Scott:

If it helps, I think it is basically, how will productivity or potential productivity of inward investment businesses be evaluated?

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

To be honest, I will pass that to Tom because it would be a more generic calculation.

Chief Economic Advisor:

It is and it is already in the system. So it is the normal productivity equation, the gross value added over full-time equivalents which we use on the Island. I think drilling that down to an officer level who is working in government is a very difficult calculation to do. It is useful, although slightly crude, at that level that we are discussing it, but there is not much more to go on. So I think it is still the right piece of data to use. We have had that discussion at quite a lot of length if there is something better and there maybe needs to be more subtle data brought into things as well. But it is still quite appropriate to use it and we do use the normal calculation as used across the rest of the Island.

Deputy M.R. Scott:

But how does that cover potential productivity, though? Because we have been having a discussion about knowledge contribution and potential down the line for creating value, so G.V.A. is all very well because it seems very much an instant measure, but how are you going to evaluate this in terms of your inward investment strategy?

Chief Economic Advisor:

You can use G.V.A. in the future as well of what you would expect it to be. That is what a business plan would effectively do. So when people are submitting their applications you would expect them to have a business plan of what they are aiming to achieve in the next year, 5 years, et cetera. That would be evaluated at the same time, so that is the potential. Where you might then link that back to other strategies, which is I think what you were talking about earlier, would be useful because where do we see potential on the Island and what sectors and groups of people do we want to see coming in, that is where it links into things that we are already doing and the potential we see and, therefore, it becomes a bit more strategic.

Deputy M.R. Scott:

So you can look at more generic things. All right. Thank you.

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

If I could quickly add as well, in H.A.W.A.G. (Housing and Work Advisory Group) where we make the decisions about licensing businesses and people, with businesses we are provided with that and it is speculative at the end of the day because it is forward looking. No one can accurately predict the future, not even Tom.

Chief Economic Advisor:

Definitely.

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

So we do have that kind of business planning information in there and it is on us to make a judgment as to whether we think those are appropriate figures. Sometimes I know just the employment salaries that are being suggested I know straight off the bat are not realistic sometimes. So you can, even as a politician, judge whether they are realistic business plans.

Deputy M.R. Scott:

However, in respect of what you have already raised in terms of knowledge capital, should there not somehow be a separate evaluation of that that you kind of ... because, for example, if people are bringing knowledge into the Island there is a different way of assessing that because that can be used to future ... so will that be looked at as part of this strategy?

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

I am happy to see if we can look at that. That would be one for H.A.W.A.G. I think specifically rather than the Economy Department but it is definitely ... because it is value. There is no question we are a knowledge economy so valuing that knowledge in some way would be really helpful.

Deputy M.R. Scott:

Yes.

Chief Economic Advisor:

I think as the Minister said, though, we put all the information in front of Ministers. It is for them to make a value judgment on what they do think it would come in with regard to all the other strategies and policies that they have in place. So it is not done in isolation just looking at a productivity figure.

Deputy M.R. Scott:

No. I guess a lot comes down to how information is presented. All right.

The Connétable of St. Clement:

Okay. We know that following the collapse of construction companies in the Island you indicated confidence that new employment opportunities will emerge very quickly. What actions are you undertaking to support the continuation of the construction industry in Jersey?

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

So first of all the information we have is that those new employment opportunities did show themselves. Having spoken to the Social Security Department, they have seen very little, if any, take-up of income support and back-to-work schemes from that sector. So obviously there will be potential individual cases which we are unaware of or not that ... the picture that has been painted

to us is one where pretty much everyone who did lose their jobs unfortunately has found reemployment in the sector. That would make sense for Jersey's overheating kind of employment market. Outside of just helping people get back to work there has been no direct involvement to support the industry in any way, as far as I understand it. We have had conversations with the industry at an officer level and we are trying to work to understand. As you will know, Tom has been doing work on the industry as well in the Economy Department but so far no specific support has been offered.

The Connétable of St. Clement:

That is good, not necessary. Have you been in contact with the Jersey Construction Council to gain greater understanding of the issues being faced?

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

I personally have not.

Head of Local Economy:

I am the department representative on that council and attend their meetings now.

The Connétable of St. Clement:

What have you managed to glean from the collapsed companies?

Head of Local Economy:

I have not been to a meeting yet because only since the construction ... those 2 particular ...

The Connétable of St. Clement:

It has just been formed.

Head of Local Economy:

Exactly, so since those 2 firms collapsed we agreed that it would be good to have that sector represented within the local economy and the Department for the Economy, so I volunteered my services.

The Connétable of St. Clement:

So we will learn some lessons very shortly, I presume.

Head of Local Economy:

I hope so.

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

There is a lot to understand about that sector and the Government has left ... it is correct that the Government has left it to its own devices entirely and now we would like to understand a little bit about how it operates.

The Connétable of St. Clement:

Do you believe ... this might be for you, Heath. Do you believe that public sector fixed rate contracts may be impacting upon private companies' cash flow in light of recent high inflation and increased interest rates?

Head of Local Economy:

I think it is potentially, yes. It is well-publicised that those were the causes for those ...

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

Clarification, sorry, not public sector fixed rate but fixed rate.

Head of Local Economy:

Fixed rate, yes, public sector I could not comment yet but I hope in due course I can.

