

Government Plan Review 2020

Economic and International
Affairs Scrutiny Panel

11th November 2019

This report forms Section 3 of the Government Plan Review Panel's report
on the Government Plan – S.R.13/2019



**WE
SCRUTINISE
GOVERNMENT.**

**ECONOMIC &
INTERNATIONAL
AFFAIRS
SCRUTINY PANEL**

**GOV
PLAN
2020-23**

States of Jersey
States Assembly



États de Jersey
Assemblée des États

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Section 3 – Economic and International Affairs Panel’s Government Plan Review

3.1 Economic and International Affairs Panel membership

The Panel comprised of the following States Members:



Deputy Kirsten Morel (Chair)



Deputy David Johnson
(Vice-Chair)



Senator Kristina Moore



Deputy Jess Perchard

3.2 Chair's Foreword

Undertaking this review into the Government Plan has been both complex and demanding but importantly, it has also been rewarding.

As a result of the public hearings and the submissions received by the Panel, it is now fair to say that all of us are far better acquainted with the Ministers' plans for 2020 than we would otherwise have been.

Drip-Drip of Information

Naturally, the Panel has been disappointed with the manner in which the government presented its information for the Plan. The initial documentation, received towards the end of July, was insufficient for effective scrutiny and whilst the Panel was keen to get on with its work by making the most of the Summer period, the unfortunate fact was that government Ministers had jetted off on their holidays, meaning that hearings could not be arranged and the receipt of more detailed information was delayed until September.

It is also unfortunate that information about the much-heralded Efficiencies Plan was still dripping from government in late October. Given the apparent importance of the efficiencies to the Plan's success, it is difficult to understand why their publication came so late.

It is against this backdrop that the Economic and International Affairs (EI&A) Panel has conducted its work. We are however, grateful to all of the Officers and Ministers who, once back from holiday, have helped us undertake our work.

Overall, we are satisfied with the Plan insofar as it relates to the relevant three Ministers, and have lodged only two amendments. One to increase spending on the maintenance of sports facilities by £125,000 and the other to remove funding of £150,000 for the proposed Financial Stability Board. These amendments roughly balance each other and so have no greater effect on government spending.

A Watching Brief

As you read through the report, you will see that we do have specific concerns with regard to particular projects and will be watching over Ministers to ensure these are addressed. History teaches us that improperly managed IT spending has the potential to overrun whilst simultaneously delivering very little in return. The E&IA Panel will work with other Scrutiny Panels to ensure that this does not happen.

Importantly, no part of this report endorses spending beyond 2020. Whilst the Government Plan gives a four-year outlook, Scrutiny and the States Assembly are only approving spending for 2020. Any Minister who tries to claim an approval for 2020 as an approval for future years, will be swiftly rebutted.

There's no doubt that this report is extensive and in depth. As Chair, I believe we have undertaken a comprehensive review of the Government Plan but upon reflection, I feel that we may have focussed excessively on government spending to the detriment of the revenue generating aspects of the Plan. As a Panel, we will take that lesson into 2021.

On behalf of the Panel, I would like to thank the Scrutiny Office for its incredible work. Without the support of officers, the Panel would not have been able to develop this report in time.

Personally, I would also like to thank my fellow Panel Members. Their understanding of the issues and incisive questioning has been crucial in bringing this report to fruition.



Deputy Kirsten Morel

Chair, Economic and International Affairs Panel

3.3 Methodology

The Proposed Government Plan¹ is presented as a series of Actions aimed at meeting the Government's five Common Strategic Policy priorities, as well as a new sixth priority of Modernising Government.

A supplementary document² has also been lodged to accompany the Plan, detailing planned expenditure over and above that budgeted in previous years for additional measures and capital projects.

This document provides the most detail of proposed Government expenditure for 2020, even though it only represents around 18% of the total budget, while the actions in the Plan have limited, or no, information on expenditure.

The Scrutiny review of the Government Plan has taken a thorough approach, looking at each Action, Business Case for Additional Revenue Expenditure, and Business Case for Capital Expenditure in as much detail as possible with the information provided by Government.

A summary of all Actions and Business Cases reviewed by this Panel is provided in Section 3.6 below. Only those Actions that do not correspond to a Business Case are listed in the summary table.

All Scrutiny Panels have agreed to use a common system to report on the status of each project, as follows:



This status means that the Panel has reviewed the background information on the project and is satisfied with it.



This status means that the Panel has reviewed this and either has concerns or considers that it needs more work, or further detail should be provided. It might also mean that the Panel considers it too early to make an informed decision. This may or may not lead to recommendations and/or amendments.



This status means that the Panel has reviewed this and is not satisfied or does not agree with the proposal. This may or may not lead to an amendment.

¹ Proposed Government Plan 2020-2023

² R.91 - Government Plan 2020-2023: Further Information on Additional Revenue Expenditure and Capital and Major Projects Expenditure

3.4 Key Findings and Recommendations



Key Findings

FINDING 3.1

The remit of the Minister for Economic Development, Tourism, Sport and Culture currently comes under the Growth, Housing and Environment Department. Plans are in place to remove the Economic Development element from the department and into one standalone department. These changes are not reflected in the Government Plan.

FINDING 3.2

An initiative of the Efficiencies Plan is a spend reduction in the Target Operating Model (TOM) for Growth, Housing and Environment. It is anticipated that the re-organisation of staffing and redesign of tiers 3 and 4 in the Department will achieve savings, however, it is unclear whether the removal of Economic Development out of the Department will affect the achievability of this initiative.

FINDING 3.3

The budget for the project “Sports Division – Minor Capital Replacements” does not include an adequate sum of money to maintain the islands sports facilities. This could impact on the project “Inspiring an Active Jersey” which aims to make Jersey one of the most physically active populations in the world.

FINDING 3.4

The project “Inspiring an Active Jersey” includes a number of ambitious programmes and workstreams. The aims identified within the project, although commendable, will require a significant amount of investment to bring sports facilities up to standard. The Assistant Minister has stated publicly that the sums identified are less than adequate. Therefore, the aims of this project do not add up in monetary terms with the project “Sport Division – minor capital replacements.”

FINDING 3.5

The project “Promoting Jersey” seeks investment to introduce increased air route connectivity and encouraging businesses to open outside of the summer months. The Panel is concerned about the deliverability of this project in terms of the availability of staff and costs associated with some establishments remaining open during the winter months.

FINDING 3.6

Part of the work on the project “Digital Policy Framework” is to protect Islanders with the emerging digital technologies such as artificial intelligence. The Panel was advised that, although this would form part of the project, how comprehensive the work would be was reliant on obtaining the right level of resources.

FINDING 3.7

The project “Cyber Security Growth” seeks to deliver a number of initiatives which form part of the Cyber Security Strategy. The Panel is concerned that a coordinated approach between

the Government and private sector in terms of cyber security is only now coming into fruition when Jersey has been at risk for a number of years particularly with a prominent finance sector.

FINDING 3.8

The project “Heritage, Arts and Culture” seeks to award funding to four arm’s length bodies (Jersey Heritage, Jersey Opera House, ArtHouse Jersey and Jersey Arts Centre Association). The Panel is concerned that the funding identified for 2020 (£700,000) has not yet been split between the four organisations. This will impact on the organisations’ ability to forward plan.

FINDING 3.9

There has been a significant lack of strategic direction within Heritage, Arts and Culture, with the last strategy published in 2005. The Minister for Economic Development, Tourism, Sport and Culture plans to develop two strategies in 2020 – the Heritage Strategy and Arts and Culture Strategy. All four arm’s length bodies were supportive of the development of a Culture Strategy.

FINDING 3.10

The project “Heritage, Arts and Culture” seeks to award funding to four arm’s length bodies. A proposition (P.105/2019) lodged by the Minister for Economic Development, Tourism, Sport and Culture seeks approval to award the Association of Jersey Charities with £1 million of Channel Island lottery proceeds to distribute amongst various organisations. The organisations chosen may include those which fall under heritage, arts and culture. It was confirmed to the Panel that these proceeds would not be used to fund the Government’s commitments in the heritage, arts and culture areas.

FINDING 3.11

The project “Financial Stability Board” seeks investment to establish the Board. A Ministerial Decision was signed by the Chief Minister on 26th July 2019 which actions the Chief Economic Advisor to organise the recruitment of a full-time officer to serve as the secretariat. Therefore, it seems that work is already being undertaken to establish the FSB before the funding in the Government Plan is approved by the States.

FINDING 3.12

The project “Financial Stability Board” (FSB) seeks investment to establish the Board. An interim FSB was established in 2012 but due to a lack of definition and funding it has faded away.

FINDING 3.13

The project “Financial Stability Board” (FSB) seeks investment to establish the Board. The Panel question why the Government of Jersey is establishing and funding a Financial Stability Board when this could be undertaken by an external body. In that regard, the Panel will lodge an amendment to remove it completely from the Government Plan.

FINDING 3.14

The project “reversing the decline in Jersey’s Overseas Aid contributions” seeks funding to align the JOA budget more closely with other developed nations. The JOA has made

improvements to its governance arrangements which should assure taxpayers that their money is being apportioned appropriately with the right level of safeguards.

FINDING 3.15

The project “reversing the decline in Jersey’s Overseas Aid contributions” seeks funding to align the JOA budget more closely with other developed nations. Within the supporting business case, the Panel welcomes the focused strategy from the JOA which will focus on three areas from 2020 onwards: Dairy for Development, Financial Services for the Poor and Conservation Livelihoods.

FINDING 3.16

There are two feasibility projects that relate to Fort Regent in the Government Plan. The first is the “Fort Regent” project and the second is the “Island Sports Facilities, Inspiring Places” project. There is a degree of crossover between the two projects, which require a consistent level of political oversight on both working groups which co-ordinate them.

FINDING 3.17

The pre-feasibility project “Island Sports Facilities, Inspiring Places” aims to deliver modern sports, leisure and fitness facilities. It has been accepted by the Assistant Minister for Economic Development, Tourism, Sport and Culture that more engagement is required with the Education Minister in order to use more facilities that are currently held by the Education Department.

FINDING 3.18

The major capital project “Cyber Security” seeks funding to develop a programme of technology initiatives to detect and protect the Government of Jersey from malicious activities. The Panel has rated this project as amber at this stage, because further Full Businesses Cases for individual projects will be developed once funding for the overall cyber security portfolio has been approved. The Chief Minister should ensure that the full business cases are passed to scrutiny before they are finalised.

FINDING 3.19

The capital projects “Client Relationship Management System” and “Service Digitisation” were included in a “Technology Transformation Fund” business case which details the overall portfolio of a technology programme. The Panel has rated both these projects as amber at this stage, because further Full Businesses Cases will be developed once funding for the overall technology portfolio has been approved.

FINDING 3.20

There are several business cases that relate to investment in sport facilities, some are allocated funding over the 4 year period and others are not. There has been some confusion around how the allocation of funding for some sport provision will be distributed over the 4 year period. The Panel therefore considers that the business cases relating to sports facilities and the funding allocated to them are either at risk of duplication, or at risk of being delivered altogether because of a lack of funding.



Recommendations

RECOMMENDATION 3.1

The Minister for Economic Development, Tourism Sport and Culture should share with Scrutiny, the detailed plans for the removal of Economic Development out of Growth, Housing and Environment.

RECOMMENDATION 3.2

The Minister should ensure that there is a consistent level of political presence on both the Fort Regent Working Group and Sports Facilities Group. This will help mitigate the risk of duplication as the remits of both groups include Fort Regent. The Panel suggests that the two groups are amalgamated into one main group.

RECOMMENDATION 3.3

The Minister should provide further supplementary information on each business case relating to sport. This should include specific breakdowns of how funding will be allocated in each business case.

3.5 Departmental Budgets and Efficiencies

Departmental Budgets

The Economic and International Affairs Panel scrutinises the work of three Ministers; the Minister for Economic Development, Tourism, Sport and Culture, the Minister for External Relations and the Minister for International Development. Therefore, the project policy work contained in the various actions, programs and capital projects assigned to the Panel predominantly sit under:



Minister for Economic Development, Tourism, Sport and Culture Growth, Housing and Environment



Minister for International Development Jersey Overseas Aid



Minister for External Relations Office of the Chief Executive

In the Government Plan, the States Assembly has been asked to approve the proposed amount to be appropriated from the Consolidated Fund for 2020, for each head of expenditure. The table below provides a summary of the proposed “Revenue Heads of Expenditure” for 2020 for each department:

Summary Table 3(i) Proposed 2020 Revenue Heads of Expenditure ³			
	Income (£000)	Expenditure (£000)	Head of Expenditure (£000)
Growth, Housing and Environment	37,975	102,377	64,402
Jersey Overseas Aid	0	12,431	12,431
Office of the Chief Executive	648	19,599	18,951

³ P.71/2019 - Appendix 2

The Panel requested a further breakdown of how these figures are allocated across the wide remit of the three departments, as well as the expenditure for 2019. The following information was provided to the Panel:

Growth, Housing and Environment (Minister for Economic Development, Tourism, Sport and Culture)

2019 Net Revenue Expenditure (£000)	Service Area	2020		
		Income (£000)	Expenditure (£000)	Net Revenue Expenditure (£000)
163	GHE - General	(371)	534	163
17,680	Economy & Partnerships	(5,153)	25,782	20,629
3,357	Natural Environment	(769)	4,321	3,552
19,533	Operations & Transport	(19,768)	46,224	26,456
12,545	Property & Capital Delivery	(4,739)	17,284	12,545
1,057	Regulation	(7,174)	8,231	1,057
54,335	Net Revenue Expenditure	(37,975)	102,377	64,402

Jersey Overseas Aid (Minister for International Development)

2019 Net Revenue Expenditure (£000)	Service Area	2020		
		Income (£000)	Expenditure (£000)	Net Revenue Expenditure (£000)
10,340,500	Grant to Overseas Aid		12,431	12,431
10,340,500	Net Revenue Expenditure		12,431	12,431

Office of the Chief Executive (Minister for External Relations):

2019 Net Revenue Expenditure (£000)	Service Area	2020		
		Income (£000)	Expenditure (£000)	Net Revenue Expenditure (£000)
783	Chief of Staff	(200)	1,183	983
1,548	Communications	-	1,548	1,548
1,771	External Relations	(105)	3,331	3,226
8,473	Financial Services and Digital	(343)	13,537	13,194
12,575	Net Revenue Expenditure	(648)	19,599	18,951

These figures were provided to each Panel and correspond with the figures in the Government Plan. However, the draft Business Plans for each department were [published](#) on 23rd October which details a set of figures which include efficiencies. Therefore, the figures in the draft Business Plan are less than the figures detailed above.

Given the tight deadline for the review, and the fact that no big changes to income levels are expected as a result of the Government Plan, the Panel has focussed its attention on reviewing projects requiring expenditure.

The Government Plan states that as expenditure is approved based on departments, it does not directly align with areas of Ministerial responsibility. However, an indicative mapping of departmental allocations to Ministers' portfolio is included on page 138 of the Plan.

The 2020 resources allocated to the Ministers which fall under the Panel's remit are as follows:

Resources mapped to Ministerial portfolios ⁴	
Minister	2020 Allocation (£000)
Minister for Economic Development, Tourism, Sports and Culture	21,389
Minister for External Relations	14,896
Minister for International Development	12,431

Growth, Housing and Environment: Changes

The Panel was assigned a number of projects which fall under the remit of the Minister for Economic Development, Tourism, Sport and Culture (EDTSC) and therefore the Growth, Housing and Environment Department. When the Panel met the Minister, he explained that

⁴ P.71/2019 p. 138

changes to the structure of the Department, through the Target Operating Model, would include EDTSC as a stand-alone department.

The Panel has included this exchange to highlight the issue of whether the removal of a department will impact the funding allocations in the Government Plan. The Panel discussed this with the Minister and his officers:

Senator K.L. Moore:

“The Director General alluded to the fact that the target operating model for this department is almost complete. When will that be known publicly? What is D day?”

Director General, Growth, Housing and Environment:

Well, D day should have been in the next week but it has been pulled because of the impending changes to the operating ... to the reporting line.

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

That is the new Economic Department.

[...]

Director General, Growth, Housing and Environment:

It is unfortunate because it has been a long, hard, difficult process we have been through. I think the roles and responsibilities will ... the people will need to be doing those jobs so I do not think it is going to be a massive change but I think it was only fair and reasonable to do that.

Senator K.L. Moore:

Why has that come along at such a late stage? As the Group Director mentioned, this process has been an 18 month to 2-year process.

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

Political decision.

Senator K.L. Moore:

Right, from yourself?

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

Myself, Chief Minister, Senator Gorst.

Senator K.L. Moore:

Right. Are they reacting to a particular current and unexpected need?

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

No, I think as we have started getting into the ... as the new structure started to come together, I think we have all, just officers and politicians as well, Ministers as well, have ... I mean, we have officers working still in different buildings and different departments and I think it will be far more workable, productive, for everybody working on the economic future of the Island to be in one department.

Deputy K.F. Morel:

Can I ask is that going to be ... just so I understand in relation to the Government Plan, is that going to be Economic Development, Tourism, Sport and Culture, so all of those letters, E.D.T.S.C., all moving out of G.H.E.?

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

Yes. The plan is for everything that is currently E.D.T.S.C. ...

Deputy K.F. Morel:

I am just thinking ... am I looking at funding proposals which are to some extent irrelevant because you are about to come through with a whole new ...? This is what I am worried about.

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

I think the figures will not be irrelevant but it will probably be reported to the new department.

Group Director for Economy and Partnerships:

If I may, chairman, the design of the target operating model was very much along the lines of that these were kind of individual parts that could be ... in a sense were discrete in their own right but could be moved if it was felt that there was a better strategic way of grouping or amalgamating different functions. There is not much overlap between them, so they can theoretically at least be picked up and put wherever and function relatively ...

Deputy K.F. Morel:

I have to ask the Director General does that mean you are losing the "G" in G.H.E.?

Director General, Growth, Housing and Environment:

I need to be told that formally".⁵

The Minister assured the Panel that, from a funding perspective, the changes to the Department would not affect the figures relating to Economic Development, Tourism, Sport and Culture.

Key Findings**FINDING 3.1**

The remit of the Minister for Economic Development, Tourism, Sport and Culture currently comes under the Growth, Housing and Environment Department. Plans are in place to remove the Economic Development element from the department and into one standalone department. These changes are not reflected in the Government Plan.

Recommendations**RECOMMENDATION 3.1**

The Minister for Economic Development, Tourism Sport and Culture should share with Scrutiny, the detailed plans for the removal of Economic Development out of Growth, Housing and Environment.

⁵ [Public Hearing](#) with the Minister for Economic Development, 17th September 2019, page 18-20

Efficiencies

The Government Plan proposes £40 million of efficiency savings in 2020. Of this total, £7 million is increased tax revenues arising from more efficient tax collection. The remaining £33 million is included at the bottom of Summary Table 3(i) Proposed 2020 Revenue Heads of Expenditure in Appendix 2 of P.71/2019:

	Income (£000)	Expenditure (£000)	Head of Expenditure (£000)
Total Revenue Heads of Expenditure	100,055	956,830	856,775
Efficiencies to be allocated	0	(33,000)	(33,000)
Total income/expenditure after efficiencies	100,055	923,830	823,775

Further information provided in the [Efficiencies Plan](#) informs that the initial phase of the programme establishes an efficiencies target to sustainably reduce expenditure by the end of 2020 by £40 million, with a further £20 million to be delivered in each of the three subsequent years.

