

**WRITTEN QUESTION TO THE MINISTER FOR ECONOMIC DEVELOPMENT BY DEPUTY G.P.
SOUTHERN OF ST. HELIER**

ANSWER TO BE TABLED ON TUESDAY 1st JULY 2008

Question

Will the Minister inform members what elements of the Economic Development Department's budget will be subject to reduced spending following the decision to allocate a further £505,000 to the marketing budget of Jersey Finance Limited?

Answer

No element of the Economic Development Department's 2008 budget will be reduced following the decision to allocate additional funding to Jersey Finance Limited. The additional budget allocated to Jersey Finance Limited will be drawn down from the Department's Economic Growth Plan capital funds.

Items funded by the additional budget in 2008 will have ongoing revenue funding implications that are being addressed within the Department's business planning and budget process. The Department plans its future year's budgets by undertaking an exercise involving all Directors and Heads of Departments, to identify and then prioritise costed business objectives. As with all grants and partnership agreements, Jersey Finance has been included in this process.

By taking this approach to budget setting, Economic Development operates a "zero-based" system that, in effect, builds the Department's budget from scratch. This process allows the Department to meet its objectives in a rapidly changing local and international economic climate.

Any reductions or increases in areas of funding that may occur from year to year are therefore a result of changing priorities, brought about by the need to meet the Department's objectives and the obligation to maximise the return on tax payer's investment in the economy.