The Connétable of St. Clement:

We will wait and see. Will you be setting out a long-term vision for the construction industry and how Government can support local companies, noting labour shortages, and, if so, where?

Head of Local Economy:

I think they have done a pretty good job to date on managing themselves, so I think again a similar answer. Given time and attendance at a number of those meetings we should be able to establish what their needs are and what level of Government support they require. I think a good start point is the sector having a link into Government through the Department of the Economy, so I would be very happy in future Scrutiny Panels to report back on progress and what the sector's needs are.

The Connétable of St. Clement:

That is great. Minister, in your letter of 6th April you identified that you had considered the panel's suggestion to partly release business cases while observing that much of the information contained within business cases is provided in the public domain. That is inter-Ministerial business cases, funding requests, et cetera.

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

Yes, much of that is in the public domain so I think that obviously if it is in the public domain you are very welcome to it. But we try to give you as much information as you ask for.

The Connétable of St. Clement:

So how is information in the business cases identified as commercially sensitive?

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

Where it is commercially sensitive, then we have to be aware of that. That can be things like tendering, the price that we ... if we have a business case which requires some work by, let us say, a consultancy, if we are to write into that business case, which we would, how much we are planning to pay for that work, we would not want that to go out to the public because then it is telling those consultancies how much we are willing to pay. I have a funny feeling they would all come back with that figure as their tender amount. So that is what we mean by commercially sensitive in that situation. If I could just quickly pick up on one thing with the construction, we are looking ... when we talk about support for the industry, I do not in my mind envisage that being financial support in any way. I just really wanted to clarify that.

The Connétable of St. Clement:

Could you request that the same information can also be provided in redacted format in order to allow publication?

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

Always. I do not have an issue with publishing things which are able to be published, and so if it did mean redacting to make that possible I am personally happy with that.

Deputy M.R. Scott:

So perhaps might we see at the time of the next Government Plan where you have these bids then a contemporaneous publication of the business cases in redacted form for the public to see?

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

Not necessarily contemporaneous, no, because I think sometimes we also ourselves need to think through these things before putting them in there. Because we might even go back to ask for changes to be made, so no.

Deputy M.R. Scott:

But at some point?

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

I think there is a reality that is very difficult in any situation, private sector, public sector, wherever you are, to be constantly having 100,000 eyes look at the work that you are constantly doing. So if we are trying to, as a department, understand business cases that have been put to us, et cetera, and work through that, to have contemporaneously 100,000 people looking at that work makes it really hard to do that work.

Deputy M.R. Scott:

In justifying the bids, the actual lines of funding in the Government Plan, though, would there not be merit in publishing the business cases that supposedly back up those requests for extra funding, knowing how in this community the concerns that arise in terms of Government expenditure and the increase?

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

Wherever we can I am happy to, but by saying that it does not mean that we necessarily will. It is where we can, yes, but also sometimes it is better to publish it afterwards. Because what happens ...

Deputy M.R. Scott:

We moved on from contemporaneous so we started with the idea that ...

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

Everyone has a different opinion and so if you are constantly publishing it and trying to make decisions, then you will not ever make a decision.

Deputy M.R. Scott:

It does affect the ability to scrutinise these things in terms of giving, as you say, the community itself the ability to say ... or people who have knowledge in the community to give an objective kind of input in terms of information that has been provided to the Minister.

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

Yes. How much is published when it comes to Government Plan?

Group Director, Economy:

For our internal business cases for growth in the Government Plan?

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

Yes, but also from A.L.O.s, et cetera.

Group Director, Economy:

So the consideration documents never, as far as I can understand. So we are basically putting a business case internally to our Treasury colleagues, effectively, having sometimes ... in the case of, for example, additional funding to an A.L.O., it obviously gets quite significant discussion with those third parties around what their needs are. But in my experience we tend not to publish those.

Deputy M.R. Scott:

So could this be progressed, Minister, because on the basis there could be 2 advantages there? One is that although I do appreciate the concerns about always having 100 eyes, that to the extent that you have a certain amount of public scrutiny within the business community of some of these bids because, as you say, somebody might be saying: "It is going to cost X" to provide a service and there may be other ... that may not quite conform with the understanding or, indeed, the knowledge of the private sector that gives an opportunity for review, as it were, but also in terms of the idea of the general transparency in what is being provided for the money.

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

I think you would have your work cut out.

Deputy M.R. Scott:

We all do.

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

But I think the right people to speak to here is the Treasury because a lot of it goes through Treasury, so I think it is a case for them, and also speaking to the Chief Minister to understand their views as well. Because I think once a department does this then all departments do it and I think that needs to be decided at that Treasury/Chief Minister kind of level.

Deputy M.R. Scott:

There is an element of leadership that we might ask you to consider as well.

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

Yes, I will do that in consultation with my colleagues.

Deputy M.R. Scott:

Thank you. I am going to let you go now. Thank you very much. We have some follow-up questions.

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

Beautifully negotiated halfway between 10 past and quarter past.

Deputy M.R. Scott:

Or did we say 10 minutes? Thank you very much. We will have some follow-up questions because I did omit some, as well as follow-up questions on the answers, so I would be grateful if you could just receive those. Have I got anything else? So basically just to thank everybody, the officers and Ministers for being here, panel officers, too, and the members of the public who have attended and shown an interest in this. Thank you.

[12:13]