Growth, Housing and Environment

The Efficiencies Plan provides detail of a new revenue raising initiative under Growth, Housing and Environment which aims to achieve £700k of income. The initiative is to extend car parking charging hours from the current 8am – 5pm to 7am – 6pm. Any Scrutiny of this initiative would be undertaken by the Environment, Housing and Infrastructure Panel, but the Panel makes the general point that this does not seem to be an efficiency, it is merely charging the public more money to increase revenue.

The plan also explains a spend reduction in the Target Operating Model for Growth, Housing and Environment. The Target Operating Model is aimed at achieving the re-organisation of staffing and it is anticipated the reorganisation and redesign of tiers 3 and 4 in the Department will achieve savings of approximately £500k. However, it is stressed in the Efficiencies Plan that until the structure is complete and appointments made at tiers 3 and 4, it is not yet possible to be certain of the final outcome.

It is also unclear at this stage, whether this spend reduction will be affected by the removal of Economic Development out of the department, as previously mentioned.

International Development

The Efficiencies Plan informs that no efficiencies are planned under the Minister for International Development.

External Relations

The Efficiencies Plan explains that a number of efficiencies have been identified within the Office of the Chief Executive, Strategic Policy, Planning and Performance, Treasury and the Exchequer. The Office of the Chief Executive is where the Minister for External Relations sits. The Plan does not provide any further detail about what specific savings will come under the

Minister, other than explaining three opportunities for the efficiency saving which are as follows:

- private aviation income
- reduction in commissioning budgets
- additional Ofcom income

A table at the back of the plan identifies £366k for both the Chief Minister and the Minister for External Relations but no further details are given.




Key Findings























FINDING 3.2








An initiative of the Efficiencies Plan is a spend reduction in the Target Operating Model (TOM) for Growth, Housing and Environment. It is anticipated that the re-organisation of staffing and redesign of tiers 3 and 4 in the Department will achieve savings, however, it is unclear whether the removal of Economic Development out of the Department will affect the achievability of this initiative.





3.6 Actions, Programs and Capital Projects Reviewed

Actions			
Action	CSP reference	Page number	Scrutiny RAG Status
Further investment in sports facilities	-	20	
Develop an action plan to build a stronger, more inclusive sense of island identity	-	20	
Take forward the work of the independent charity commission	-	21	

Additional Revenue Programs			
Program	CSP reference	Page number	Scrutiny RAG Status
Sport division - minor capital replacements	CSP3-5-04	22	
Inspiring an 'Active Jersey'	CSP2-1-01	23	
Future Economic Partnership Goods and Borders Cluster	CSP3-1-03	26	
Economic Framework and Productivity Support	CSP3-2-06	28	
Promoting Jersey	CSP3-2-10	31	
Rural Economy Strategy	CSP3-2-11	34	
Digital Jersey growth	CSP3-2-05	38	
Delivering the Digital Policy Framework	CSP3-2-03	39	
Cyber Security growth	CSP3-5-01	42	
Heritage, Arts & Culture	CSP3-5-02	44	
Trade and Export function	CSP3-1-09	50	


Brexit – Constitutional implications policy resource	CSP3-1-01	52	
Brexit and international trade	CSP3-1-02	53	
Jersey Financial Stability Board	CSP3-2-08	54	
Competition policy and JCRA	CSP3-2-02	56	
Guernsey-Jersey Joint Working Programme	CSP6-2-10	58	
Continuation of External Relations funding	CSP3-1-06	59	
Jersey Finance Growth	CSP3-3-02	62	
Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)	CSP3-3-01	63	
Jersey Customs and Immigration Brexit Officers	CSP3-1-04	65	
Reversing the decline in Jersey's Overseas Aid contributions	CSP3-1-07	66	

Capital Expenditure Projects			
Capital Project	CSP reference	Page number	Scrutiny RAG Status
Fort Regent (pre-feasibility)	CSP3	70	
Island Sports facilities, inspiring places	CSP3	73	
Pride Software	-	75	
Court Digitisation	-	76	
PlainSail (Phoenix) software	-	78	
Regulation Group Digital Assets	-	79	
Cyber (major project)	OI3	80	

Client Relationship Management system	OI3	82	
Service Digitisation	OI3	82	
Sports Division Refurbishment	CSP3	84	
New Skate Park	CSP3	86	


3.7 Reports on Specific Actions and Business Cases

Actions not linked to a business Case

<i>Further investment in sports facilities across the Island</i>	
Minister(s)	Scrutiny RAG Status
Minister for Economic Development, Tourism, Sport and Culture	

Panel analysis


- The Government Plan explains that further investment in sports facilities will complement interim and future uses of Fort Regent.
- The Panel was advised that the reason this action is not linked to a project seeking additional revenue expenditure (i.e. a business case) is because it is instead linked to a capital project.
- Due to concerns raised around the level of funding allocated to sporting facilities by the Assistant Minister for Economic Development, Tourism Sport and Culture, the Panel has rated this action as amber. The funding concerns are explained in further detail within the Panel's comments on projects "Sport division – minor capital replacements" and "Inspiring an Active Jersey".

<i>Develop an action plan to build a stronger, more inclusive sense of Island identity</i>	
Minister(s)	Scrutiny RAG Status
Minister for International Development/Minister for External Relations	

Panel analysis

- The Panel was advised that the reason this action is not linked to a project seeking additional revenue expenditure is because it can be delivered by existing departmental budgets.
- In a [letter](#) from the Minister for International Development she explained that, in the latter half of 2018, the Chief Minister agreed to establish a Policy Development Board to work on "Island identity". The Board is responsible for developing an action plan to build a stronger, more inclusive sense of Island identity.
- The Board will seek to provide common focal points for an increasingly diverse population and "*help the island project its unique culture and varied talents as part of a positive and coherent international personality*".
- In terms of the timeline, the Minister advised that the Board will meet every 4-6 weeks and will produce an interim report by June 2020, and an action plan by October 2020.


- The Board's constitution will include a mixture of States Members and non-States Members and other relevant stakeholders will be invited to attend meetings on an *ad hoc* basis to discuss specific topics.

<i>Take forward the work of the independent charity commission</i>	
Minister(s)	Scrutiny RAG Status
Minister for External Relations (lead)/Chief Minister	

Panel analysis

- The Government Plan explains that the aim of this action is to provide for the governance and regulation of the charity sector. The Government modernised governance of the charities sector by introducing a new Charities Law in 2014 and the consequent creation of a Charity Commissioner.
- The Panel was advised that the reason this action is not linked to a project seeking additional revenue expenditure is because it can be delivered by the existing departmental budget and via the Dormant Bank Accounts Law. Therefore, funding will be made available through the Jersey Reclaim Fund, where proceeds due under the Dormant Bank Accounts (Jersey) Law 2017 are held.
- The Panel asked a number of questions to the Chief Minister and he responded in a [letter](#) dated 6th October. The Chief Minister explained that the Jersey Reclaim Fund is the fund established under the Dormant Bank Accounts Law to receive dormant account moneys. Banks are required to transfer moneys in accounts which have fallen dormant (essentially no contact from the customer for 15 years) to the Fund. The Law provides that after due allowance for potential reclaims, distributions can be made from the Fund to cover the costs of the Charity Commissioner and for various charitable purposes listed in the Law.
- The Panel was advised that no distributions from the Fund had been made to date. Furthermore, the Minister for External Relations would be making an Order appointing an independent organisation to make distributions from the Fund for charitable purposes. It had originally been anticipated that the organisation chosen to distribute the Channel Island Lottery funds would also distribute moneys from the Jersey Reclaim Fund, however that proposal has been postponed and therefore other arrangements are being put in place.

Business Cases for Additional Revenue Expenditure

CSP3-5-04 – Sport division – minor capital replacements			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Provide improved, more up-to-date equipment in key Government sport facilities	We will enable Islanders to lead active lives and benefit from the arts, culture and heritage	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

- The additional investment required will be used to extend the life of gym equipment and sporting equipment at Fort Regent, Les Quennevais, Springfield, Oakfield and Langford Sports Centres.
- In total the business case seeks to secure:
 - £125,000 in 2020
 - £200,000 in 2021
 - £200,000 in 2022
 - £200,000 in 2023
- The Panel was advised that the original business case requested £250,000 per year to replace sporting equipment, however, in order to fit within the financial envelope, a phased approach to the budget will require the initial equipment replacement to be prioritised.

Panel analysis

The Panel held a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture on 4th October. As the Assistant Minister is responsible for Sport, Senator Pallett answered the Panel's questions on this project.

The Panel was advised that the base budget for 2019 is £67,000 which covers Fort Regent, Les Quennevais, Springfield, Oakfield and Langford Sports Centres. The Assistant Minister explained that the £125,000 budget bid for 2020 was in addition to the base budget of £67,000, so in total the extra money afforded to replacing sporting equipment in 2020 is £192,000. The Panel asked whether this was an adequate sum of money:

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

"In my view, no, it is not. We need to protect the £2 million income we get from Active. If we do not invest in our sports centres, we are going to run the risk of the Active Card scheme being put under further pressure. I do not believe it is enough. We bid for more and I am not particularly happy with what is in the Government Plan".

The Assistant Minister also commented that he had been "disappointed" that the figures were cut without his knowledge:

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

“I found out about them when I read this. That, for me, is not the way it should have been done. It does not give me the opportunity to argue for maintaining the level at £250,000, which was put in there originally. Even that I think would probably keep us standing still.”

The Panel refers to the project “Inspiring an Active Jersey” which includes a long-term framework with the following vision: *“Jersey will be a healthier, more productive and fairer society by being one of the most physically active populations in the world”*. The Panel is concerned that this project will be at risk if the Government of Jersey does not invest adequately in maintaining its sports facilities. The Panel questioned the Assistant Minister on this issue:

Deputy K.F. Morel:

“Could it also impact on Jersey Sport’s effectiveness, in the sense that they are trying to deliver your ... you are ploughing millions into the Inspiring an Active Jersey programme, but potentially if the sports facilities are not inspirational in themselves ...”


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

“The answer is possibly.”

The Panel notes that there are a number of projects related to sports facilities and encouraging people to become more active. However, without the adequate funding to enhance and maintain the Island’s sports provision, may negatively affect the overall aim of becoming a more active society. The Panel will therefore lodge an amendment to increase the funding in 2020 from £125,000 to £250,000 as per the original business case.

Key Findings**FINDING 3.3**

The budget for the project “Sports Division – Minor Capital Replacements” does not include an adequate sum of money to maintain the islands sports facilities. This could impact on the project “Inspiring an Active Jersey” which aims to make Jersey one of the most physically active populations in the world.

CSP2-1-01 – Inspiring an Active Jersey			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Deliver a range of preventative and proactive schemes focused on inspiring an ‘Active Jersey’	We will enable Islanders to lead active lives and benefit from the arts, culture and heritage	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

- Jersey Sport has developed the [Inspiring Active Jersey Strategy](#) which is a long-term framework with the following vision: *“Jersey will be a healthier, more productive and fairer society by being one of the most physically active populations in the world”*.

- The additional revenue required reflects the additional services and programmes Jersey Sport will deliver as part of the strategy.
- In total the business case seeks to secure:
 - £509,000 in 2020
 - £779,000 in 2021
 - £965,000 in 2022
 - £965,000 in 2023

Panel analysis

The Panel held a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture on 4th October. As the Assistant Minister is responsible for Sport, Senator Pallett answered the Panel's questions on this project.

The Panel was advised that the base budget for 2019 is £1.15 million, so the growth bid is seeking to increase that budget by £509,000 in 2020. It will then increase incrementally over 4 years. The Panel asked the Assistant Minister what is meant by an "active Jersey":

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

"It is certainly not focused on elite sport. I think it is very much around getting as many Islanders as possible active in the community. For some it will be sport, for others it will be gardening, for others it will be walking clubs. It is trying to ensure that as we move forward that we could keep Islanders fit and healthy, keep them out of hospital, reduce the level of obesity, reduce heart conditions, all the things that we know are going to put increased pressures on the health service moving forward. Interestingly, over the page from the "Inspiring Active Jersey" within the Government Plan, the appendix or the second thing, is around about preventable diseases. What we are trying to do within Government is work collaboratively across Government and this particular strategy will work close with Health. We are going to talk about that in a second about which departments are involved with this but work closely with Health to make sure that we can get the best benefits for Islanders moving forward around their health needs".

An appendix included in the Business Case identifies a large number of new roles this project will require such as:

- Coaches and instructors
- Disability Sport and Get Active Officer
- Sport and Get Active Inclusion Officer
- Cycle Training Officers
- Active Workplace Officer
- Active Schools Manager
- School Sports Event Co-Ordinator
- Sports Clubs and Associations Development Officer

Therefore, the Panel observes that this project is human resource intensive, which seems counterintuitive at a time when the Government of Jersey is trying to either maintain its headcount or restrict it. The Panel asked the Assistant Minister whether some of the new roles identified, particularly in schools, could be undertaken within the existing workforce:

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

“It is a fair comment. If I felt and I think both myself and the chief executive of Jersey Sport believe the same, the consistency through schools just is not there at the current time. There are some schools that in terms of their physical development officers are incredibly forward thinking in terms of involving their children in activity. There are others that do not quite meet those levels and we should be giving every child an opportunity to reach their absolute potential in regards to their physical well-being. With some children it would be ... we talk about wanting to find the next Olympian or next Commonwealth Games athlete, if you do not get the building blocks right early on you are not going to get that. There is a lack of consistency within schools. We work closely with schools. Jersey Sport works closely with schools. Certainly initially, I think we are going to have to have people working with schools, working with both secondary and primary schools, to ensure that what is being put into schools, the levels of activity within schools, meet the necessary guidelines and also are consistent through each school. It worries me the level of consistency”.

The Panel reiterates the point made when commenting on the project “Sports Division – Minor Capital Replacements” which identifies a sum of money to extend the life, and maintain, sports equipment. This was identified by the Assistant Minister as a less than adequate sum of money to keep sporting facilities in good working order.


“Inspiring an Active Jersey” aims to encourage islanders to live healthier and more active lives, but in order to do so, there has to be adequate investment in providing sporting equipment. Particularly if more roles are going to be created to achieve the outcome visions identified in this project. Workstreams and outcomes such as:

- **Active Workplaces – outcome vision** – *“most active workforce in the world”.*
- **Active Schools – outcome vision** – *“world leading in the physical literacy and physical activity rates of our young people, building the foundation to start active and stay active”.*
- **Active People – outcome vision** – *“sport and active living will have a positive impact on individuals through the provision of programmes which target the least active by providing greater support and breaking down barriers. Population-wide inspirational and innovative programmes for children, adults and families that create the habit of being active and make it the social norm”.*

This project includes a number of ambitious programmes and a number of equally as ambitious outcomes.

Key Findings**FINDING 3.4**

The project “Inspiring an Active Jersey” includes a number of ambitious programmes and workstreams. The aims identified within the project, although commendable, will require a significant amount of investment to bring sports facilities up to standard. The Assistant Minister has stated publicly that the sums identified are less than adequate. Therefore, the aims of this project do not add up in monetary terms with the project “Sport Division – minor capital replacements”

CSP3-1-03 – Future Economic Partnership Goods and Borders Cluster			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Closely monitor and respond to the future UK/EU partnership negotiations	We will promote and protect Jersey's interests, profile and reputation internationally	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

- The business case explains that there is a requirement for Jersey to engage with the UK and the European Union (EU) to negotiate the arrangements within the UK/EU Future Economic Partnership (FEP). This negotiation will follow the UK's exit from the EU (whether it is an agreed withdrawal or a "no deal" Brexit).
- External Relations within Government is planning these negotiations and has proposed three negotiating clusters – "Goods and Borders", "Services" and "Digital".
- The Goods and Borders cluster includes negotiations on the critical areas of borders, tariffs and transport.
- The additional investment required will be used for the Goods and Borders working group to employ a manager, support staff and a part-time law drafting officer. Technical consultancy will also be used when necessary.
- Funding will also be used for travel and subsistence costs during the period of negotiation.
- In total the business case seeks to secure:
 - £450,000 in 2020
 - £450,000 in 2021
 - £450,000 in 2022
 - £450,000 in 2023
- The Panel was advised that the original business case had requested more funding but this was reduced to reflect the final decision of the Council of Ministers.

Panel analysis

During a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture on 4th October, the Panel asked what the plans were in terms of this project. The Group Director of Economy and Partnerships explained that there were two workstreams running parallel – the first was contingency and emergency planning in terms of a no-deal Brexit and the second was the negotiation with the European Union around the future economic partnership:

Group Director, Economy and Partnerships:

"At the moment the priority is around preparing for day one no deal but there are some long-tail pieces of policy work that need to continue in the background and this is really

the future economic partnership stuff. The goods and borders cluster is part of 3 clusters and certainly the reason we are responsible for the goods and borders one is it is very much associated with some of those aspects of Protocol 3 that we fall out of, effectively, when the U.K. leaves Europe. So it is things like manufactured goods, which is environmental goods effectively, agri-food, fisheries, trade tariffs, aviation, maritime and road transport, and energy and carbon pricing. That piece of work at the moment is currently - and it depends to some extent how protracted the negotiations are going forward - looking at what our policy positions are and what a negotiating position might be in a range of different areas that are relevant to the economy”.

In terms of the base budget, the department had a slightly larger budget in 2019 of nearly £500,000. The Panel asked whether a £450,000 budget each year over the 4 year period was enough:

Deputy K.F. Morel:

“Is that enough from your perspective? Did you want more? Did you want something like £700,000?”

Group Director, Economy and Partnerships:


“My own view is that we are looking at more like a £700,000 cost but none of us really know. What I have advised is that we do 2 things. One is we make sure we understand and have identified where our non-priority staff are that can be effectively requisitioned into the Brexit team should we need more bodies, because it is really very difficult to predict what is happening next week, let alone next month or next year, but also that we have a very comprehensive contingency fund that sits within the States that allows us to draw down funding as quickly as possible.”

The Panel asked the Minister about the decision-making process around the slight decrease in funding over the next 4 years. The Minister explained that it was a political decision by the Council of Ministers and that he was confident that the funds allocated for this workstream were sufficient:

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

“There are some areas where I think there needs to be more debate across the broader plan, but as part of the future economic partnership work, the £450,000-a-year budget that is in the Government Plan for the next 4 years to carry out the work that they have to do I think will be sufficient”.

