



Economic and International Affairs Scrutiny Panel

Quarterly Hearing

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

Friday, 7th August 2020

Panel:

Deputy K.F. Morel of St. Lawrence (Chair)

Deputy D. Johnson of St. Mary (Vice-Chair)

Senator K.L. Moore

Deputy K.G. Pamplin of St. Saviour

Witnesses:

Senator L.J. Farnham, The Minister for Economic Development, Tourism, Sport and Culture

Senator S.W. Pallett, Assistant Minister for Economic Development, Tourism, Sport and Culture

Mr. R. Corrigan, Group Director, Financial Services and Digital Economy

Mr. D. Houseago, Group Director, Economy

Mr. C. Gibaut, Director, Financial Services and Digital Economy

Mr. I. Clarkson, Registrar of Aircraft and Shipping

Mr. C. Kelleher, Strategic Policy Manager

Mr. D. Scott, Director, Economic Development

[10:06]

Deputy K.F. Morel of St. Lawrence (Chair):

Good morning, Minister.

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

Good morning, Chair.

Deputy K.F. Morel:

Thank you for joining us for this Scrutiny hearing on this incredibly warm day. Before we get going, as always we will go round robin, so to speak, which was easier when we were all around the same table because we knew who was next, but we will introduce ourselves, starting with the Scrutiny Panel and then over to you and the team that you have there. I am Deputy Kirsten Morel, Chair of the Economic and International Affairs Scrutiny Panel.

Deputy D. Johnson of St. Mary (Vice-Chair):

David Johnson, Deputy of St. Mary, Vice-Chairman of the panel.

Deputy K.G. Pamplin of St. Saviour:

Deputy Kevin Pamplin, member of the panel.

Senator K.L. Moore:

Senator Kristina Moore, member of the panel.

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

Good morning. Senator Lyndon Farnham, Minister for Economic Development, Tourism, Sport and Culture.

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

Senator Steve Pallett, Assistant Minister, E.D.T.S.C. (Economic Development, Tourism, Sport and Culture).

Group Director, Financial Services and Digital Economy:

Richard Corrigan, Group Director, Financial Services and Digital Economy.

Group Director, Economy:

Dan Houseago, Group Director, Economy.

Director, Financial Services and Digital Economy:

Colin Gibaut, Director, Financial Services and Digital Economy.

Registrar of Aircraft and Shipping:

Ian Clarkson, Registrar of Aircraft and Shipping.

Strategic Policy Manager:

Chris Kelleher, Economy and Partnerships, and responsibility for culture, arts and heritage.

Deputy K.F. Morel:

Thank you very much. We will get straight in because we have only got an hour and a half, which we have already lost the first 8 minutes or so. So with great respect, Minister, if we try and keep the answers as concise as possible, but obviously including all the information at the same time, so I will just give you a little paradox I will throw at you there. We will start off by looking ... although we are planning to ask questions about matters which perhaps are not so COVID-19 related, I think it is still pertinent that we do start off by asking about the economy and the economic recovery because I do believe Islanders probably do want to know a little bit about that. Now that we are in the economic recovery phase, how is the work of the Economic Council progressing?

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

Thank you, Deputy. The Economic Council will be meeting for the sixth time on Monday and have made some good progress. They have focused their thoughts and their work so far on the immediate issues and they are moving into medium and longer-term ideas at this stage. We have had a number of meetings and 2 full afternoons, almost full day sessions where we have been able to develop on a broad platform of ideas. Over the course of the meetings we have started to narrow those down to become more focused on what the Economic Council sees as being the key priorities for us as we rebuild the economy. The in-committee debate we had in the States has also proved to be useful guidance for the council and we have taken on board some of the themes and noted particularly Members' thinking around innovation, sort of the appetite for risk. When I say "risk" it is about introducing new ideas, not so much to do what we have always done, but to start pushing the envelope, as it were, start embracing new ideas. Also very high on the list of considerations is our aspirations to develop more environmentally sustainable economic practices. Richard Corrigan is the officer leading that work, so perhaps I could ask Richard if he would like to add anything.

Group Director, Financial Services and Digital Economy:

Thank you, Minister. The only point I would add, the recommendations from the Economic Council are grouping under 4 key themes at the moment, education and skills, the innovation ecosystem, so really that is about how good we are at driving entrepreneurship in the Island. Creativity, quality of life and regeneration is the third and environmental sustainability is the fourth. The Economic Council are in the process of prioritising a series of short term, medium term and longer-term actions for recommendation for the Minister to consider and then onwards for the Council of Ministers to consider as part of the Government Plan process.

Deputy K.F. Morel:

Thank you. Minister, when can we expect to see either an interim report or a final report from the Economic Council?

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

I would think very early September would be my best guess at this stage. The Economic Council is feeding into the Economic Recovery Political Oversight Group, which is chaired by the Chief Minister, and I expect that we will be submitting our first report to that group the first week in September.

