

21.04.20

**13 Deputy R.J. Ward of the Minister for Treasury and Resources regarding fiscal stimulus funding (OQ.92/2021):**

With regard to the fiscal stimulus funding allocated to organisations, will the Minister state what the criteria were for obtaining funding for government departments and independent organisations, how these criteria were communicated to applicants, what the process for applying for funding was, and how the funding criteria were applied in the application assessment process?

**Deputy S.J. Pinel (The Minister for Treasury and Resources):**

There was a single process, which applied whether applicants were government departments or outside bodies. A launch campaign took place on 19th November 2020. A website was set up to give all of the information related to the fund. A team was formed to deal with the documentation management and administration of the applications. They communicated through a dedicated email inbox. Applicants were encouraged to speak to the team if there were any issues with the information requirements. I understand that the feedback on this process has been extremely positive.

**3.13.1 Deputy R.J. Ward:**

With government organisations receiving funding, how was the division between particular funding for fiscal stimulus separated from day-to-day funding for what is a department that is a government department, which should be performing some of these duties anyway?

**Deputy S.J. Pinel:**

The fund was not set up to support departmental funding or capital projects. So the applications were sent to the Stimulus Oversight Group, as the Deputy will be aware. The expressions of interest were the first commitments to be looked at. If those were accepted then the applicants had to go and produce a business case and then those were looked at by the panel. So some went through departments but others did not, so it was a mixture.

**3.13.2 Deputy K.F. Morel:**

I apologise to the Minister for my ignorance of this subject that I am about to ask. With the P.128, the establishment of the fiscal stimulus funding, I lodged an amendment, which was successfully passed by the Assembly, and asked that the age and gender of the people most likely to benefit economically from the successful fiscal stimulus projects should be established in each business case. That the detailed economic benefit report should be published so that Islanders can understand how each project will bring benefit to the economy. Could I ask the Minister whether such publication of these economic benefits has been undertaken? Could she also explain to the Assembly how they ensured or did they ensure that the gender and age of those who would receive the benefits was part of the business cases put forward?

**Deputy S.J. Pinel:**

Thank you to the Deputy and his amendment to the proposition was accepted and has been followed through to the best of the ability. Obviously, for instance the Opera House, which is a maintenance and refurbishment grant, will be mainly followed up with plumbers and electricians who tend to be male. But where the use of the reopening of the Opera House will tend to be a female audience. So it is a very difficult one to separate out as to the diversity of gender. But the Deputy's amendment has been followed by the Fiscal Stimulus Political Oversight Group.

### **3.13.3 Deputy K.F. Morel:**

The second part of my question, which was that the detailed economic benefit report should be published so that Islanders can understand how each project will bring benefits to the economy. Has this been published and, if so, where can Islanders find it?

### **Deputy S.J. Pinel:**

Not yet, in answer to the Deputy's question, because we have only just published the 30 successful projects, which have been passed by the Fiscal Stimulus Oversight Group. Once the economic benefit has been established, i.e. when the projects have started and hopefully finished, then of course that will be published. But it is too early to do that now because the projects have to start and get finished.

### **3.13.4 Deputy I. Gardiner:**

The Minister in her response to Deputy Ward's question mentioned there is not investment in the capital project. Would this Minister advise what percentage from £25 million will be invested into the construction-based project?

### **Deputy S.J. Pinel:**

Yes, Deputy, this is a difficult question because the construction industry is perceived to be the building of capital projects. The projects that have been agreed within the 30 of the first tranche of £22.8 million are largely training and skills and projects that involve, as I have just alluded to, heritage with the refurbishment, to allow them to open, of the Opera House and the Art Centre, as an example. A youth centre, the scouts, the air cadets, all of which are allowing people to reopen after what has been a year of closure, where the maintenance of the buildings have fallen into disrepair through lack of being able to do anything. So it is a broader sense than just construction and capital projects involving construction have not been passed by the panel.

### **3.13.5 Deputy I. Gardiner:**

I agree with the Minister that we do have a problem with maintenance and we explore this not once at the state review at the Public Accounts Committee. Saying this, would the Minister not be concerned that investment into construction-based projects would result in the economy overheating as it has been reiterated in the Fiscal Policy Panel's letter to the Minister?

### **Deputy S.J. Pinel:**

I can understand where the Deputy is coming from. But the construction industry, as I alluded to in my previous answer, tends to be large construction projects. These are not. The allocation of funding is for maintenance and refurbishment and projects within already constructed buildings. So large construction projects do not feature. One of the main reasons is (a) the overheating, as the Deputy alluded to, but also the fact that, even with a construction project from base, it would require planning permission and various other permissions, and that would not fit into the timely part of the criteria of the Fiscal Stimulus Fund.

### **3.13.6 Deputy R.J. Ward:**

It does seem that when is a construction project not a construction project, and that is when it is part of a Fiscal Stimulus Fund. But can I ask the Minister, is it not the fact that what has been created here is simply in part a slush fund for ministerial departments to carry on with work such as C.L.S. with extra funding for work that is part of their everyday remit? How is that going to be shown to not be the case and when will we see that data?

**Deputy S.J. Pinel:**

My apologies, I do not agree with the Deputy on this one. As I have just explained, construction is an overarching description. It does not necessarily apply or it can be differentiated with lots of other skills and employment that come under that umbrella term of “construction”. This is not necessarily just building new buildings. As far as helping skills, then the Advance to Work, which is C.L.S. as the Deputy mentioned, is promoting skills training, which has not been able to happen in the past year. So it is really a bigger picture of the economy recovering, not just one single aspect of it.

**Deputy G.P. Southern:**

If I may, I do not think the Minister has attempted to answer the question. The question was: is this a different route of funding business as usual? She did not address that at all.

**The Bailiff:**

Minister, that is what I understood the thrust of Deputy Ward’s question to be. Do you wish to provide a better answer than that?

**Deputy S.J. Pinel:**

It is not funding business as usual. It is funding something through a department in the case mentioned by the Deputy that they would not do and have not done before. So it is a new entrepreneurial route forward to training with more skills, which is what this Island and certainly the Assembly want to happen.