The Panel accepts that the uncertainty around Brexit has made it difficult for the department to identify what level of funding is required for this project. As [explained](#) by the Group Director of Economy and Partnerships, the level of funding *“is a question of making sure that we have covered all our bases to make sure that we have enough resources in terms of staff and money available. So the number in absolute terms is perhaps less important than our ability to be agile in that space”.*

CSP3-2-06 – Economic Framework and Productivity Support			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Develop and deliver the first phase of the Economic Framework		Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

The additional investment required in the business case combines funding the Economic Framework and Productivity Support. In total the business case seeks to secure:

- £500,000 in 2020
- £1 million in 2021
- £1 million in 2022
- £1 million in 2023

Economic Framework

- The Economic Framework intends to provide structure and direction to drive sustainable economic growth, productivity improvements and wider economic wellbeing. It also intends to inform decision making, identify investment priorities and facilitate a sustainable, vibrant economy for Jersey.
- Amongst other things, the Economic Framework will deliver a programme of priority projects to gather evidence to support economic policy and priority investment projects.
- A Political Oversight Group of Ministers will be established to provide “strategic steerage”.
- The Department has already produced an Outline Economic Framework which was reviewed by Deloitte. Deloitte identified a long-list of priority projects.
- The additional investment required includes appointing a third-party Strategic Client Partner to validate the prioritisation of the list of Projects and to validate Deloitte’s design of the Economic Framework (which formed part of the Outline Economic Framework).
- In terms of this project, the original business case sought to secure funding of:
 - £1 million in 2020
 - £1 million in 2021
 - £1 million in 2022
 - £1 million in 2023
- It is noted that the sums above are higher than the amount identified in the combined business case in the Government Plan. The Panel has been advised that phasing in of the proposals, including scoping the work required to inform and deliver the Economic Framework and the amount available to the productivity support scheme, form the basis of the reduction compared to the original business cases for each project.

Productivity Support

- Between 2007 and 2017 the productivity of the Island's economy fell by 23% in real terms. The business case explains that the decline has been driven predominantly by a decline in the productivity of the financial services sector.
- Productivity of the non-finance sectors saw a decline of 5% between 2007 and 2017.
- In order to reverse the declines in productivity, investment is required to target productivity improvements. In that regard, a Productivity Support Scheme will be established to provide discretionary grants and funding to organisations whose business plans or proposals demonstrate potential for productivity gains.
- In terms of this project, the original business case sought to secure funding of:
 - £2.5 million in 2020
 - £2.5 million in 2021
 - £2.5 million in 2022
 - £2.5 million in 2023
- It is noted that the sums above are higher than the amount identified in the combined business case in the Government Plan. The Panel has been advised that phasing in of the proposals, including scoping the work required to inform and deliver the Economic Framework and the amount available to the productivity support scheme, form the basis of the reduction compared to the original business cases for each project.

Panel analysis

The Panel held a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture and his officers on the 17th September. The Group Director for Economy and Partnerships gave an overview of the project:

Group Director for Economy and Partnerships:

"We have done the initial outline framework that was completed relatively recently, which was effectively a broad framing piece for the next steps of development around an economic framework, which is now effectively contained within the future economy programme. At the heart of that is what can we do to improve productivity across all sectors and that is mindful of the advice that was given recently by the Fiscal Policy Panel which highlighted the 4 key issues, being Brexit, threats to financial services due to changes in regulation and, you know, all sorts of external factors, productivity, recognising that there has been limited growth there for many, many, many years, decades in actual fact, and this issue around ageing demographics and how our society needs to function in the context of having people available for work".

The Panel notes that part of the funding will be used to appoint a third-party strategic partner to validate Deloitte's design of the Economic Framework (included as part of the Outline Economic Framework). The Panel asked why money would be spent on validating work, already undertaken by Deloitte. The Group Director for Economy and Partnerships explained that Deloitte's work was a preliminary piece that had not drilled down into the details:

Group Director for Economy and Partnerships:

“The Deloitte work was a very preliminary piece of work that did not drill down into any of the details. It made some assumptions and identified some themes that we might want to look into. That is very much step 1. Step 2 is I think a more in-depth review of whether those themes are correct and, if they are correct, what does that mean in the context of what the Government might want to do next? We have commissioned some work from our retained consultants to help us frame that a little bit, which is reporting back this month. So, I think the Deloitte work was effectively the initial framing piece when we had never looked at or thought about or had the concept of an economic framework ever before. So this was a very simple, straightforward piece of work that just helped us frame that and get the right people in then to talk about what the next steps might be”.

The Panel also asked why there was a need to appoint a third party and whether resources, such as the economists already employed within the Government of Jersey, could not undertake this piece of work. The Group Director explained that it is both a capacity and capability issue, and that having expertise for specific, detailed pieces of work, which are not about broader economic issues, would be best placed being undertaken externally.

In the business case it explains that the strategic partner would also be appointed for “*drafting or assisting with drafting/reviewing the Economic Framework document*”. The Panel questioned how objective and impartial the third party could be if they were drafting the report and also reviewing it. The Group Director acknowledged the discrepancy and said “*Yes, I think it will be one or the other...*”⁶.

In terms of productivity support, the Group Director explained that, although the work was at preparation stage, there are other workstreams contained in the Government Plan which will help with productivity improvements:


*“So you will see that there is additional funding proposed for agriculture and there is additional funding proposed for the rural initiative scheme within the rural economy strategy, which I think will directly feed in potentially to those productivity improvements that we would want to see”*⁷.

The Panel welcomes this work, particularly as productivity in Jersey has dropped over the past decade. If productivity can be improved, then the Island will be less reliant on immigration to grow its economy, which should feed into the Migration Policy.

Once published, the Economic Framework will need close scrutiny, as will the work undertaken by Deloitte and those other companies undertaking the work outlined above, to ensure appropriate project governance and best value for money in the deployment of these significant contracts.

⁶ [Public Hearing](#) with the Minister for Economic Development, 17th September 2019, page 14

⁷ [Public Hearing](#) with the Minister for Economic Development, 17th September 2019, page 10

CSP3-2-10 – Promoting Jersey			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Financial support to Visit Jersey and professional rugby	<ul style="list-style-type: none"> ➤ We will enable Islanders to lead active lives and benefit from the arts, culture and heritage ➤ We will improve transport infrastructure and links 	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

The additional investment required in the business case combines funding for securing professional rugby, route marketing and short breaks (undertaken by Visit Jersey). In total the business case seeks to secure:

- £500,000 in 2020
- £1 million in 2021
- £900,000 in 2022
- £850,000 in 2023

Securing Professional Rugby

- In 2018, the Jersey Reds Club approached the Government, which is seen as a major stakeholder, to request financial support. This followed the uncovering of significant issues in the way the Club had been run and a lack of financial record keeping pre-2016.
- The Club advised that without financial support from the Government, the Club would have to exit professional rugby and revert to amateur status.
- The Growth, Housing and Environment Department, in conjunction with the Club, commissioned Via Analytics Limited to consider the options to secure a sustainable future for professional rugby.
- The report by Via Analytics (confidential) suggested the total additional economic benefit from rugby is between c.£1.4 million and 2.1 million each year which, they said, represented a strong case to receive Government support. The assumptions on the economic benefit were based on tax raised through salaries of professional players and additional visitor expenditure by supporters.
- The report states that any financial support should be time limited whilst a longer-term solution is identified.
- In terms of this project, the business case seeks to secure, subject to operational improvement by the Club and additional commercial/sponsorship income, funding of (up to):
 - £250,000 in 2019/2020
 - £150,000 in 2020/2021
 - £50,000 in 2021/2022

Route Developing Marketing Project and Short Breaks (undertaken by Visit Jersey)

- The updated [Jersey Destination Plan](#) (2019) published by Visit Jersey put forward opportunities to generate enhanced growth in the tourism sector. One of the opportunities is to “sustain existing connectivity and introduce new routes” as a means for achieving year-round visitor economy.
- The business case explains that additional investment is required to introduce increased air route connectivity and to encourage hospitality businesses to open outside of the summer months.
- Investment is also required for targeted marketing campaigns alongside increase air route connectivity in order to stimulate off-season demand for travel to Jersey.
- In terms of these projects (route development and marketing) the business case seeks to secure funding of:
 - £250,000 (route marketing only)
 - £850,000 in 2021
 - £850,000 in 2022
 - £850,000 in 2023

Panel analysis

The Panel met Keith Beecham (CEO) and Kevin Keen (Chair) of Visit Jersey on 6th September to discuss the plans further. The CEO explained that the statistics demonstrated that there had been an increase in the number of winter visitors to Jersey between October - March 2015 (113,000 visitors, 79,000 holiday visitors) and March - October 2018 (227,000 visitors, 116,000 holiday visitors).

In terms of the use of the investment over the 4 years, the CEO explained that in 2020 Visit Jersey would continue to build relationships with airlines and would work closely with Ports of Jersey, who are responsible for the commercial negotiations with airlines. For years 2021 – 2023 work will focus on providing more opportunities for potential travellers. This work will include discussions with the hospitality sector in order to develop products. For example, wellness events during the winter months could stimulate winter travel, particularly as there are a number of spas in Jersey.

The Panel is concerned about the deliverability of this project in terms of concerns raised by the hospitality sector. In the past, the hospitality sector has voiced their concerns about the availability of staff and costs associated with some establishments remaining open during the winter months.

The Panel received a [submission](#) from the Chamber of Commerce (prepared by the Transport and Tourism Committee and Retail Supply Committee). The following observations were made in respect of the challenges within the hospitality sector:

The key metrics for businesses within hospitality are revenue growth and job creation for our industry, however, notwithstanding the greatest challenge is hiring and a lack of applicants having the right skillset. Some members of the committee feel that money

and resource should be considered in promoting home grown talent to work within our sectors.

Difficulty meeting wage or salary expectation and competition with larger companies are other leading reasons that contribute to hiring challenges.

The broader economic context also imposes barriers for hospitality when it comes to hiring: a tight labour market with low unemployment which drives up labour costs and competition, reducing the smaller business owners' ability to compete for talent, further intensifying the challenges they face.

The Panel questioned the Minister during a [Public Hearing](#) on this issue:

Senator K.L. Moore:

"It goes back to the original question though, which is: is there any point in making this investment and encouraging greater route connectivity? Absolutely fantastic, but if more people come to the Island and there is nowhere for them to stay or nowhere for them to go out and eat because there is a fundamental problem within the sector in terms of staffing and remaining open in those periods, is there any point in having this business case?"

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

"Absolutely there is. While some businesses are finding it difficult to recruit staff, 99.9 per cent of businesses are functioning. We punch way above our weight in the quality of our hospitality sector over here. We have got fantastic bars and hotels and restaurants, so while businesses might suffer, it is not going to have any detrimental impact on the overall sector, which I think will continue to perform well. "

Senator K.L. Moore:

"So as an Island, we just have to accept that there may be fewer establishments?"

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

"Possibly."

Senator K.L. Moore:

"Is that what we are looking at?"

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

"Possibly. That might be a result of the pressures placed on businesses by the lack of staff available, but also, if we are honest with ourselves, that might not be a bad thing, given the challenge that we have with our population policy in the future."

In terms of how the funding will be distributed, during the meeting with Visit Jersey, the Panel asked whether it had any involvement in the project to secure professional rugby. The CEO explained that securing professional rugby had not formed part of the growth bid submitted by Visit Jersey.

The Panel asked this question because the project regarding Visit Jersey has been amalgamated into one single "Promoting Jersey" project and as a result the funds have been split between the Visit Jersey project (£250,000) and the funds to secure professional rugby (£250,000) in 2020.

Key Findings



FINDING 3.5

The project “Promoting Jersey” seeks investment to introduce increased air route connectivity and encouraging businesses to open outside of the summer months. The Panel is concerned about the deliverability of this project in terms of the availability of staff and costs associated with some establishments remaining open during the winter months.

CSP3-2-11 – Rural Economy Strategy			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
-	-	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

- The [Rural Economy Strategy](#) 2017 – 2021 focuses on economic and environmental sustainability in the countryside and proposes new policies in relation to the rural economy.
- The business case explains that the current [strategy](#) was provisioned in the last Medium Terms Financial Plan until the end of 2019. Therefore, funding is required in the Government Plan for the remaining two years of the strategy.
- It is noted that policy and aims for the strategy, how it will be delivered, and outcomes measured over the two year period have already been determined within the strategy. Therefore, the purpose of the business case is to secure funding for those policy objectives to be delivered.
- In total the business case seeks to secure:
 - £65,000 in 2020
 - £272,000 in 2021
 - £473,000 in 2022
 - £680,000 in 2023

Panel analysis

The Panel received a briefing from the Rural Business Advisor on 29th August. He advised that the Strategy had been reviewed during 2019 and the most important factor had been developing the proposals for further funding in order to deliver the Strategy. The Rural Business Advisor explained that the request for increased funding included the Rural Support Scheme (RSS), which had been designed to provide three levels of direct support:

- Tier 1 (a base rate payment to all businesses to assist with the cost of compliance with internationally recognised standards) – support increased from £80,000 in 2019 to £200,000 in 2020 in recognition of increased stakeholder costs for LEAF (Linking

Environment and Farming) Marque accreditation and the need to meet the strategic objectives of the scheme's membership.

- Tier 2 – funding to be redefined and increased in 2021-2023 to meet strategic objectives.
- Tier 3 – provided a fund for investment projects in partnership with stakeholder funding.
- Dairy industry indirect support – marginal increase from £207,000 in 2019 to £215,000 in 2020 as a result of increased operational costs for the delivery of statutory services.
- Farm Jersey – increase from £40,000 in 2019 to £50,000 in 2020 as a result of increased operational costs for delivery of services and increase in export associated promotion.

Therefore, the forecast total budget for 2020 would increase by £65,400 from £1.795 million to £1.860 million in 2019. The Panel was grateful to meet the Rural Business Advisor as receiving prior background information to the project assisted it with preparing for the [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture on 17th September.

In addition to receiving the briefing, the Panel also wrote letters to targeted stakeholders seeking their views on this project. The Panel received three submissions:

1. [Royal Jersey Agricultural and Horticultural Society](#)
2. [Jersey Famer's Union](#)
3. [Jersey Water](#) (a submission originally submitted to the Environment, Housing and Infrastructure Panel)

Royal Jersey Agricultural and Horticultural Society

The main points made by the RJA&HS were:

- The Government Plan focuses on applying funding to the current RES ('17-'21) for the years 2020 to 2023 maintaining the same suite of policies and resisting the temptation for a wholesale re-write of the RES. This is to be welcomed in providing stability in a period of increasing uncertainty.
- The overall policy direction is accepted and it is to be welcomed that the Rural Economy Directorate recognises the importance of ensuring that policy objectives are relevant to the island situation rather than duplicates of EU/UK policies.
- The budget increase is welcomed as vital to invest in the future of an industry that returns significantly more to the island both in tangible financial contribution and intangible delivery of 'public goods'.
- The industry has seen the States of Jersey agriculture budget decline from some £8.1m in the year 2000 to some £1.8m in 2019. This has had a significant, and

arguably, adverse impact on the industry, for example with the number of dairy herds falling from 65 to 15 in that period. For the future viability of the dairy industry in Jersey, and agriculture in general, it is seen as essential to maintain a 'critical mass' of businesses, with the ability to invest in what is a capital intensive activity.

- There is an increasing ambition to introduce new measures to address environmental issues and market challenges, both to support the growth and/ or consolidation of the remaining businesses, but also to comply with newly imposed regulation; it goes without saying that these investments often add cost to the business without generating additional or immediate returns.
- Whilst the number of farm units has declined considerably in recent years, the island has an enthusiastic cadre of young entrants to the industry, many of whom have obtained agricultural qualifications at university, and it is vital to retain these skills through the financial viability of the industry.

Jersey Farmer's Union

The main points (paraphrased) made by the JFU were:

- It is critical that the next round of financial support at the right level is secured, particularly as there continues to be a small number of farmers leaving the industry.
- The increase in funding proposed in Tier 1 is the correct approach and will hopefully encourage the smaller producer to get involved.
- Tier 2 support only rises from 2021 which the JFU feel is disappointing. The aim of supporting the industry is not only to help the farmer compete in a subsidised marketplace, but also for the provision of "public goods".
- Tier 3 (Rural Initiative Scheme) used for new investment is "woefully inadequate" as in the last year, requests have totalled over five times the budget.

The submission made by the JFU can be read in full [here](#).

Jersey Water

The main points made by Jersey Water, in a submission to the Environment, Housing and Infrastructure Panel were:

The narrative [in the Government Plan under the Rural Economy Strategy project] indicates that "*Funding will include support for public good enhancements, which would include the protection and stewardship of natural resources through, for example, the delivery of those elements within the Water Management Plan that deal with agricultural diffuse pollution, encouraging the provision of measures to achieve a 10-15% reduction target in the use of nitrogen based fertiliser.....*"

Unfortunately, there is insufficient detail within the proposal to understand the specific measures that will be implemented or whether the sums allocated are sufficient to deliver the wide range of outcomes listed.

It should be noted that there are three elements to the Water Management Plan for Jersey (published in 2016) that were due to be delivered by the Government of Jersey and that are overdue:

- 1) Water Quality and Catchment Orders (WCMOs) and the new Water Code. These provide the regulatory environment within which the application of nitrates can be managed and best practice guidance on managing pollution risks.
- 2) The appointment of a Catchment Officer whose role is to include both an advisory and compliance/ enforcement function under the Water Code and related regulations and orders.
- 3) A review of the Pesticide (Jersey) Law. With a view to managing the risks that pesticides present to water quality in the island.

Items 1 and 2 would seem to be covered by the statement above but clarification would be beneficial and there is no mention of a review of the pesticides legislation that is necessary to safeguard the public water supply.

Jersey Water and the farming community have invested considerable sums of money and a huge amount of time in making the work of the Action for Cleaner Water Jersey Group (ACWG) a success and have both delivered their elements of the Water Management Plan to date. As a result, more progress has been made in improving water quality in Jersey over the past 3 years than in the previous 20. In order to ensure this success can be maintained, it is now vital that the commitments to the ACWG and the public by the Government of Jersey are honoured and the overdue elements of the Water Management Plan are fully funded and delivered without further delay. Accordingly, the delivery of the Water Management Plan should, in our view, be prioritised within this project.


The Panel was unable to question the Minister on all of the concerns raised by stakeholders due to time constraints of the review. However, the Panel did ask about the way in which the subsidy scheme worked following a concern that it was currently aimed at the larger farms and not smallholders. The Panel asked whether this would be addressed through the strategy:

Group Director for Economy and Partnerships:

"It will because in the old days it was not worth the paperwork or the administrative burden for a vergée because it was an area-based payment. This is moving away from an area-based payment and decoupling subsidy from area of land farmed and then connecting it to delivery of public goods and services. So it does not matter whether you are large or small as long as you can deliver the stuff that we believe is important from an environmental perspective, for example, or important for a high quality assurance perspective at a supermarket, then anybody can join"⁸.

The Panel intends to review the Rural Economy Strategy as a separate review in the near future. In that regard, the submissions received on the strategy will be a starting point for the Panel when it comes to scoping its review.