Deputy K.F. Morel:

Thank you. In advance of setting up the Economic Council, you had talked about creating kind of sectoral working groups or themed working groups that would feed into the council itself. Have you gone ahead with those?

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

No, not at this stage, because after discussion by the council, and when you look at the makeup of the council itself, which is not a total but quite a broad representation of sectors across the economy, and given the time, the scale of producing the work, the Economic Council will be in place for a short but a high period of intense work. It was deemed to progress without the different sector groups at this stage purely to get the first report in in the timescale that we targeted.

Deputy K.F. Morel:

Do you see those sort of working groups being created afterwards to maintain the work of the council, that sort of thing, or is it just not happening?

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

It is a possibility, but some of the recommendations of the council will include new long-term strategies for some of our key sectors, for example, tourism. When we talk about tourism, we have, through Visit Jersey, very good business plans, very good marketing plans, but what this pandemic has I think forced us to do is take a long, hard look at some of these sectors and have a strategy of how we are going to support and embrace them moving forward, because what the crisis we are facing now has shown is uncertainty in certain sectors about their standing within the economy. Tourism is one area that has been identified; arts, culture and heritage is another area that has been identified. That is a working process, but we need to expedite that work as well as continuing to build on our digital opportunities. I think we are going to see some sectoral recommendations coming from the work of the council.

Deputy K.F. Morel:

That is really interesting. I think it was the Island Identity work, they have talked about foundational sectors and I believe agriculture was in there, tourism was in there, fishing, if I remember rightly, and possibly finance. You have talked today about the need to embrace new ways of thinking. Is that something that Jersey has got to get to grips with in some way? Are some sectors - and I am not asking you to name them - perhaps potentially going to dwindle away or perhaps not be supported in the same way in favour of new sectors?

[10:15]

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

I do not think we want to see any sectors dwindling away. I think the behaviour of consumers will change, that the demand for certain goods and services will change as a result of the pandemic. I think it is also about understanding more than just the economic contribution of a sector. For example, if you look at the tourism sector, in particular the hotel accommodation sector, we are suddenly starting to realise the strategic importance of maintaining a good quality bed stock bank because that underpins pretty much the quality of life and economic ecosystem for the whole Island and the strong transport links that all Islanders enjoy. I think we need to apply that thinking to understand the strategic importance in and around especially the 4 key themes that Richard mentioned earlier, education and skills, the innovation ecosystem, quality of life, environmental best practices, so it is about blending all of those into the economic contribution of the sectors. Once we have a better understanding of that, then we can plan more accurately for the future. More importantly perhaps is the businesses and Islanders employed and working in the sector will have more certainty and confidence about the future. The Economic Council will be recommending that the work on these strategies is completed quickly.

Deputy K.F. Morel:

Thank you. Sorry, just one quick question just popped into my head. Has the Economic Council looked at the idea of the living wage at all? I know that is ordinarily a Social Security kind of area, minimum wage, that sort of thing, but ...

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

Not directly, Richard, unless there have been discussions that ... it has been alluded to, I guess, compensation of employees in sectors, but Richard.

Group Director, Financial Services and Digital Economy:

It has not been looked at directly. It is a consideration and clearly it will be a consideration for the Minister for Social Security in due course. I think our economic aspect there is there is a positive aspect to the living wage of circulating more money into the local economy by people being paid

more for their work and, secondly, how we help businesses become more productive so that they are able to be living wage employers also. That is some of the productivity support measures that we would be looking to bring forwards as well, hopefully in the Government Plan for 2021.

Deputy K.F. Morel:

Thank you. Minister, sadly it will come as no surprise that the Island's economic indicators are pointing in the wrong direction. The Business Tendency Survey is showing that business activity is down by 62 points and with a split of 21 points down for finance and 80 points down for non-finance. Will this economic recovery work reflect this difference between finance and non-finance sectors in the extent to which they have been affected by the COVID crisis?

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

The short answer to your question is yes. I do not think it is any surprise. If there is one survey we could have predicted, that is a big fall in confidence from the business sectors at the moment. We have just seen the recent updated Fiscal Policy Panel advice to the Minister for Treasury and report to the Minister for Treasury as well, which they have reflected on their previous opinion and changed that to note that we are in a worse position now than we thought we would be 3 months ago. But if you remember, 3 months ago we were all very much hoping that the pandemic would be over by the summer and of course we now know it is not, we now know we are in it for a longer period of time. Any return to normality will depend on the introduction of vaccination and so the current economic outlook is for a recovery. It is still predicting a strong recovery, but not so much the V-shaped recovery, but a slightly longer period of time. But Richard also is responsible for the financial services sector. Did you want to comment, Richard, on anything relating to that sector and the report, which although there has been a drop of confidence, the sector has performed remarkably well still in challenging times through the pandemic? Thank goodness, it has really underpinned the maintenance of the economy thus far.