⁸ Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 17th September 2019, p.31

CSP3-2-05 – Digital Jersey Growth			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Additional investment in Digital Jersey	We will explore and use the opportunities offered by digital	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

- The purpose of [Digital Jersey](#) is to represent and promote the digital sector in Jersey. Its objects are:
 - To support sustainable economic growth in Jersey’s Digital Industry
 - To establish Jersey as an internationally well-regarded “digital centre”
 - To enable a connected, digital society and enhanced quality of life in Jersey
- The Government’s [Digital Policy Framework](#) sets out six long-term objects for the future of digital policy-making. The business case for additional investment for Digital Jersey explains that the overarching aim of the Framework is for Jersey to establish itself as an internationally recognised digital centre of excellence and that Digital Jersey has been the driving force behind the growth in the digital sector.
- The business case for additional investment explains that the funding will be used to:
 - Resource Digital Jersey’s core grant from base budgets
 - Increase the marketing budget
 - Appoint a FinTech Ambassador
 - Appoint a Head of Technology
 - Appoint a Head of Operations
 - Appoint a Business Development Manager
 - Appoint a Project Manager
 - Provide rental costs for the expanded Digital Jersey Hub
- The additional investment required in the business case seeks to secure funding of:
 - £697,000 in 2020
 - £897,000 in 2021
 - £1,097,000 in 2022
 - £1,197,000 in 2023


Panel analysis

The Panel met Tony Moretta (CEO) and Lloyd Adams (Head of Strategy) of Digital Jersey on 5th September to discuss the business case further. The CEO explained that the additional funding would cover baseline running costs for the expanded Digital Jersey Hub, grow Digital Jersey’s capability by increasing the marketing budget and expand the team by appointing to a number of new positions.

The CEO explained that Digital Jersey had originally bid for more funding to deliver the plans, but had been advised that the level of funding needed to be decreased. As a result, the CEO explained that not all of the workstreams would be delivered within the decreased bid. For example, the new post for Head of Technology had been filled at a more junior level. Similarly, the CEO advised that the post of Project Manager would not be filled in 2020.

In addition to the project on Digital Jersey Growth, the Panel has also reviewed the project on the Digital Policy Framework. In that regard, the Panel asked the CEO whether there was any duplication between the two projects. Particularly as, for example, one of Digital Jersey's objectives as an organisation is to "support sustainable economic growth in Jersey's Digital Industry as measured by sector contribution to GVA (Goods Value Added), job creation and the number and 'health' of digital businesses". Within the business case summary for the project on the Digital Policy Framework, the Panel highlights that there is a similar objective of "supporting the growth of Jersey's digital sector leading to a measurable improvement in GVA (Goods Value Added), jobs and/or productivity within five years".

The CEO agreed that there seemed to be a crossover but explained that the remit and function of the Digital Policy Unit (who were delivering the framework) was related to cyber security, regulation and telecom and General Data Protection Regulation (GDPR) which were not the functions of Digital Jersey.

CSP3-2-03 – Delivering the Digital Policy Framework			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Continue investment in Jersey's Digital Policy Framework	We will explore and use the opportunities offered by digital	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

- The Government's [Digital Policy Framework](#) sets out six long-term objectives for the future of digital policy-making:
 - A thriving digital sector
 - Digital skills for all
 - Advanced digital infrastructure
 - Government digital transformation
 - Robust cyber security
 - Secure data protection
- The additional investment required will be used to maintain existing funding within the Digital Policy Unit for data protection, emerging technologies and telecoms policy advisers. The funding will also complement an annual project budget for specialist legal, consultancy and academic advice.
- The business case seeks to secure funding of:

- £541,000 in 2020
- £541,000 in 2021
- £541,000 in 2022
- £541,000 in 2023

Panel analysis

The Panel questioned the Minister during a [Public Hearing](#) on the 4th October about this project. The Group Director of Financial Services and Digital Economy explained that £400,000 was allocated to the Digital Policy Unit who were responsible for delivering the Digital Policy Framework. It was noted that this was the base budget for 2019, and that an additional £541,000 was required each year, over the 4 year period to deliver the framework. The Group Director explained the role of the Digital Policy Unit:

Group Director, Financial Services and Digital Economy:

“The Digital Policy Unit has all aspects of Government’s digital policy to the outside economy and society, not the inward-facing part in terms of how Government manages its own digital services to citizens. So that will be things like data protection, a policy on cybersecurity, our telecoms strategy and the interface with organisations such as Digital Jersey and the Office of the Information Commissioner⁹”.

When reviewing the project “Digital Jersey Growth” the Panel was concerned that there was an overlap between Digital Jersey and the role and responsibilities of the Digital Policy Unit. The Panel asked about this during the Hearing:

Group Director, Financial Services and Digital Economy:

“So Digital Jersey is meant to be a catalyst really for industry engagement and building more of a digital economy. Digital Jersey will come back, for example, to look for additional funding for specific initiatives. They will look for Government support, for example, around licensing, around developing Government’s own policy towards the sector. So there is only so much that they can do in their own right, in much the same way as, say, for Jersey Finance.¹⁰”

In terms of the Digital Policy Framework, the Panel asked what work had been undertaken on protecting Islanders particularly with emerging digital technologies such as artificial intelligence. The Minister and Group Director explained that this would form part of the Digital Policy Framework but would be subject to obtaining the right resources:

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

“Well, we know a lot but as technology is evolving at such a rapid pace, these are going to be new challenges and we cannot do a piece of work now that resolves the problem, it is going to be constantly evolving”.

Deputy K.F. Morel:

“It is constant but that does not mean you cannot get a framework in place now. It does not mean you cannot have a policy in place now to ensure that we are protected before the Government goes cavalierly down this road”.

⁹ Public Hearing with the Minister for Economic Development, 4th October 2019, p.26

¹⁰ Public Hearing with the Minister for Economic Development, 4th October 2019, p.26

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

“We are looking at that. That is an important piece of work”.

Senator K.L. Moore:

“Is that not one of the aims of this workstream to develop a specific policy?”

Group Director, Financial Services and Digital Economy:

“Areas are set out in the digital policy framework in terms of some of the ethical elements that will need to be considered and also a range of other elements, as I say, health, environmental and so on, so we are protecting citizens’ rights in the widest sense, not just simply saying it is an emerging technology, we have to have a piece of it”.

Senator K.L. Moore:

“Great, so when will those policies ... is there a deadline for those policies to be delivered?”

Group Director, Financial Services and Digital Economy:

“So this is subject to having resource and being able to secure the right people to then start work on those elements. This is setting out an appetite for a 4-year programme of work and the necessary resourcing that will underpin this¹¹”.

The Panel is concerned that the piece of work on citizens’ rights is dependent on the Digital Policy Unit securing extra funding. The Group Director explained that elements of this work were already being undertaken through General Data Protection Regulation but *“it can happen more comprehensively if there is a resource available to do it”¹²*.


The Panel had requested a separate briefing in order to discuss the Digital Policy Framework in more detail, however, despite requests to the department (on 9th September, 1st October and 4th October), this was not able to take place.

Key Findings**FINDING 3.6**

Part of the work on the project “Digital Policy Framework” is to protect Islanders with the emerging digital technologies such as artificial intelligence. The Panel was advised that, although this would form part of the project, how comprehensive the work would be was reliant on obtaining the right level of resources.

¹¹ Public Hearing with the Minister for Economic Development, 4th October 2019, p.30/31

¹² Public Hearing with the Minister for Economic Development, 4th October 2019, p.31

CSP3-5-01 – Cyber Security growth			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Invest in the resources required to deliver Jersey's Cyber Security	We will explore and use the opportunities offered by digital	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

- The business case explains that funding is being requested to deliver the following initiatives which form part of the [Cyber Security Strategy](#):
 - Every other year a cyber risk assessment is to be conducted which will involve the Government, critical infrastructure organisations and a sample of private sector businesses.
 - In alternate years to the assessments, run biannual cyber exercises with involvement from the Government, critical national infrastructure organisations and a sample of private sector businesses.
 - The Computer Emergency Response Team (CERT) is due to be established during 2019. In order to ensure the continuation of the CERT, further funding will be required from 2020.
- The business case seeks to secure funding of:
 - £500,000 in 2020
 - £600,000 in 2021
 - £500,000 in 2022
 - £600,000 in 2023

Panel analysis

During a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture, it was advised that there is currently no base budget for this project. It is currently being funded from contingencies which allocated up to £644,000 in 2019¹³.

The Panel asked about the fluctuation in funding between odd and even years. The Group Director of Financial Services and Digital Economy explained:

Group Director, Financial Services and Digital Economy:

*“The difference is in the odd years, 2021 and 2023, there will be a full Computer Emergency Response Team testing. So the C.E.R.T. (Computer Emergency Response Team) testing will take place in those years, which incurs additional cost. In the other years you have just the ongoing standing cost of that team and the associated policy resource”.*¹⁴

¹³ Public Hearing with the Minister for Economic Development, 4th October 2019, p.37

¹⁴ Public Hearing with the Minister for Economic Development, 4th October 2019, p.37

The Panel asked for a breakdown in the first bid for funding in 2020. The Group Director explained that the £500,000 was a flat figure annually over the 4 years with an additional sum of money which relate to Island-wide exercises. The Director also explained that the costs for the CERT team will be a shared cost with Guernsey:

Deputy K.F. Morel:

“Yes. I wanted to ask, the £500,000, how do you break that down?”

Group Director, Financial Services and Digital Economy:

“So the breakdown for the C.E.R.T. team, this is joint working with Guernsey because to have an Island-specific team would be rather over-egging it. So the C.E.R.T. team in terms of its benefits: raise citizens’ and businesses’ cybersecurity awareness, provide the Government with a technical adviser, the management of major Island-wide incidents, and it can recommend appropriate triage and support, co-ordination of resources, supporting individual organisations to manage incidents and accelerate the process of recovery from a cyberattack, and ensure that Government and community are connected to the latest developments across the European Union and the international C.E.R.T. network, and that includes our own relationships with the National Cybersecurity Centre in the U.K. The step up, the extra £100,000 that is required every second year, relates to Island-wide exercises. So that is incident response plans to be robustly tested to ensure that they work effectively in the event of a real incident, that key contacts from the Government and from critical national infrastructure, so telecoms, utilities and so on, can work together to facilitate smoother relationships in the event of a major cyber incident, and to test and probe unknown vulnerabilities within that system. So the way it breaks down is this £500,000 is a flat figure annually, 2020 through to 2023, and that is for the C.E.R.T. team and it is a shared cost with Guernsey.”

Deputy K.F. Morel:

“Do they put in £500,000?”

Group Director, Financial Services and Digital Economy:

“They will put in on a 60:40 ratio so that roughly reflects things like population and economic size differential. Then every second year there is £100,000 specifically for the testing. In terms of how that breaks down, the £500,000 is a base figure, £275,000 of that is staff and the other £225,000 is for essentially a range of disbursements, so training, marketing and awareness to citizens, threat intelligence tools and licensing, travel, project and advisory, affiliations with international C.E.R.T. bodies, and equipping of premises. We will look to find efficiencies in that where we can with other elements of the Government’s own estate”¹⁵.

The Panel is concerned that a coordinated approach to cyber security is only now coming into fruition. The Group Director explained that *“.... we need to step up our game. Rather than just carry on as we were and expecting that firms will take their own responsibility for it or that citizens will be sufficiently aware just to protect themselves...”*¹⁶ Although there is some legislation which protects people’s data (i.e. data protection legislation), there are no current legislative protections from cyber-attacks such as hacking.

¹⁵ Public Hearing with the Minister for Economic Development, 4th October 2019, p.40


¹⁶ Public Hearing with the Minister for Economic Development, 4th October 2019, p.39

Key Findings



FINDING 3.7

The project “Cyber Security Growth” seeks to deliver a number of initiatives which form part of the Cyber Security Strategy. The Panel is concerned that a coordinated approach between the Government and private sector in terms of cyber security is only now coming into fruition when Jersey has been at risk for a number of years particularly with a prominent finance sector.

CSP3-5-02 – Heritage, Arts and Culture			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Ensure 1% of the Government budget is dedicated to Jersey’s arts and culture	We will enable Islanders to lead active lives and benefit from the arts, culture and heritage	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

- The Business Case explains that the additional investment required is for a collective programme for Jersey’s culture, arts and heritage offering. The investment required includes stabilisation funding for the four relevant arm’s-length bodies:
 - Jersey Heritage Trust
 - Jersey Opera House
 - ArtHouse Jersey
 - Jersey Arts Centre Association
- The programme also reflects the support for Deputy Tadier’s [proposal](#) to increase revenue expenditure on arts, heritage and culture so that it reaches a target of 1% of overall revenue expenditure by 2022.
- The business case includes two separate submissions, one from the Jersey Heritage Trust and the other from “Arts and Culture” which pools together the Jersey Arts Centre Association, Jersey Opera House and ArtHouse Jersey.
- The business case seeks to secure funding of:
 - £700,000 in 2020
 - £3,065,000 in 2021
 - £5,425,000 in 2022
 - £5,060,000 in 2023

Panel analysis

The Panel held a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture and discussed this project with Deputy Tadier, who is the Assistant Minister with political responsibility for arts, culture and heritage. The Assistant Minister advised that the

base budget for 2019 is £4,506,800 and, including the Investment Advisory Board bids of £295,000, the total figure funded to arts, culture and heritage is £4.8 million. The additional investment required for this project is on top of the existing budget.

The Panel notes a separate proposition “Channel Islands Lottery: Allocation of Proceeds from 2018” ([P.105/2019](#)) which, if approved, would allocate £1 million of the proceeds to the Association of Jersey Charities for distribution. Therefore, organisations under arts, culture and heritage may benefit from the proceeds and so the Panel asked whether the funding from both the lottery proceeds and the funding allocated in the Government Plan were being treated separately:

The Deputy of St. Mary:

“Two questions really. One statement. I think you have clarified that the lottery proceeds money will not go to the ... will go to new organisations or newer?”

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

“Not necessarily but the lottery funding can never be used in order to pay for what Government should already be doing.”

The Deputy of St. Mary:

“I am pleased to hear that, yes.”

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

“That is accepted as a principle. Maybe Darren wants to jump in”.

Director, Economic Development:

“We had this discussion previously that the working assumption or working principle, the recommendations that the principle of additionality is used, so lottery funding, irrespective of whether it is culture, arts, heritage or wherever the States Assembly determine it should go would not be used for anything that should be Government funding¹⁷”.

The Panel wrote to all four of the arm’s length bodies asking for their views on this project. The Panel received responses from:

- [Jersey Heritage](#)
- [Jersey Opera House](#)
- [ArtHouse Jersey](#)
- [Jersey Arts Centre Association](#)

Jersey Heritage

The business case for “Heritage” requested an increase in government grant funding to Jersey Heritage including the development of a Heritage Strategy. It explains that a risk to the success of the partnership with Jersey Heritage is the current absence of a coherent and cohesive Heritage Strategy.

¹⁷ Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 4th October 2019, p.50

The Panel received written submission from Jersey Heritage on 3rd October. The submission included the following points (paraphrased):

- Jersey Heritage welcomes the 1% levels as agreed in Deputy Tadier's proposal (P.40/2019).
- The level of funding intended for heritage is not clear because of the grouping of "culture, arts and heritage".

Jersey Heritage wrote to the Minister for Economic Development, Tourism, Sport and Culture on 11th September requesting an indication of the split between culture, arts and heritage.

- The level of funding identified in 2020 is going to be short of that required to recover the loss of value in the grant over recent years, risking service level and jobs.

It is noted that Jersey Heritage originally submitted a bid of £1.7 million which was split into:

- Fulfilment of statutory obligations (£250k)
 - Conservation and preservation of the current portfolio (£650k)
 - Interpretation display and education (£400k)
 - Developing a world class heritage service (£400k)
- The Government Plan only issues funding for one year making it difficult to mobilise future work.
- There is no forward looking set of government objectives for heritage, as the current service level agreement expires at the end of 2019.
- A long-term strategy for investment in heritage infrastructure is necessary.

The Panel asked the Assistant Minister about the original bid from Jersey Heritage of £1.7 million:

Deputy K.F. Morel:

"So you can tell me how much you are going to give them in public or not, it is entirely up to you but I will say in public that the maximum they will have is £700,000, which is £1 million short of what they need".

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

"We cannot tell you how much because we have not decided yet how much they are going to get so we are working on those figures. We have given them an indication of what they are going to get, they have accepted that and they seem to say that they are pleased, and they will be pleased when that is concrete so they know exactly what they can do within the work programme. For example, within that there is going to be a sum of money for Jersey Archive because there is a body of work that needs to be done quite urgently with Jersey Archive¹⁸".

¹⁸ Public Hearing with the Minister for Economic Development, 4th October 2019, p.45

The Panel is concerned that the proportion of money (out of the £700,000 identified) has not yet been split between heritage, arts and culture. For any organisation this must make forward work planning extremely difficult.

Another point raised by Jersey Heritage is the lack of strategic direction over a number of years. The Panel was advised during the Public Hearing that although there was a [strategy](#) which included arts, culture and heritage, it was published in 2005 and therefore needed updating¹⁹. The business case explains that a Heritage Strategy will be developed in 2020 as well as a separate Arts and Culture Strategy.

Jersey Opera House

The Business Case explains that the core funding request for 2020 for the Jersey Opera House is an increase of £60,000 on grant funding given in 2019. The increase is largely for revenue stabilisation and minor capital expenditure.

The Panel received a [submission](#) from the Chairman of the Jersey Opera House who commented that:

Chairman, Jersey Opera House

“It is important to recognise that the Opera House makes a really important and tangible contribution to island life and deserves to be promoted and cherished, rather than relatively neglected as in past years under previous government administrations, I say this while very much welcoming the help and views expressed by the present administration.

A new and very enlightened relationship now exists between us and the economic development department and we very much hope that this will develop into tangible benefits arising from the government plan review. There are three areas in particular that need close attention and these are, urgent maintenance of the building, replacement of outdated theatre equipment, establishing a headcount of senior staff to enable succession planning and avoiding some staff having to perform two people’s jobs to a degree that is beyond our duty of care to our employees...”

In relation to property maintenance, the Minister for Economic Development, Tourism, Sport and Culture acknowledged that this was an issue that needed addressing:

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

“One thing we have never been good at in the States in all of our tenure is looking after the structure of our buildings. This is something we are considering how we fund moving into the future - whether it is part of the core funding agreed by the States - is how we look after the structures of our buildings moving forward. For example, Jersey Arts Centre and the Opera House have been curtailed by the responsibilities put on them from their core funding to look after the structures of their buildings. That is one thing I will agree, we have neglected that. We have not addressed it properly. We have relied on them to do it from their core funding and that is something that has to change, but we have taken hold of this”.

¹⁹ Public Hearing with the Minister for Economic Development, 4th October 2019, p.56

ArtHouse Jersey

In relation to ArtHouse Jersey, the Business Case explains that the increase in funding (£401,700) is based on business as usual funding in 2019 of £198,400, plus a successful bid to the Investment Appraisal Board in 2018 of £160,000 (in total £358,400).

The Panel received a written [submission](#) from the Director of ArtHouse Jersey. The submission included the following points (paraphrased):

- Monies awarded to ArtHouse Jersey in 2019 were “transformational”, enabling an uplift in the contribution it makes to the local community, and capacity to earn more income from other sources.
- Deputy Montford Tadier’s proposition to ensure that 1% of the Government budget is dedicated to Jersey’s arts and culture from 2021 onwards was long-overdue, necessary and urgent.
- ArtHouse Jersey have been assured that they will be receiving the full amount requested for 2020.

Director, ArtHouse Jersey:

“Islanders expect that their hard-earned taxes contributed to the public purse are going to be well spent. Value for money and offering a return on investment (in terms of a social return, as well as financial returns), must at all times be guiding principles when funding decisions are made in the arts as is the case in every other sector.

At present, EDTSC, led by Senator Lyndon Farnham and Group Director Dan Houseago, are doing sterling work in ensuring the arts and cultural sector is stabilised. But there seems to be a growing recognition that we are now in desperate need of a new cultural strategy to replace the current one which was adopted by the States Assembly in 2005.

There must be a plan, a road map, to guide investment, enabling decision-makers to make funding decisions guided by set objectives, thereby ensuring that public money is well-spent and contributing to the achievement of stated aims.”

Jersey Arts Centre Association

The Business Case explains that the core funding request for 2020 for the Jersey Arts Centre Association is an increase of £70,000 on grant funding given in 2019. The increase is largely for revenue stabilisation and minor capital expenditure.

The Panel received a [submission](#) from the Director of the Jersey Arts Centre Association who commented that:

Director, Jersey Arts Centre Association

“Having sat in the Public Gallery in the States Chamber on Friday 3 May, we welcome the decision to increase the level of funding for arts, heritage and culture to 1% in future States budgets. This is by far the single most important piece of cultural legislation these past 10 years and we congratulate Deputy Tadier for this achievement.

In real terms, the 20% cut in our revenue grant since 2013 has impacted on our operation, programme and facility and there is now an imperative to recalibrate this shortfall and to ensure future inflationary increase to the revenue grant. The current base budget allows for a business as usual approach, and whilst our current Strategic Plan supports this, our ambition exceeds it.

We welcome the recent initiative to carry out a Condition Survey on our Phillips Street building but there is a further imperative that the capital, infrastructure and maintenance needs of the building be fully addressed and funded. We have been told that there is no capital budget available for 2020 and this could prove problematic for us.

The reduction in our facilities in not having the use of either St James Church (2000-2013) or the Old Magistrates Court (2013– 2016) has had an impact on our operation.

Jersey Arts Centre supports the need for a new Cultural Strategy but not a further arts review or report. Too many consultative reports exist which have not been acted upon but these could easily inform a new Cultural Strategy.

We have a good relationship with the department for GHE, and it's officers."

Key Findings



FINDING 3.8

The project "Heritage, Arts and Culture" seeks to award funding to four arm's length bodies (Jersey Heritage, Jersey Opera House, ArtHouse Jersey and Jersey Arts Centre Association). The Panel is concerned that the funding identified for 2020 (£700,000) has not yet been split between the four organisations. This will impact on the organisations' ability to forward plan.




FINDING 3.9

There has been a significant lack of strategic direction within Heritage, Arts and Culture, with the last strategy published in 2005. The Minister for Economic Development, Tourism, Sport and Culture plans to develop two strategies in 2020 – the Heritage Strategy and Arts and Culture Strategy. All four arm's length bodies were supportive of the development of a Culture Strategy.



FINDING 3.10

The project "Heritage, Arts and Culture" seeks to award funding to four arm's length bodies. A proposition (P.105/2019) lodged by the Minister for Economic Development, Tourism, Sport and Culture seeks approval to award the Association of Jersey Charities with £1 million of Channel Island lottery proceeds to distribute amongst various organisations. The organisations chosen may include those which fall under heritage, arts and culture. It was confirmed to the Panel that these proceeds would not be used to fund the Government's commitments in the heritage, arts and culture areas.

CSP3-1-09 – Trade and Export function			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
-	-	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

- The business case explains funding is being sought for staff costs (two principle roles) necessary to deliver the key trade-related Growth, Housing and Environment functions and responsibilities in respect of Brexit.
- A Trade Policy for Jersey will be developed, working in partnership with External Relations, Law Officers and Justice and Home Affairs.
- The original business plan had proposed that funding would commence in 2020, however the implementation of the Trade and Export function has been deferred until 2021.
- The business case seeks to secure funding of:
 - £0 in 2020
 - £169,000 in 2021
 - £187,000 in 2022
 - £195,000 in 2023

Panel analysis

The Panel [met](#) the Minister for Economic Development, Tourism, Sport and Culture on 17th September and asked a number of questions about this project. The Group Director of Economy and Partnerships explained the reasoning behind deferring the project funding until 2021:

Group Director, Economy and Partnerships:

“I think that if we are going to get into the trade debate post-Brexit, if we get there, then I think we need time to start positioning ourselves as a Government around the trade piece. At the moment we need to do some thinking around what bits are missing in terms of our competency within Government. In my view, at the moment we need to start thinking about what it is ... not just about what the opportunities in the outside world are and in our global market strategy and what sort of legislation we might want to do to protect our autonomy and all this sort of stuff. There is a big domestic piece as well, so it is what is the impact of that trade domestically on businesses that are here already and what might be the impact in terms of the need for additional jobs or the upskilling of businesses or what type of critical national infrastructure, air and sea transport links, et cetera. I do not think that is at this stage as developed as we would want it to be in a world where we are not working with Europe. So I think that is the rationale behind that and it is going to take us a bit of time to do that thinking and tee

that up, at which point we are going to need someone to lead on that programme going forward²⁰.

The Group Director also explained that the justification for appointing more staff was creating more competency within the department, rather than outsourcing economic activity.

The Panel received a [submission](#) from the Chamber of Commerce regarding this project. The Chamber of Commerce was asked: “Are all forms of resourcing that are allocated to projects sufficient or excessive in enabling the project to meet its stated aims”. The Chamber commented:

Chamber of Commerce:

Import trade is a very important one to ensure availability choice, price and goods. We must be mindful that these quick commercial wins have far reaching environmental and service implications for our Island. Amazon is an animal and it won't stop until it monopolises our society.

We need to protect and maintain the sustainability of Transport, Tourism and Retail. We need to invest this budget wisely, so it can continue to flourish on a like for like basis. For example, Hello Fresh offering, has very little overheads, polluting our Island with excessive packaging and unrefrigerated distribution. Breaks in the chill chain puts the island food safety at risk but puts retailers and restaurateurs take away options in despair. Having no GST applied to the cost of goods. More resource and funding is most certainly needed.

Carteret Marina is expanding by 50% over this winter. This may open up a market for a new ferry service. (Carteret – Jersey, Gorey). Gorey Port currently is unmanned. Some of the members opinion needs to be put into action with a JCIS officer as Jersey will be one of the closet ports for Carteret private and commercial boat owners. This will ensure that there is a base close to Les Ecrechous for a warden to launch from. So with in this mind it would be good to see if we can see where this additional funding is going?

When the Panel met the Minister, it asked what level of consultation had been had with industries. The Group Director explained:

Group Director, Economy and Partnerships:


“Retail in particular, but we are about to establish through the future economy programme effectively an external stakeholder group to advise the Political Oversight Group members. We are in quite a good dialogue with all aspects of the industry, so we meet regularly, for example, with the aquaculture and fisheries sector. We meet regularly with the Chamber of Commerce, who have a range of committees covering a lot of the bases as well, et cetera. So the engagement in I think what the future looks like in terms of the economy is probably better than it has ever been. I think that has been driven to some extent by Brexit²¹”.

²⁰ Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 17th September 2019, p.21

²¹ Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 17th September 2019, p.22

Given the number of stakeholders effected by the project, the Panel welcomes and encourages the continuation of consultation with industries.

The Panel notes that funding for this project, if approved, will not commence until 2021. Therefore the Panel has highlighted the project as amber to indicate that it will be revisited by the Panel in a future Government Plan when funding is being requested. Therefore, in this instance, the amber rating indicates 'awaiting further information'.

CSP3-1-01 – Brexit – Constitutional implications policy resource			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Protect and strengthen Jersey's status as a self-governing nation	We will promote and protect Jersey's interests, profile and reputation internationally	Chief Minister	

Business Case: Overview

- The Business Case explains that the investment will enable government to:
 - Maintain a dedicated policy resource focusing on the ongoing constitutional implications of Brexit
 - Meet the challenges and opportunities that will arise in this respect
- The existing resource is funded until December 2019, and so the additional investment required will extend capacity over the next 4 years.
- The business case seeks to secure funding of:
 - £78,000 in 2020
 - £82,000 in 2021
 - £86,000 in 2022
 - £90,000 in 2023
- It is noted that the sum identified for 2020 is lower (£94,000 to £78,000) than the amount identified in the original business case. The Panel has been advised that the change reflects a saving in relation to a senior policy officer role.

Panel analysis

The Panel wrote to the Chief Minister about this project, posing a number of questions. The Chief Minister [responded](#) advising the Panel that the base budget in 2019 is £74,000 and the increase over the 4 year period is to support the employment of one policy officer at grade 12. The investment required increases each year (by 5%) to cover increases in salary and pension contributions.

The Panel asked the Chief Minister what impact the extension to Brexit had had on this project. The Chief Minister responded as follows:

The extension to Brexit has had an impact. The constitutional implications of Brexit are ongoing, and consequentially there continue to be known and unknown challenges and opportunities in this respect.

There is, however, a broader context to this work. Jersey has long made efforts to enhance and protect its constitutional autonomy. This work has been significantly enhanced in the past 15 years, and notably since the signing of a framework agreement with the UK in 2007. This led, in time, to the appointment of a dedicated Assistant Chief Minister with responsibility for external affairs in 2011 and the establishment of a Minister for External Relations in 2013. The protection of Jersey's constitutional status has always been at the heart of efforts to promote the Island's international image and reputation, such is its importance for our economic success.

The Chief Minister advised that if the funding is not secured as part of regular departmental budgets, it will leave a high-risk resource deficit during a period of change.

CSP3-1-02 – Brexit and International Trade			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
-	-	Non-Ministerial	

Business Case: Overview

- The business case explains that additional funding is sought in order for the Law Officers' Department to be resourced to provide legal advice post Brexit.
- It explains that while Brexit itself will continue to require additional legal resources for the foreseeable future, the aftermath of Brexit, with new treaties and laws to ensure that Jersey is able to advance and protect its interests, will require significantly higher volume of legal advice from the Department than pre-Brexit.
- The business case seeks to secure funding of:
 - £110,000 in 2020
 - £110,000 in 2021
 - £110,000 in 2022
 - £110,000 in 2023

Panel analysis

The Panel did not seek a direct response from the Law Officers' Department regarding this project, however, it is noted in his [response](#) to the Panel, the Chief Minister highlighted the importance of resourcing for the impacts of Brexit:


Chief Minister:

Brexit, and some of the consequential impacts it has had on politics in the UK, has created the circumstances in which Jersey's constitutional position has, and will likely continue to, come under threat. These challenges must be combatted, both in the

immediate term and by seeking to develop processes and arrangements that enhance Jersey's constitution and autonomy as part of the British family.

Not continuing to make moves in this respect will leave Jersey more open and vulnerable than it might otherwise be to potential threats to our constitutional privileges. These may result directly from the Brexit process, or from developments in the UK that are a consequence of Brexit.

The Panel accepts that additional resources are required for dealing with the impact of Brexit.

CSP3-2-08 – Jersey Financial Stability Board			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Establish a Financial Stability Board		Chief Minister	

Business Case: Overview

- The Business Case explains that this project seeks investment to establish a Financial Stability Board (FSB) which includes funding for the board and secretariat.
- The establishment of an FSB was recommended by the Boleat report in 2011. It is understood that this report is not in the public domain. In response to the report, an interim FSB (iFSB) was established in 2012. The purpose of the iFSB was to:
 - focus on macro prudential oversight and contribute to identifying, monitoring and addressing systemic risks to the Island's financial system
 - provide a forum for the Chief Minister's Department, the Treasury and Resources Department, the Economic Development Department, the Jersey Financial Services Commission (JFSC), and others as necessary, to liaise and develop coordinated strategies and policies to enhance Jersey's capability to prevent and deal with threats to financial stability
 - advise on the establishment in due course of a statutory macro-prudential body with appropriate independence, transparency powers and accountability, possibly as part of a broader monetary authority.
- It is envisaged that the FSB would include similar objectives to the iFSB. It is also envisaged that the FSB would be independent, providing detached advice to the government with a Chairperson, two ex-officio members namely the CEO of Jersey Financial Services Commission and a representative of government, and two independent members, plus the secretariat.
- The Rt Hon. Lord Andrew Tyrie has expressed an interest in the role of Chairperson, with Bill Allen (ex-Bank of England) as one of the independent members.
- The business case seeks to secure funding of:

- £150,000 in 2020
- £150,000 in 2021
- £150,000 in 2022
- £150,000 in 2023

Panel analysis

The Panel wrote to the Chief Minister about this project, posing a number of questions. The Chief Minister [responded](#) advising that there is no base budget for 2019 and that preliminary work is being conducted within departmental year to date underspends.

The Panel notes that the Chief Minister signed a [Ministerial Decision](#) on 26th July 2019 for the establishment of the Jersey Financial Stability (Shadow) Board. The Decision explains that the resource implications are an annual budget of £150,000 to fund the board and that action is required by the Chief Economic Advisor to organise the recruitment of a full-time officer to serve as the secretariat. Therefore, it seems that work is already being undertaken to establish the FSB and employ a full-time officer before the funding in the Government Plan is approved by the States.

The Panel asked the Chief Minister about the work of the interim FSB since it was established in 2012. The Chief Minister advised that due to a lack of definition and funding the interim FSB had faded away. The Chief Minister advised that the FSB will be formulating the Terms of Reference and a proposition will be lodged in the second half of 2020 detailing its objectives and legislative enablers for a statutory board.

The Panel notes in the Business Case that Rt Hon. Lord Andrew Tyrie has already expressed an interest in the role of Chairperson, with Bill Allen (ex-Bank of England) as one of the independent members. The Panel asked why the government was already accepting expressions of interest before the Government Plan is approved. The Chief Minister responded:

Chief Minister:

“Lord Tyrie has been appointed as Shadow Chair by Ministerial Decision, allowing for continuity in the Shadow Board phase. Bill Allen has been similarly ‘grand-fathered’ into a shadow position and we will look to appoint one further member that is locally-based.”

The Panel was also advised that the Jersey Appointments Commission will be asked to engage on all appointments to the statutory Board.

The Panel question why the Government of Jersey should be establishing and funding a Financial Stability Board when this could be undertaken by an external body.

The Panel highlights the fact that the Government failed in its first attempt at establishing an interim Board, which “faded away” due to a lack of definition and funding. Although it is noted that this project seeks funding and plans for the board to become statutory, the Panel will lodge an amendment to remove it completely from the Government Plan which will create the opportunity for it to be established by an external body. It is noted that, if accepted, the funds could be used to fund the Panel’s amendment to “Sport Division – Minor Capital Replacements” which increases funding in 2020 to £125,000.

Key Findings**FINDING 3.11**

The project “Financial Stability Board” seeks investment to establish the Board. A [Ministerial Decision](#) was signed by the Chief Minister on 26th July 2019 which actions the Chief Economic Advisor to organise the recruitment of a full-time officer to serve as the secretariat. Therefore, it seems that work is already being undertaken to establish the FSB before the funding in the Government Plan is approved by the States.

**FINDING 3.12**

The project “Financial Stability Board” (FSB) seeks investment to establish the Board. An interim FSB was established in 2012 but due to a lack of definition and funding it has faded away.

**FINDING 3.13**

The project “Financial Stability Board” (FSB) seeks investment to establish the Board. The Panel question why the Government of Jersey is establishing and funding a Financial Stability Board when this could be undertaken by an external body. In that regard, the Panel will lodge an amendment to remove it completely from the Government Plan.

CSP3-2-02 – Competition policy and Jersey Competition Regulatory Authority			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Increasing the capacity of the Jersey Competition Regulatory Authority		Chief Minister	

Business Case: Overview

- The Business Case makes reference to various reviews of the Jersey Competition Regulatory Authority (JCRA) which have identified a need to establish a sustainable litigation funding for the authority.
- The additional investment required will enable £100,000 per year to be paid into the Court and Case Costs Reserve of the States. This would fulfil a recommendation made by Oxera that the JCRA should have greater certainty of funding against the risk that one of its decisions is appealed.
- A further £170,000 per year is being sought to improve capacity and capability of the JCRA to pursue market studies and investigation in support of States strategies on anti-inflation, the economic framework and affordable living.
- The original Business Case had sought funding of £270,000 per year over the 4 year period, but this has been reduced in years 2020 and 2021 to reflect the final decision of the Council of Ministers.

- The business case seeks to secure funding of:
 - £200,000 in 2020
 - £250,000 in 2021
 - £270,000 in 2022
 - £270,000 in 2023

Panel analysis

The Panel wrote to the Chief Minister and included a number of questions about this project. In his [response](#), the Chief Minister advised that the JCRA had been consulted in establishing the funding request. In that regard, the JCRA advised that funding is required to meet the Oxera recommendation of a Court and Case Costs Reserve and improve its capability and capacity to supervise markets.

It is noted that the JCRA is the Jersey strand of the Channel Island Competition Regulatory Authority (CICRA) with the other strand in Guernsey. The Panel asked how much investment was being matched by the Guernsey strand of CICRA. The Chief Minister advised:

Chief Minister:

Jersey and Guernsey set budgets for competition based on their own domestic priorities and so at any point budgets may be different. However, it is important that the budget that Jersey allocates is spent on Jersey competition law activity.

The JCRA (and GCRA) annual accounts recognise that the Members of the Authorities are required to exercise their judgment in determining the split of general expenses incurred for work undertaken under the aegis of the Channel Islands Competition and Regulatory Authorities. Part of that includes an assessment of resource allocation, including that of staff time. The notes to the Accounts further set out that where resources are shared between the islands there is a recharge system in place and states that expenses incurred are met on a no gain / no loss basis. Board costs and the costs of the Chief Executive are shared equally between the islands.

There is an expectation that the JCRA will spend the Jersey competition law grant only on Jersey activity and this is reflected in the language of the service level agreement and the grant assurance statement that the Authority submits. It is also reflected in the separation of accounts of the two Authorities that remain separate legal entities.

The JCRA internal audit (September 2017), in the past, has identified the risk that fees generated from the JCRA might be used to pay the costs of the GCRA and vice versa. The auditors therefore looked for errors of commission during their work on income and expenditure. There were no errors of commission findings reported for that year.


The JCRA has advised:

Competition law funding in Guernsey is different in approach following concerns identified in the course of previous investigations where unavailability of funds meant cases were not pursued. To remedy past issues an expedited procedure was made available giving access to funding for investigations through the Treasurer until the systemic issue is resolved (which is in train through the current government budget round). More recently, this process

gave access to additional funding over and above the current £140k grant to fund specified investigations, doubling the 2019 grant. In addition, the Committee for Economic Development has sought an additional £160k of funding in its latest budget submission.

To reassure the Scrutiny Committee, at all times there is an explicit division between Guernsey and Jersey competition law grant funding and there is absolutely no cross-subsidisation between the JCRA and GCRA's competition law activities. CICRA has in the past and may in future engage in joint market studies for example but these are shared on a 50:50 basis. If the Committee would benefit from approaching the Authority's internal and external auditors, the JCRA is happy to assist in that.

The Panel is satisfied with the justification provided regarding this project.


CSP6-2-10 – Guernsey-Jersey Joint Working Programme			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Continue to expand on the Guernsey-Jersey Joint Working Programme		Chief Minister	

Business Case: Overview

- The Business Case explains that the Joint Working Programme (established in May 2018) has an impact on the Common Strategic Policy themes as it aims to improve collaboration and delivery of public services in every area.
- The levels of efficiencies are yet to be identified but work is underway to develop a tracking method.
- The Business Case requests funding for a Programme Manager and Programme Support Officer, both posts shared 50/50 with Guernsey.
- The business case seeks to secure funding of:
 - £63,000 in 2020
 - £63,000 in 2021
 - £63,000 in 2022
 - £63,000 in 2023

Panel analysis

The Panel asked the Chief Minister for more detail around efficiencies by working more collaboratively with Guernsey. In his [response](#), the Chief Minister advised that most joint working projects were at an early stage but efficiencies were expected to be realised over the period of the Government Plan. This includes reduced operating and staff costs, joint procurement, shared expertise to reduce recruitment costs and potentially shared services in some areas.

CSP-1-06 – Continuation of External Relations funding			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> ➤ Protect and strengthen Jersey's status as a self-governing nation ➤ Closely monitor and respond to the future UK/EU partnership negotiations ➤ Continue delivery of the Global Markets Strategy ➤ Deliver year 1 of the European Relations Strategy 2020-23 ➤ Continue to invest in Jersey's overseas offices (London, Brussels and Caen) ➤ Ensure that Jersey continues to engage effectively with relevant multilateral bodies 	We will promote and protect Jersey's interests, profile and reputation internationally	Minister for External Relations	

Business Case: Overview

- The business case explains that contingency funding for External Relations was agreed in 2016 and 2017 and funding as made available from the Investment Advisory Board in 2018. This enabled the Minister to respond to Brexit and any challenges, risks and opportunities arising.
- The business case therefore requests the consolidation of contingency funding granted in 2016, 2017 and 2018 into the Minister's base budget for 2020-2023.
- The business case also makes recommendations for additional funding required to ensure the Government is resourced to achieve "*optimum economic, political and constitutional outcomes from its international engagement in future years*". In that regard, an additional £1.2-1.4 million per annum has been requested in addition to the Minister's base budget (£1.74m).
- The funding sought in the business case includes a minor shortfall compared to the original request. The Panel has been advised that the slightly lower values can be absorbed through delaying recruitment plans until mid-2020.
- The business case seeks to secure funding of:
 - £1,201,000 in 2020
 - £1,407,000 in 2021
 - £1,347,000 in 2022
 - £1,347,000 in 2023

Panel analysis

The Panel held a [Public Hearing](#) with the Minister for External Relations on 12th September to discuss this project. The Minister provided an overview of how the money would be spent over the next 4 years:

The Minister for External Relations:

“So we will be spending a bit more on the London office, about 125 and then the vast majority of the rest is on staffing, some of whom we already have on contract being funded from contingency so we are talking about, overall between base 2019 and 2020, 14 new people. We have got a little more ...we are creating a new bilateral co-operation fund. That is doing things like funding the Jersey Rwandan artwork that will be delivered around C.H.O.G.M (Commonwealth Heads of Government Meeting) in Rwanda next year. It is that sort of small amounts of money on top of but the vast majority is staff”.

Deputy K.F. Morel:

“Okay. I was thinking you were going to answer something along the lines of you would use to build market strategies, some of it will used for Brexit, some of it will be used....”

The Minister for External Relations:

“Those staff will be doing those pieces of work but I am being absolutely clear, because I know sometimes Members get upset about employing people, it will be, by its very nature, employing people. As I say, the majority of whom are already employed but they are on short-term contracts”²².

The Panel notes that the External Relations team is divided across 4 locations: Jersey, London, Brussels and Caen (Brussel and Caen are joint with Guernsey). The Panel asked what the budgets were for each location. The Minister advised²³:

- London: £425,000
- Brussels: £360,000
- Caen: £110,000

In terms of the London Office, the Minister advised that additional funding was required from top up grants. The Minister explained that if the base budget was increased, extra funding would no longer have to be provided from top up grants.

As part of the continuation of funding for External Relations, the team will continue delivery of the Global Markets Strategy (GMS) – this is also identified as an “action” linked to the additional investment project. The Government Plan explains that the GMS *“will establish new international agreements with target economies to facilitate increased trade, achieve better access and visibility to Ministers and officials in governments in key markets, and support increased economic growth across a range of sectors”²⁴.*

The Panel asked how much of the funding from External Relations had been identified to support the delivery of the GMS. The Minister advised that for 2020, £610,000 had been identified (plus travel). The Panel raised a concern about the amount of money identified for

²² Public Hearing with the Minister for External Relations, 12th September 2019, p.5

²³Public Hearing with the Minister for External Relations, 12th September 2019, p.11

²⁴ Government Plan (P.71/2019) p.54

the GMS and whether the significant sum would impact on time spent on Jersey's relationship with the European union, particularly as the business case acknowledges the considerable challenges in this area:

The Minister for External Relations:

"...We should be seeing a lot of money allocated to Global Market Strategy, because that is where our future is, even though we have to continue to manage our existing relationship and a new relationship with the E.U. As I said earlier, I am satisfied with the strategy for 2020. As we go through 2020, hopefully the future economic relationship becomes clearer. It may not, but hopefully it will become clearer and it may mean that I am having to ask fellow Ministers for more money to strengthen the Brussels office, in particular, during 2021".

Deputy K.F. Morel:

"It is interesting you talk in terms of markets and obviously the Global Market Strategy, I understand that. Where I am coming from on this is that there are potentially threats from a constitutional perspective, both in London and Brussels or Paris. There are no threats at a constitutional level from anywhere in the Global Market Strategy, particularly".

[...]

Deputy K.F. Morel:

"In terms of markets, I understand what you are saying, but in terms of danger to Jersey's autonomy, constitutional position, I would argue that London and Brussels are far greater threats to that. That is why I ask about the weighting towards the Global Market Strategy".

The Minister for External Relations:

"... If we are, and rightly, concerned about the threats to our autonomy and constitution, if we think about the actual break down of the money: what is the majority of the spend in the London office going on? It is on building and maintaining that relationship and fighting off any constitutional issue in London. C.I.B.O. office has got a very similar aim: new E.U. engagement team doing the same thing across capitals. I take your point that is 3 people against 27. We have always been that sort of ... we have a limited resource and we have to employ it in the best way we can. Also then officials here in Jersey as well, whose vast majority of time is taken up nowadays with Brexit and those constitutional arguments and protection of economy. If you split it like that then I could be making your argument that I am not putting enough into the new global markets to protect jobs and build the economy."

Deputy K.F. Morel:


"Yes. The argument I am making is that you need a stable platform in order to be able to have an effective Global Market Strategy."

The Minister for External Relations:

"Yes"²⁵.

²⁵ Public Hearing with the Minister for External Relations, 12th September 2019, p.11

The Panel accepts that there needs to be a continuation of funding within External Relations, particularly in relation to the impact of Brexit, and the importance of Jersey's relationship with EU countries.

CSP3-3-02 – Jersey Finance Growth			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Forge new and stronger commercial relationships across Jersey Finance's overseas markets	We will promote and protect Jersey's interests, profile and reputation internationally	Minister for External Relations	


Business Case: Overview

- The business case provides an overview of Jersey Finance explaining that it was established in 2001 “to support the effective development and promotion of Jersey's financial and professional services sector”. It presently has offices in Jersey, Dubai, Hong Kong and New York (with representatives based in London and Mumbai).
- Jersey Finance's baseline grant is £4.8 million. It receives a further £1 million through other activities including member subscriptions.
- The additional investment required for Jersey Finance growth includes two additional measures:
 - Consolidation of the New York Office into its baseline budget (£400,000).
 - Maximising the ability to influence in overseas markets (£430,000). This includes provision for the Brexit effect on the foreign exchange rate (£180,000) and staff costs (£250,000).
- The business case seeks to secure funding of:
 - £830,000 in 2020
 - £830,000 in 2021
 - £830,000 in 2022
 - £830,000 in 2023

Panel analysis

The Panel met the Chief Executive and Deputy Chief Executive of Jersey Finance on 6th September. The Chief Executive explained that the growth bid was less than originally bid for and as a result, some activity had been scaled back. In that regard, the Chief Executive advised that Jersey Finance were exploring ways to raise additional funding from members.

The Panel questioned the External Relations Minister during a [Public Hearing](#) about this project, but had no further concerns or queries about how the growth bid would be spent.

CSP3-3-01 – Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) processes			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Invest in Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) processes	We will promote and protect Jersey's interests, profile and reputation internationally	Minister for External Relations	

Business Plan: overview

- The business plan explains that Jersey has achieved high ratings from external assessment bodies in the areas of anti-money laundering (AML) and countering the financing of terrorism (CFT). The next assessment by Moneyval is scheduled for late 2021/early2022. Moneyval is the common and official name of the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism.
- The next assessment is due to be a sterner test of AML/CFT regimes with the focus on the effectiveness of the regime, something which a number of other jurisdictions have failed. The business case notes that failures in the assessment tend to be reported on by the international media.
- Therefore, funding is sought to uplift the core budget in order to:
 - Deliver transparency of beneficial ownership policy commitments
 - Address international anti-bribery and corruption standards
 - Provide for closer engagement with U.K. and international counterparts
 - Support Moneyval and Financial Action Task Force engagement on policy and plenary matters
 - Develop a holistic view of AML/CFT effectiveness and outcomes through a new Customer Relationship Management (CRM) tool.

To provide additional resource within States of Jersey Police for:

- strategic analysis of AML/CFT risk
- increased training and development budget
- an increase to investigative capacity
- improved engagement with counterparts elsewhere.

To increase grant for Jersey Financial Services Commission in order to:

- Provide for greater AML/CFT supervision of the financial and professional services sector
- Assessment of AML/CFT related risk data
- The business case seeks to secure funding of:
 - £1,500,000 in 2020
 - £1,000,000 in 2021

- £750,000 in 2022
- £730,000 in 2023

Panel analysis

The Panel held a [Public Hearing](#) with the Minister for External Relations on 12th September and asked a number of questions about this project. The Panel asked why the growth bid decreased over the 4 year period. The Group Director of Financial Services and Digital responded:

Group Director, Financial Services and Digital:

“The grant or the monies for A.M.L./C.F.T. are going out partly to the Jersey Financial Services Commission, partly to the States of Jersey Police and part will be retained within my department to build this new financial crime directorate. The J.F.S.C. component is a grant from Government to the commission and the reason that the bid tails off over the period of the plan or is intended to tail off is because the J.F.S.C. will transition the costs of supervision to the industry that they are supervising. So what this means is that the transition is just going to have to be done slightly differently in that the J.F.S.C. will need to absorb a little bit more of it from their reserves position and find organisational efficiencies rather than get the full amount that they had asked for from the Government”.

The business case explains that through the work of the Jersey Financial Crime Strategy Group, a number of effectiveness gaps have been identified including:

- Insufficient volume of prosecutions for money laundering
- Some prosecution activity does not adequately correlate to the jurisdictional risks identified with the National Risk Assessment process
- Inadequate AML/CFT supervision of regulated firms by the Jersey Financial Services Commission
- Lack of strategic analysis capability within the Joint Financial Crimes Unit
- Lack of quality management information throughout the end to end process
- Insufficient corporate focus on AML/CFT matters across the Government of Jersey including limited policy resource capability

In terms of the “insufficient volume of prosecutions for money laundering” the Panel asked whether there was a risk that Government could be creating a financial incentive for prosecuting people. For example, a source of income for the Jersey Financial Services Commission is through sanctions on companies that have transgressed in some way. The Group Director of Financial Services and Digital responded:

Group Director, Financial Services and Digital:

“I would say yes and no because at the end of the day if we bring the right business into the jurisdiction and we manage it effectively, then there is no cause to prosecute or to levy civil penalties and so on”.

Deputy K.F. Morel:

“Which means the J.F.S.C. will get less money.”

Group Director, Financial Services and Digital:

“Yes, but the civil penalties ... and this is something the Minister and I spoke about just after the recent fine that the J.F.S.C. charged against a local firm, is that we have a

very close overlay to make sure that we are satisfied that the commission is not using this as some sort of revenue-earning opportunity for itself ...”


Deputy K.F. Morel:

“Yes, that is the concern”.

Group Director, Financial Services and Digital:

“... and that it is applying those penalties after thorough investigation, after the strongest possible governance within the commission as a body and that the level of sanction, the level of fine, is commensurate with the underlying issue. So we are very mindful of that. It is not to incentivise fines being levied, but equally fines have to be dissuasive. You are looking ultimately for a change of behaviour and, as I say, it is back to the cost of compliance versus the cost of non-compliance”²⁶.

The Panel accepts that investment is required in this area and had no further concerns or queries about how the growth bid would be spent.

CSP3-1-04 – Jersey Customs and Immigration Brexit Officers			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Further work to manage the impacts of Brexit on Jersey’s customs and immigration	We will promote and protect Jersey’s interests, profile and reputation internationally	Minister for Home Affairs	

Business Case: overview

- The business case explains that the Jersey Customs and Immigration Service (JCIS) has a responsibility to complete the ongoing Customs and immigration work-streams that exist as a consequence of Brexit.
- Therefore, the request seeks funding for a further 12 months for two existing Brexit officers until the end of 2020.
- The business case seeks to secure funding of:
 - £100,000 in 2020
 - £0 in 2021
 - £0 in 2022
 - £0 in 2023


Panel analysis

The Minister for Home Affairs has political responsibility for this project and therefore the Panel wrote to the Minister in September. In his [response](#), the Minister explained that the final operational implications of Brexit cannot be accurately predicted at the current time however it is likely that there will be an increased control on the importation of goods from the EU. Similarly, there is also likely to be an increased control on the movement of EU nationals

²⁶ Public Hearing with the Minister for External Relations, 12th September 2019, p.32

entering the Common Travel Area via Jersey. Both have the potential for an increase in the detection and management of irregularities, for example smuggling.

The Minister advised that, in the medium term, additional resources both in terms of manpower and finances could not be ruled out at this stage. The business case however only seeks additional funding for 2 Brexit officers until the end of 2020.

CSP3-1-07 – Reversing the decline in Jersey’s Overseas Aid contributions			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Increase Jersey’s overseas aid contributions	We will promote and protect Jersey’s interests, profile and reputation internationally	Minister for International Development	

Business Case: overview

- The business case proposes to align Jersey’s overseas aid budget more closely with other developed nations. It seeks funding to arrest the decline in Jersey’s aid contributions by returning in 2020 to their level in 2015. Over the subsequent years, it then proposes a phased 0.1% increase from 0.25% of Goods Value Added (GVA) in 2020 to 0.28% in 2023, representing an increase in the annual budget from £10.3 million to £15.2 million over the period.
- The business case seeks to secure funding of:
 - £1,090,000 in 2020
 - £1,970,000 in 2021
 - £3,890,000 in 2022
 - £4,870,000 in 2023

Panel analysis

The Panel held a [Public Hearing](#) with the Minister for International Development on 1st October 2019. The Panel asked for a breakdown of how the money would be spent over the 4 year period:

The Minister for International Development:

“As you know, we carve our budget up, roughly speaking, into grants, into emergency aid, into local charities, community work projects. Also recently we have increased the amount we give in grants, because we find it has a greater impact if we can increase the amount and have the project for sometimes 2 or 3 years, so we can go into a country - which we have focused down on fewer countries now - and we have a greater impact. We can make an impact and build relationships with the people, get to know the culture and possibly build relationships with the governments as well”.

Deputy K.F. Morel:

“Given that you are getting, by some departments’ standards, quite a large rise, will you just be spending more on grants, more on emergency aid or are you expanding the programme outwards? How do you use that extra money?”

The Minister for International Development:

“We can spend our money 10 times over, as you can imagine. We are going through the process at the moment of sifting through all the applications we have for giving grants in our chosen countries in our 3 themes. We could spend the money 10 times over, so we are sifting through those now, as I say, and we will be able to give more grants, to respond to more applications, more proposals that we have. It is always good to be able to give to emergencies as and when they happen. We have not at this stage sat down, as the Commission, and worked out if we are going to give more in any particular areas because I think that is counting your chickens. We have made this proposal in the Government Plan, which we hope to get. The 2020 figure will just be putting us back up to our 2015 levels, so for the first year from here to 2020, we will be reversing the decline in our budget, because it has been going down in real terms²⁷”.

The Minister also confirmed that the JOA budget is linked to GVA, so if the States annual budget goes up or down, the JOA budget will adjust accordingly.

In terms of the JOA’s operational accountability, the business case explains that it commissioned an independent report which made several recommendations on improving its governance. As a result, the JOA has improved its governance processes within the organisation:

- The identification of an Accountable Officer role (yet to be appointed but the role is currently being undertaken by the Executive Director of JOA²⁸)
- The implementation of a double-gate approval process for all new projects
- A formal delegation of powers to the Executive (approved by the States in 2018). This includes a Memorandum of Understanding with the Office of the Chief Executive and a separate chapter of the Public Finances Manual outlining its financial governance arrangements.

The Executive Director of the JOA explained the improved governance arrangements in more detail:

Executive Director, Jersey Overseas Aid Commission:

“.... we have changed the way that we monitor and oversee grants and put a real emphasis on the outcomes, the results, and of course even selecting it in the first place. We are not interested in people who say: “We are going to dig a well.” You have to just keep asking “why” questions: “What is the impact of that going to be?” “People are going to have clean water.” Again: “So what?” “It is going to improve the health of the children in the village so that they attend school more and that improves their grades, and it is going to allow the women to make a bit more money from their vegetable gardens and be less likely to be assaulted on the way to the well to get water.” So then you have got 3 outcomes that you can measure and see whether this project has been successful. Did the grades improve? Were women assaulted less? Did household

²⁷ Public Hearing with the Minister for International Development, 1st October 2019, p.2

²⁸ Public Hearing with the Minister for International Development, 1st October 2019, p.29

incomes rise? At the basis of every project is that very empirical analysis: will it work, has it worked, and if it did, what lessons can we share with other grantees?²⁹

The Panel welcomes the improved governance arrangements implemented by the JOA for providing grants. The improved arrangements should assure taxpayers that their money is being apportioned appropriately within the auspices of the JOA.

The business case explains that the JOA focus from 2020 onwards will be on three sectors:

- **Dairy for Development:** focussed on boosting incomes and improving nutrition by enhancing dairy production techniques, strengthening value chains and improving animal genetics.
- **Financial Services for the Poor:** focussed on tackling poverty and encouraging economic growth and employment by bringing financial services to poor communities.
- **Conservation Livelihoods:** focussing on the link between human development and environmental protection, in particularly vulnerable ecosystems under threat from population growth, habitat destruction and changing weather patterns.

The Panel welcomes the JOA's development of a focused strategy, which in the past has not been as focused on specific areas.

Key Findings



FINDING 3.14

The project “reversing the decline in Jersey’s Overseas Aid contributions” seeks funding to align the JOA budget more closely with other developed nations. The JOA has made improvements to its governance arrangements which should assure taxpayers that their money is being apportioned appropriately with the right level of safeguards.














FINDING 3.15

The project “reversing the decline in Jersey’s Overseas Aid contributions” seeks funding to align the JOA budget more closely with other developed nations. Within the supporting business case, the Panel welcomes the focused strategy from the JOA which will focus on three areas from 2020 onwards: Dairy for Development, Financial Services for the Poor and Conservation Livelihoods.

²⁹ Public Hearing with the Minister for International Development, 1st October 2019, p.11

Business Cases for Capital Expenditure

The following capital investment projects have been scrutinised by the Panel (the projects in light grey do not require any additional funding in 2020, resulting in an amber RAG rating referencing the need for more information before the first year of spending begins).


Capital investment projects		
Project	Minister(s)	Scrutiny RAG Status
Fort Regent (pre-feasibility vote)	Minister for Economic Development, Tourism, Sport and Culture	
Island sports facilities, inspiring places (pre-feasibility vote)	Minister for Economic Development, Tourism, Sport and Culture	
Pride Software	Non-Ministerial (Judicial Greffe)	
Court Digitisation	Non-Ministerial (Judicial Greffe)	
PlainSail software - Viscounts	Non-Ministerial (Viscounts)	
Regulation Group Digital Assets	Minister for the Environment	
Cyber Security (major project)	Chief Minister	
Client Relationship Management system	Chief Operating Office (Minister unknown)	
Service Digitisation	Chief Operating Office (Minister unknown)	
Sports Division Refurbishment	Minister for Economic Development, Tourism, Sport and Culture	
New Skate Park	Minister for Economic Development, Tourism, Sport and Culture	

Explanation of pre-feasibility vote

Two of the projects assigned to the Panel (Fort Regent and Island sports facilities) are identified as “pre-feasibility” votes. The Government Plan explains what this means:

Setting an appropriate and prudent level of funding will require a more mature approach to the development of project business cases and feasibility assessment. To facilitate this, a head of expenditure called ‘pre-feasibility vote’ has been created, which provides funding to undertake

assessment of proposals for projects and develop robust and comprehensive business cases³⁰.

Fort Regent			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Long-term solution for Fort Regent	➤ We will make St Helier a more desirable place to live, work, do business and visit	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

- The business case explains that, over the years, the Fort has provided valuable facilities for the community but major elements are dated, underutilised and no longer fit for purpose. As the facility has deteriorated due to a lack of investment, there is an immediate requirement to review its short-term uses and long-term future.
- As a result of the assessment work undertaken so far on the future use of Fort Regent, the business case explains that three preferred themes/options have emerged:
 1. Jersey Business Hub
 2. Botanic Gardens
 3. Sports Village
- The project is currently at strategic business case stage of development and therefore a more detailed appraisal process to produce a full outline business case for the project is required. This work will quantify the financial costs and benefits of the options.
- The business case was included in pre-feasibility so that the budget was managed by the States Treasury and Exchequer. The business case explains that this ensures that money is available to develop the case for the preferred option, without second-guessing what the preferred option is and therefore what the cost of the project will be. It is envisaged that the Growth, Housing and Environment Department will draw down funding as required.
- In the Government Plan, £2 million has been allocated to this project. Therefore, when it comes to the debate, States Members will be asked to approve this funding as part of the pre-feasibility vote. If approved, this will enable the commencement of the full outline business case.

Panel analysis

There are two feasibility projects that relate to Fort Regent in the Government Plan. The first is the Fort Regent project and the second is the “Island Sports Facilities, Inspiring Places” project (which the Panel analyses in the next section). The Fort Regent business case explains that three options for its future use have emerged (business hub, botanical gardens or sports village). In the Island Sports Facilities project, workstream one includes work on the

³⁰ Government Plan (P.71/2019) p.142

development of a sports campus, which is similar to the sport village option identified in the business case for Fort Regent:

Business Case: Island Sports Facilities, Inspiring Places:

High-Level Feasibility - Consultation and options appraisal on the facility mix for an Island Sports Campus. The key decision in this phase is whether the preference is to focus all facilities on one site or to split out the Sports Centre and Island Stadium across two sites. The output of this workstream will include site options appraisals, consultation with key organisations to determine need, an identified facility mix for the preferred option(s), high level designs and massing to determine the 'fit' on the sites and early stage capital costing. A high level revenue business plan will be developed to determine the likely on-going deficit/surplus of delivering sport and physical activity services within its new format and structure.

This phase will also consider to what extent the Island Sports Campus will host cultural and conferencing events and will link with the parallel project being undertaken on the future of the Fort Regent site. The inclusion of cultural and conferencing events will significantly impact on the design requirements of this workstream, and an early decision will be crucial. This workstream will be completed by KKP leisure consultants in 2019 as a follow on from their 2017/18 work on the Sports Facilities Strategy. Funding is already in place to deliver this first phase of the project. The findings of the high-level feasibility stage will be brought back to Government for review and decision, which will also help to determine a more accurate estimate of the budget costs contained within this business case.

In a [Public Hearing](#) with the Assistant Minister, the Panel asked about the crossover and possible duplication:

Deputy K.F. Morel:

"Yes, so straight away, if you were to choose the sports facility for Fort Regent and not the business hub, not the botanical gardens and you have got this separate project going on, my concern is clear, that there is duplication going on here".

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

"I will talk briefly about the Island sports strategy group and then I will hand over to the Director General to talk about Fort Regent. I do not currently sit on the Fort Regent group".

Deputy K.F. Morel:

"Yes. I appreciate that".

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

"So I do not have all the necessary information around how that is progressing, so I will hand it over. I hope the Director General will agree with me, they are intrinsically linked. I think what we are doing with the Island's sports strategy review is looking forward over the next 15, 20 years to have some understanding of what the sports portfolio needs to look like moving forward. The word "decay" or whatever, we have got a sports portfolio at the moment that is ageing, it is creaking a little bit at the seams. It does need some refurbishment and may need some replacement depending on the 5 outcomes of the review being carried out by Knight Kavanagh Page. They carried out an initial review of sports facilities in the Island and came up with several

recommendations, which I think you have already seen that report. It is a public document³¹.

The Panel was advised that it was anticipated that a draft report by Knight Kavanagh Page (KKP) would be submitted by the end of November or early December. The Panel asked what would happen to the £2 million allocated to the Fort Regent project if KKP recommended, as part of the project on Island Sports Facilities, that Fort Regent should be developed as a sports facility:

Director General, Growth, Housing and Environment:

".....Now, your point is exactly right, they are all integrated together and what we need and what we do not have at the moment is quite that political oversight. Officer oversight is quite coherent, because it is the same people, but the political oversight needs to consolidate on the same people at the same meeting and they have got to be presented with all these streams of work to that same meeting so that there is not ... what we do not want to do is commission work that then becomes obsolete and then has a conflict and starts ... "

Deputy K.F. Morel:

"That is my concern."

Director General, Growth, Housing and Environment:

"Yes, and I appreciate that completely. But I think this will enable us to innovate and come up with solutions that each individual process would not have come up with, so that spatial planning and that integration then starts working better than just doing it as separate entities. That is the theory which myself and Steve are going to try and instigate between now and Christmas in terms of resetting the political oversight on this³²."

In terms of both these projects, there are working groups for each. The Fort Regent Working Group co-ordinates the project on Fort Regent and the Sports Facilities Group (chaired by the Assistant Minister) co-ordinates the Island Sports Facilities, Inspiring Places project. Further on in the Hearing, the Assistant Minister accepted the concern around duplication of the two projects, and also the political co-ordination:

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

"You have hit the nail on the head. At the moment they are going down two side-by-side railway tracks and they need to be closer linked in terms of they are trying to achieve. I think the Director General has made a ... and nothing that he said in the conversation I had with him a couple of weeks ago did I disagree with. I probably made a poor decision in removing myself from the Fort Regent steering group. If I am allowed to, I will reconsider that, because it is probably important that I have some view of that, considering I am chairing the [sports facilities group] ... "

³¹ Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.4

³² Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.8

Deputy K.F. Morel:

“I think that would be very good, but that whole problem could be avoided if they just brought the Fort Regent one into the sports facilities group and used it as a sub-panel of the sports facilities group, if you know what I mean. That to me would make a lot more sense³³”.

Both feasibility projects (Fort Regent and Island Sports Facilities) will require careful management by Growth, Housing and Environment in terms of duplication and the risk that money will be spent twice for the same outcome. There also needs to be a consistent approach to political oversight of both projects, which, organised in their current form, are isolated from one another. This is an unacceptable approach when so much investment is required to determine the feasibility of both projects.

Key Findings**FINDING 3.16**

There are two feasibility projects that relate to Fort Regent in the Government Plan. The first is the “Fort Regent” project and the second is the “Island Sports Facilities, Inspiring Places” project. There is a degree of crossover between the two projects, which require a consistent level of political oversight on both working groups which co-ordinate them.

Recommendations**RECOMMENDATION 3.2**

The Minister should ensure that there is a consistent level of political presence on both the Fort Regent Working Group and Sports Facilities Group. This will help mitigate the risk of duplication as the remits of both groups include Fort Regent. The Panel suggests that the two groups are amalgamated into one main group.

Island sports facilities, inspiring places			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Further investment in sports facilities across the Island	-	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

- The business case explains that this project seeks to deliver modern sports, leisure and fitness facilities which includes three main workstreams:

1. Island Sport Campus

³³ Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.9

2. Wider Sporting Estate Improvements and Lifecycle Planning
 3. Decampment of Sport from Fort Regent, Skatepark and Netball Facility
- It is anticipated that three years of research, design and development will be undertaken as well as the delivery of interim solutions and “quick-wins”. Accurate budget costs will be identified following completion of the high-level feasibility and procurement study.
 - The business case was included in pre-feasibility so that the budget was managed by the States Treasury and Exchequer. The business case explains that this ensures that money is available to develop the case for the preferred option, without second guessing what the preferred option is and therefore what the cost of the project will be. It is envisaged that the Growth, Housing and Environment Department will draw down funding as required.
 - In the Government Plan £700,000 has been allocated to this project. When it comes to the debate, therefore, States Members will be asked to approve this funding as part of the pre-feasibility vote. If approved, this will enable the commencement of the feasibility study.

Panel analysis

The Panel has already analysed this project to some degree in terms of its political oversight and its crossover with the project on Fort Regent (see previous section).

In 2018, Knight, Kavanagh Page (KKP) published its initial [Sports Facility Delivery Strategy](#). The strategy identified where funding should be invested and how the service should be operated in order to meet the Island’s wider strategic objectives and deliver increased opportunities for residents to be physically active. During the Public Hearing with the Assistant Minister, he explained that the KKP work has continued and will form part of the feasibility workstream (workstream 1 of 3 in the business case) and that it was hoped that a draft report would be submitted to the Department by the end of November:

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

“I would expect to have - I hope I am right - a draft probably by the end of November, early December to review and then it is going to take us some time to review that with them. It needs to go to the sports facility group first. I think there is a good range of experience on that board and a good range of Government departments as well. We have just included Senator Vallois on that group from an education facilities point of view, which I think is important”³⁴.

The Panel welcomes the political engagement with the Education Minister who has been included on the working group for Island Sports Facilities. Further on in the Hearing, the Assistant Minister advised that a relationship and engagement with the Education Department was required in light of the many sports facilities the Department had available:

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

“One element that we do need to improve on is our relationship and engagement with the Education Department around the use of school facilities for community use. We have got a new Les Quennevais School coming online before too long, which has got some fantastic sports facilities, so I think there is a piece of work for us to do and

³⁴ Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.6

working with the Education Department to fully understand how we can most benefit from the facilities that we have currently got. I understand the concerns that head teachers have about having members of the public onsite at certain times of the day; I accept that safety issue and security”.

Deputy K.F. Morel:

“I have to say and I will state that they cannot see members of the public as a threat. They are part of our community”.

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

“They are part of our community, which is why we think we need to work with the headmasters and headmasters’ association to have a better understanding, because there is a lot of capacity to assist our sports clubs and associations which is not currently being used. That is a separate piece of work. I have already asked for a meeting with the ministerial team at Education so we can get some ministerial agreement about moving that forward³⁵”.

The Panel agrees that more sports facilities within the Children, Young People, Education and Skills Department (referred to as the Education Department) could be used by the community and looks forward to seeing the outcomes of the improved engagement with the Education Minister and her Department.

Key Findings



FINDING 3.17

The pre-feasibility project “Island Sports Facilities, Inspiring Places” aims to deliver modern sports, leisure and fitness facilities. It has been accepted by the Assistant Minister for Economic Development, Tourism, Sport and Culture that more engagement is required with the Education Minister in order to use more facilities that are currently held by the Education Department.

Pride Software			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
-	-	Non-Ministerial	

Business Case: Overview

- The Panel only received the summary business case in relation to this project.
- The summary business case explains that the “Public Registry Index and Document Enrolment” online system has not been upgraded for approximately 7 years. Therefore, a sum of money has been identified for a major upgrade in 2022 to encompass new legislation and functionality.

³⁵ Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.10

- The capital investment required for this project is:
 - £0 in 2020
 - £0 in 2021
 - £200,000 in 2022
 - £0 in 2023

Panel analysis

This project falls under the Judicial Greffe (a non-Ministerial department). Therefore, it is not linked to any actions or common themes in the Government Plan and seems to be an operational matter of upgrading an IT system.

Nevertheless, the Panel wrote to the Judicial Greffier and asked a number of questions. The Judicial Greffier [responded](#) explaining that the bulk of the investment is required for upgrading the functionality of the software, and a further enhancement will be undertaken to permit the registration of lasting powers of attorney created under the Capacity and Self-Determination (Jersey) Law 2016.

The Panel notes that funding for this project, if approved, will not commence until 2022. Therefore, the Panel has highlighted the project as amber to indicate that it will be revisited by the Panel in a future Government Plan when funding is being requested. Therefore, in this instance, the amber rating indicates 'awaiting further information'.

Court Digitisation			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Technology Transformation Programme	-	Non-Ministerial	

Business Case: Overview

- The Panel only received the summary business case in relation to this project.
- The summary business case explains that the current paper-based court processes and the lack of homogenised technology mean that Jersey has fallen behind comparable jurisdictions. Modernising the legal system via the courts digital project will therefore rectify this.
- The capital investment required for this project is:
 - £500,000 in 2020
 - £1,093,000 in 2021
 - £1,043,000 in 2022
 - £1,300,000 in 2023

Panel analysis


This project falls under the Judicial Greffe (a non-Ministerial department). Therefore, it is not linked to any actions or common themes.

Nevertheless, the Panel wrote to the Judicial Greffier and asked a number of questions. The Judicial Greffier [responded](#) explaining that detailed planning for this project is just starting. In advance of the States Assembly approving the capital investment required, the Jersey Legal Information Board has seed funded some “pump-priming” activities which include funding a project manager/business analyst to form a project board, plan the phases of the project and begin gathering the requirements that will go into an invitation to tender. Specialist advice will also be sought, given that the court is a specialist area.

The timetable for this project will result in paperless courts and will include the following functions:

- Case management – the new system will enable better end-to-end management of cases by court administrators (initiation, tracking, scheduling, workflow and reporting)
- Document management – storage and management of all case documents lodged with the court
- Court calendar management (scheduling cases, court room, judges and equipment)
- Digital signatures
- Financial management (fines, fees, collection, distribution, reconciliation)
- E-filing – the ability for professionals and self-represented litigants to upload documents to the court online
- Public access portal – a website where parties can access case information, documents, the court calendar and make payments of fines and fees.
- Case presentation – a website where counsel, judges and Jurats access “bundles” prepared by the parties which includes electronic documents, scanned images, photographic, audio and video evidence.

The Panel asked what, if any, allocations of investments will be required for future years for this project. For example, when IT software needs upgrading or updating. The Judicial Greffier explained that the preference is for a cloud-hosted system called an “evergreen” system that includes regular updates to the software, so ensuring it is kept up-to-date. He explained that for the years 2020 – 2023 covered by the Government Plan the running costs for the software are included, but there will need to be revenue funding from 2024 onwards.

PlainSail Software – Viscount’s			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Technology Transformation Programme	-	Non-Ministerial	

Business Case: Overview

- The Panel only received the summary business case in relation to this project.
- The summary business case explains that the phoenix application was replaced in 2018 with PlainSail. This application provides case management, database, document management, a multi-client book-keeping functionality across the department. Therefore, a sum of money has been identified for a small upgrade in 2020 and a major upgrade in 2023.
- The capital investment required for this project is:
 - £45,000 in 2020
 - £0 in 2021
 - £0 in 2022
 - £300,000 in 2023

Panel analysis


This project falls under the Viscount’s Department (a non-Ministerial department). Therefore, it is not linked to any actions or common themes in the Government Plan and seems to be an operational matter of upgrading an IT system.

Nevertheless, the Panel wrote to the Viscount and asked a number of questions. The Viscount [responded](#) explaining that the project relates to anticipated further development or replacement of PlainSail.

Funding for a replacement of PlainSail after 5 years in operation is considered best practice and recommended for all Government of Jersey “line-of-business” applications. The Information Services Department recommended to the Viscounts Department that the use of PlainSail is reviewed annually after three years to ensure it continues to meet expectations. The Viscount explained that the review may recommend the following:

- The current system is working well and should continue as is;
- The current system is enhanced/modified to meet new business requirements; or
- The current system is failing to meet requirements and should be replaced.

The funding sought, therefore, has anticipated for the most expensive option of a full replacement.

Regulation Group Digital Assets			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Technology Transformation Programme	-	Minister for the Environment	

Business Case: Overview

- The business case explains that the request is for “*essential replacement and service improvements to the Regulation group line of business application suites*”. It says that many of the group’s IT assets are at the end of their economic lifespan and are dependent on specialist technical knowledge by a few people within the Government.
- Therefore, the Regulation group are seeking an investment to restructure, replace and improve the IT assets.
- The capital investment required for this project is:
 - £120,000 in 2020
 - £1,230,000 in 2021
 - £1,230,000 in 2022
 - £0 in 2023

Panel analysis


The Government Plan cites the Minister for the Environment as the lead Minister for this project. In that regard the Panel wrote to the Minister asking a number of questions about the project. The Minister [responded](#) explaining that the capital request is presented in three phases:

- Phase 1 – Discover and design will enable a thorough analysis of the costs of the available options.

In his response, the Minister did not allude to phase two, but by reviewing the business case, the Panel notes:

- Phase 2 – the development and delivery of the planning and building system
- Phase 3 – the development and delivery of the land law and other group improvements

The business case mostly concentrates on phase 1 explaining that it will identify the best of three options (1. do nothing, 2. replacement of a back-end process with a singular system or 3. replacement of the entire system with a new system).

Cyber Security (major project)			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Technology Transformation Programme	-	Chief Minister	

Explanation of major project

The project on “Cyber Security” has been identified as a “major project”. The new Public Finances Law defines ‘major projects’ under Article 1 as follows:

‘major project’ means –

- a) *a capital project the duration of which, from start to finish, is planned to be of more than one year and the total cost of which is planned to be of more than £5 million;*
or
- b) *a project that has been designated as a major project under an approved government plan;*

Business Case: Overview

- The business case explains that funding is being sought to develop a programme of technology initiatives to detect and protect the Government of Jersey from malicious activities.
- Investment is being sought for a 2-year Cyber Security Programme which aims to:
 - Reduce information and cyber security risks to Government of Jersey operations.
 - Improve the Government of Jersey’s compliance to international and local laws and regulations.
 - Improve the security of all Government of Jersey technology systems and employees.
 - Improve the cyber security maturity of the Government of Jersey.
 - Support Government of Jersey programmes and initiatives e.g. OneGov, Future Jersey etc.
- The capital investment required for this project is:
 - £6,100,000 in 2020
 - £7,700,000 in 2021
 - £0 in 2022
 - £0 in 2023

Panel analysis

The Panel notes that there are two business cases which include cyber security. One business case details the outline business case for the Cyber Security Programme, which focuses on the capital investment required to deliver the programme. The other business case “Technology Transformation Fund” details the overall portfolio of a technology programme, which includes cyber security.

The Panel held, alongside the Corporate Services Scrutiny Panel, a [Public Hearing](#) with Deputy Scott Wickenden (Assistant Chief Minister) who is responsible for modernising the Government's internal digital technology. The Chief Operating Officer explained the crossover between the two businesses cases:

Deputy K.F. Morel:

"How come you have got the cyber security business case but then cyber security is part of this Technology Transformation Programme money as well?"

Chief Operating Officer:

"The Technology Transformation Programme business case was put together to support the overall portfolio, so there are 10 elements in which tax has already funded, so 9 to come. Each one of those will have its own business case, so the Technology Transformation Programme sits at the top. The cyber security O.B.C. is a subset of that".

Deputy K.F. Morel:

"So what does the Technology Transformation Programme do rather than just sit at the top? What does it do?"

Chief Operating Officer:

"It created that vision of where we are going to go in the next 7 years. What do we want to invest in?"³⁶

Further on in the Hearing, the Panel asked whether there was a risk that money would be duplicated within the two businesses cases. The Chief Operating Officer [confirmed](#) that individual business cases will be created, once the outline business case had been approved, to specify how much will be required for each technology project.

Chief Operating Officer:

"For those 2 cyber security and I.T. business cases where we have got to outline business cases, we now need to spend money to develop a full business case, so the next step is then to get funding for that phase between the outline business case and full business case"³⁷.

The Chief Operating Officer confirmed that in order to move forward with the project, additional manpower resources were required:

Chief Operating Officer:

"Again, cyber security is currently overseen by one person and one support person. We need a bigger cyber team to do that properly. I mean, 2 people for an organisation the size of the Government to run the whole of the cyber security estate is just too lean".

Deputy K.F. Morel:

"How many are you expecting to hire there?"

³⁶ Public Hearing with the Assistant Chief Minister, 17th September 2019, p.2

³⁷ Public Hearing with the Assistant Chief Minister, 17th September 2019, p.9

Chief Operating Officer:

“A team of 7 and that team of 7 with an outsourced security centre”³⁸.

The Panel notes that this project seeks a significant amount of investment to develop a programme of technology initiatives to protect the Government of Jersey from malicious activities. The Panel accepts the importance of such workstreams particularly in light of the growing number of cyber threats in today’s society but is also cogniscent of the need to ensure IT spend is not wasted but is used effectively and efficiently.

Key Findings**FINDING 3.18**

The major capital project “Cyber Security” seeks funding to develop a programme of technology initiatives to detect and protect the Government of Jersey from malicious activities. The Panel has rated this project as amber at this stage, because further Full Businesses Cases for individual projects will be developed once funding for the overall cyber security portfolio has been approved. The Chief Minister should ensure that the full business cases are passed to scrutiny before they are finalised.

Client Relationship Management system			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
-	-	Unknown	

Service Digitisation			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
-	-	Unknown	

Business Case (Client Relationship Management system): Overview

- The business case explains that this project will provide a single source of Islanders data providing a multichannel way for islanders to interact with the Government.
- “Customer Relationship Management” comes under front office capabilities.
- The capital investment required for this project is:
 - £0 in 2020
 - £0 in 2021
 - £2,000,000 in 2022
 - £2,500,000 in 2023

³⁸ Public Hearing with the Assistant Chief Minister, 17th September 2019, p.36

Business Case (service digitisation): Overview

- The business case explains that this project will provide an online capability for Islanders to request services and automation and digital delivery of core processing based on the Government's integration platform.
- "Service Digitisation" comes under government wide capabilities
- The capital investment required for this project is:
 - £0 in 2020
 - £1,000,000 in 2021
 - £1,000,000 in 2022
 - £0 in 2023

Panel analysis

The Panel comments on both capital projects on "Client Relationship Management System" and "Service Digitisation" as they have been amalgamated into one "Technology Transformation Fund" business case which details various technology capability initiatives. This was explained in the previous section under the Panel's analysis of the "Cyber Security" project.

The Panel held, alongside the Corporate Services Scrutiny Panel, a [Public Hearing](#) with Deputy Scott Wickenden (Assistant Chief Minister) who is responsible for modernising the Government's internal digital technology. The Assistant Chief Minister explained:

Assistant Chief Minister:

"The idea around the I.T. plan at the moment is to try to bring Government services together with a digital platform to create a secure and safe environment to give efficiencies across the service³⁹".

In terms of the project "Client Relationship Management System" the Assistant Chief Minister explained that in the past, Departments had worked in isolation and, as a result, a standardised system had not been put in place. The aim of the project was to implement one system, across the Government:

Assistant Chief Minister and Assistant Minister for Social Security:

"I think the challenge was of the old ways of working with the different departments and the silos. Everyone went out and bought their own things, their own computer programmes, so we have multiple versions of C.R.M. (customer relationship management) tools across the organisation that are all being used differently in different ways. That is the unfortunate thing of the past."

Deputy K.F. Morel:

"So if we have 5 C.R.M. applications, for argument's sake, will you be saying: "Right, we only need one. Let us work out which one we need, which is best"?"

³⁹ Public Hearing with the Assistant Chief Minister, 17th September 2019, p.2

Assistant Chief Minister and Assistant Minister for Social Security:“Yes⁴⁰”.

In terms of the project “Service Digitisation”, it is noted that the aim is for a single front door portal for the public to access all digital services, providing them with the capability to self-serve and easier access to information and resources.

Key Findings**FINDING 3.19**

The capital projects “Client Relationship Management System” and “Service Digitisation” were included in a “Technology Transformation Fund” business case which details the overall portfolio of a technology programme. The Panel has rated both these projects as amber at this stage, because further Full Businesses Cases will be developed once funding for the overall technology portfolio has been approved.

Sports Division Refurbishment			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
➤ Replace equipment which is at its end of life or requires upgrades	-	Minister for Economic Development, Tourism, Sport and Culture	

Business Case: Overview

- The business case explains that as part of the [“Fit for Future”](#) strategy (2014 – 2018), a number of refurbishments and improvements were made to the island’s sports infrastructure. The investment required in the business case therefore seeks funding to refurbish and improve many of the other sport facilities which were not included as part of the strategy.
- It is noted that the original business case included the new skatepark, however, once the business case had gone through the formal process, it was agreed that the funding contained in the standalone business case was sufficient.
- The capital investment required for this project is:
 - £300,000 in 2020
 - £1,300,000 in 2021
 - £0 in 2022
 - £0 in 2023

⁴⁰ Public Hearing with the Assistant Chief Minister, 17th September 2019, p.11

Panel analysis

The Panel notes that there are several business cases relating to sport facilities and equipment. These each bid for different levels of investment to fund various sport provision. The business case for this particular project explains that refurbishments and improvements will be made to the following facilities:

- FB Playing Fields Pavillion/s & Car Park Refurbishments
- Les Quennevais Pitch 1 Lighting
- Grainville Playing Groundsmen's Shed & Pitch Drainage
- Havre Des Pas Bathing Pool Railings
- Les Quennevais Playing Fields Tree Surgery
- Cricket nets & wicket replacements (various sites)
- Les Quennevais Sports Centre Sauna/Steam Room replacement
- Temporary Skate Park (this has since been taken out of the business case as its own separate business case provides for funding)
- Springfield Café Toilets

During the Panel's Hearing with the Assistant Minister, an exchange took place with the Operations Manager about the levels of funding and where it had been allocated for refurbishment. The exchange corresponds with the facilities in the bullet points above, however, the Operations Manager advised that additional funding would be allocated in 2023:

Operations Manager, Sport Division, Growth, Housing and Environment:

"Then 2023 we have other projects. Again, I mentioned Grainville pavilion. It needs new windows. The changing rooms are very small now. Some of these facilities have been in their current format for 15 years and they need to be upgraded. We have a number of ball courts at our schools. Langford has a ball court; Oakfield has a ball court. These buildings and facilities were built in 2006, so those surfaces need replacing. It is like re-tarmacking tennis courts, we need to do the same in those environments⁴¹".

It is noted, however, that this business case only seeks funding over a 2-year period. The Panel makes the general point that there seems some confusion around the funding levels allocated for sport facilities detailed within the various business cases. The Panel therefore considers that the business cases relating to sports facilities and the funding allocated to them are either at risk of duplication, or at risk of not being delivered altogether because of a lack of funding.

⁴¹ Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.35

Key Findings



FINDING 3.20

There are several business cases that relate to investment in sport facilities, some are allocated funding over the 4 year period and others are not. There has been some confusion around how the allocation of funding for some sport provision will be distributed over the 4 year period. The Panel therefore considers that the business cases relating to sports facilities and the funding allocated to them are either at risk of duplication, or at risk of being delivered altogether because of a lack of funding.

Recommendations



RECOMMENDATION 3.3

The Minister should provide further supplementary information on each business case relating to sport. This should include specific breakdowns of how funding will be allocated in each business case.

New Skate Park			
Link to Government Plan Action(s)	Link to Common Theme(s)	Minister(s)	Scrutiny RAG Status
<ul style="list-style-type: none"> ➤ Replace equipment which is at its end of life or requires upgrades 	<ul style="list-style-type: none"> ➤ Enabling islanders to lead active lives and benefit from the arts, culture and heritage ➤ Nurturing a diverse and inclusive society ➤ Promoting and protecting Jersey’s interests, profile and reputation internationally 	<p>Minister for Economic Development, Tourism, Sport and Culture</p>	

Business Case: Overview

- The business case explains that the investment required is for the proposed new skatepark which will be a facility to meet current demand in skateboarding, BMX, rollerblading and scootering popularity.
- [Feasibility](#) work undertaken to date has identified Les Quennevais Sport Centre as a suitable site including the estimated cost to deliver the project.
- The capital investment required for this project is:
 - £250,000 in 2020

- £535,000 in 2021
- £0 in 2022
- £0 in 2023

Panel analysis

The Panel held a [Public Hearing](#) with the Minister for Economic Development, Tourism, Sport and Culture on 4th October. The Assistant Minister, Senator Steve Pallett, has political responsibility for sport and therefore answered the Panel's questions on this project.

The Panel notes that it has been announced publicly that a new skate park would be completed in 2020 in time for the Olympics. The Assistant Minister explained that the Government Plan has split the funding over 2 years and therefore, the new facility would not be completed before 2021:

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

"The first time I saw this was when I opened the document. I knew there was going to be some money for the skate park, but I did not know it was going to be split over two years. It was not something I was involved in the discussion about. I am very disappointed, because it means now that on the face of it, it cannot be delivered until 2021, which puts me in a bit of a position. In saying that, I have had some support from both Senator Farnham and from the Chief Minister around whether that funding can be brought forward, but in essence, what it says in here, if you go by what is said in here, it could not be built until 2021".

Deputy K.F. Morel:

"Who made that decision to split the funding over 2 years?"

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

"It was not a political decision. I think it is an officer decision".

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

"It was an officer recommendation. That is something we have to think about now. We have been discussing it internally, because it was an election promise and it is a promise we are all going to stand by"⁴².

At this point, the Panel noted that discussions were being had about the timescale for delivery of the project. The Panel held a third [Public Hearing](#) with the Assistant Minister, and he explained that realistically, the project would be delivered in 2021:

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

"I met with the Director General about two weeks ago, where we looked at some of the sequencing and timing for how that project might move forward. I have to say we did not totally see eye to eye about everything we discussed. We have come to an understanding that to try to deliver that all in 2020 was probably not achievable. Although we will work towards that, it is more likely, in terms of getting that project completed, it probably would not be completed until 2021. That is the first time I have said that publicly. It is extremely disappointing for me to have to admit that"⁴³.

⁴² Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 4th October 2019, p.78

⁴³ Public Hearing with the Assistant Minister for Economic Development, Tourism, Sport and Culture, 21st October 2019, p.41

The Panel notes that the business case states that the investment required from the Government of Jersey assumes a contribution from Ports of Jersey of £250,000 in 2020 and 2021 (totalling £500,000). The Panel asked how the £500,000 from Ports of Jersey had been allocated:

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

"I am not sure that was the correct amount, but there is some confusion over this".

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

"This is a political issue, this is not an officer issue. At the time this was printed, Ports had not agreed to this funding and I am not even sure they knew about this funding. If they knew about it, it certainly had not been agreed. I do not know how you can put something like that in the Government Plan when you do not even have the agreement of a third party to the funding of this".

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

"Can I just come in? I think it is fair to say that Ports had offered financial support in the past, but it was about the amount"⁴⁴.

This exchange highlights the importance of stakeholder engagement and consultation before a document is published.

The Panel received a [submission](#) from the Jersey Skateparks Association (JSA) who were evidently very supportive of the project and the engagement with the Government of Jersey:

Jersey Skateparks Association:

"These are just a few of the fantastic and exciting benefits and opportunities that the New Skatepark can bring to the island. We feel these are very well aligned with the Ongoing Initiatives, Common Themes and Common Strategic Policies of this government, in particular, those relating to health and wellbeing and children and young people. We also believe we have been working in a very modern and forward thinking manner with both politicians and officers of the Government of Jersey. We feel this is absolutely necessary as this government moves forward and delivers the needs of the public and our island. We sincerely hope that the partnership we have built with the Government of Jersey that has been essential to progress this project thus far continues and the project is delivered successfully".

The business case explains that as well as a large facility at Les Quennevais, there will be three further "satellite" facilities into existing public space in St Helier. In their submission, the JSA suggests that work on opening the "satellite" parks should commence in the short-term, using some of the funding proposed for 2020:

Jersey Skateparks Association:

"We would really like to get to work on opening some of the 'satellite' parks in the short term, using some of the funding that is proposed to become available in 2020. These smaller facilities will benefit the project as a whole, by showing the young people that 'things are happening' for them, getting more people involved in the sports (people of all ages - parents will use the parks, alongside their kids); thereby attracting more attention, a stronger following from a new generation, and even more opportunity and

⁴⁴ Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 4th October 2019, p.79

reason for a major, world class facility when the latter portion of funding becomes available in 2021. The satellite parks require far less specialist knowledge and equipment than the primary facility at Les Quennevais and can be put in place much faster and at a far lower cost. We believe all of the expertise required for these satellite parks, on the scale that we envisage, already exists locally and each one will only require a modest portion of the proposed funding in 2020, keeping all of those pounds local!"

The Assistant Minister explained that the business case does not include funding for any of the satellite parks⁴⁵. Therefore, it will be a political decision as to whether to proceed with developing the satellite parks by using a proposition of the funding earmarked for 2020.

⁴⁵ Public Hearing with the Minister for Economic Development, Tourism, Sport and Culture, 4th October 2019, p.77

3.7 Final Panel Comments

The Panel has completed its review of the Government Plan and the various actions, projects and capital projects that were assigned to it by the Government Plan Review Panel. It has been a challenging process given the deadline for completing the work, but we have endeavoured to undertake a thorough analysis of the projects, satisfying ourselves that the investment sought within each of them is appropriate.

A large number of the projects we have scrutinised are rated “green” which indicates that we are satisfied with the level of background information provided to the projects and the level of funding allocated for each one. Although we have rated a number of the projects as “amber” or “red” which we felt unable to rate “green” because they flagged a number of concerns, or simply did not provide enough detail. The projects rated amber and red are:



- Further investment in sports facilities (action)
- Inspiring an Active Jersey
- Promoting Jersey
- Heritage, Arts and Culture
- Fort Regent (pre-feasibility)
- Island Sports Facilities, Inspiring Places (pre-feasibility)
- Pride Software
- Cybersecurity (major project)
- Client Relationship Management System
- Service Digitisation
- New skate park



- Sport division – minor capital replacements
- Jersey Financial Stability Board
- Sports division refurbishment

The Panel has also raised concerns over the Minister for Economic Development, Tourism, Sport and Culture’s plans to remove Economic Development from the Growth, Housing and Environment Department. It is unclear at this stage what impact that might have on the projects listed under the department and also the efficiencies identified around the re-organisation of staff through the Target Operating Model.

3.8 Witnesses and Evidence Gathered

The Panel has compiled this report drawing on a range of evidence. At the launch of the review, the Panel requested all supporting information relating to actions, programs and capital projects from Ministers/Departments.

Public hearings were held with the following Ministers:

- Minister for External Relations (x1)
- Minister for International Development (x1)
- Minister for Economic Development, Tourism, Sport and Culture (x 3)

Responses to written questions were received from the following Ministers:

- Chief Minister
- Minister for the Environment
- Minister for External Relations
- Minister for International Development
- Minister for Justice and Home Affairs

Responses to written questions were received from the following Departments:

- Viscount's
- Judicial Greffe

Requests for written submissions were sent to 10 stakeholders and responses were received from the following:

- Jersey Sport
- Jersey Heritage
- ArtHouse Jersey
- Jersey Opera House
- Jersey Farmer's Union
- Jersey Skatepark Association
- Royal Jersey Agricultural and Horticultural Society
- Stuart Langhorn (member of the public)
- Chamber of Commerce

To view all the submissions, responses to written questions and public hearing transcripts, please visit the [Government Plan Review: Economic and International Affairs Review Page](#) on the States Assembly website.

Appendix 1

Terms of Reference for the Economic and International Affairs Panel

1. Note that sections/projects of the Government Plan will be allocated to Panels by the Government Plan Review Panel (GPRP) on a 'best fit' basis⁴⁶.
2. Undertake an in-depth review of the allocated sections/projects of the Government Plan 2020, considering:
 - Whether funded projects meet the Ongoing Initiatives, Common Themes and, ultimately, Common Strategic Priorities?
 - Ensuring that the projects and amendments to be lodged are consistent with the requirements of the Public Finances (Jersey) Law 201-
 - The level of resourcing, of all forms, allocated to projects and whether this is sufficient or excessive in enabling the project to meet its stated aims.
 - If project resource allocation is appropriate in relation to overall departmental budgets?
 - Whether funded projects align with Departmental objectives? [NB: if and where they exist]
 - Whether or not there are clear lines of accountability for each project?
 - The ongoing sustainability of projects.
3. Provide the GPRP with a report and any amendments by the date agreed.

⁴⁶ Projects will not directly align with Scrutiny Panels and most will involve multiple ministerial portfolios. Rather than split out projects into elements amongst various Panels, each project will be scrutinised in its entirety by a single Panel.



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