Group Director, Financial Services and Digital Economy:

I think, Minister, just to say that the annuity revenue aspect of the financial services sector has remained strong, so whether that is interest incoming to banks or the *ad valorem* fees that we were charged on services like fund administration or trust administration, those have remained strong. I think the concern would turn to transactional flows in terms of new transactions being done in cities like London, who have been disrupted and people have not been able to see clients as regularly or face-to-face as they might have done. While they have embraced digital technology, there is a desire to be able to see clients at some point and hopefully drive more transactional business in due course. But the financial services sector has been very resilient and I think the balance of support that we will come to will reflect the relative strength of financial services versus other sectors that have been much more hard hit during the restrictive measures phase of coronavirus.

Deputy K.F. Morel:

Thank you. With that in mind, Minister, the Minister for External Relations has recently said that he will seek funding from the £50 million fiscal stimulus to promote the Island's globally focused business profile. With companies and employees in sectors such as hospitality, construction and retail suffering here in Jersey, do you think this would be an appropriate use of the money?

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

I am not sure I have seen Senator Gorst's proposals, but I think it is vital that we work to continue to promote all of our business sectors, as we have done in the past. I would like to apply that to the tourism recovery, the agricultural and environmental situation, but I think that is something that could potentially be supported. Given the fact that we have to consider where we are outside of the COVID-19 situation, we still have Brexit looming and we still have - as Jersey has always had - challenges ahead that we have to navigate very carefully. I think just as we have been, quite rightly, over the many years tightening up and becoming one of the most highly regulated financial centres in the world, we have to continue to be looking for the new opportunities in developing further aspects of that sector. Like I say, I have not seen the proposals and the proposed costs, but I would certainly support that sort of direction if it becomes necessary.

Deputy K.F. Morel:

To put it another way, do you think that businesses here in Jersey, focused on Jersey, should be prioritised in terms of fiscal stimulus money?

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

We have done that to date because the majority of the fiscal stimulus we have put into the economy has been to support jobs and then businesses. What we have to do here if we are going to meet our aspirations around developing the economy and controlling and managing our population growth moving forward, we have to become more productive. So it is perhaps important that we support strongly the sectors that can produce a high productivity return, ie where we are producing more economic output with the use of less resource. The productivity in our financial services sector, although we have seen a decline in the productivity in the banking sector because of the fall in profits from 2008, I think there is opportunity to pick up productivity improvements again in the future, underpinned of course by the further use of digital technology. Of course we are also looking at productivity potential in certain aspects of the agricultural sector and I refer of course to the potential for medicine and pharmaceutical and the development of that cannabis sector.

Deputy K.F. Morel:

Thank you. Minister, while you are intending to launch an economic recovery plan, the Fiscal Policy Panel is forecasting that by the beginning of 2024 the Island's G.V.A. (Gross Value Added) will not quite have returned to the same level as the beginning of 2018, which is before the most recent election. What provisions are you making and what measures are you taking to deal with such a continued and extended downturn in economic activity?

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

That is very much at the heart of the work we are doing with the Economic Council, the Economic Recovery Group. I cannot give you a full answer to that right now because it is a work in progress. Of course the target has to be to return the economy to that prosperous state that we were in as quickly as possible, but I think we also want to embrace the opportunity to look closely at certain sectors, as I have mentioned previously, and we must not waste the opportunity to try and grasp the potential for productivity gains moving forward.

Deputy K.F. Morel:

Thank you. The F.P.P. (Fiscal Policy Panel) also states that: "Both the level of trend, G.V.A. and future trend growth are sensitive to a number of factors, in particular the structure of Jersey's economy following the recovery, the short and medium-term prospects for migration and the outlook for benchmark interest rates." I am not going to ask you to comment on future interest rates, but would you mind describing to the panel your views on the likely future structure of Jersey's economy and the short or medium-term prospects for migration to the Island?

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

I do not think we are going to see a great change in the structure of our economy. I think financial services, we will see developments, we will see innovation in those areas. Businesses and organisations are always looking to develop new products and I do not see that changing too much. This is why education and skills is one of the key aspirations because as technology improves and we start to see more uptake of A.I. (artificial intelligence), for example, we are going to see some jobs displaced, but I do not believe that will lead into a reduction in jobs, I just believe it will lead to a change in jobs. We have seen it in the past, that 30-year period when businesses moved into computerisation, the predictions were that thousands and thousands of jobs would be lost, but we ended up creating more jobs and better prosperity. We do not know; I do not think anybody knows the timing on that. That is around the digital and financial services sector, so I think we will see good productivity gains there. The banking sector I cannot comment on because a lot of the profitability of that sector will be based around interest rates and other global economic considerations. I very much hope to see the same in other sectors. The retail sector, for example, was already having a very challenging time pre-COVID and the lockdown has pushed even more people on to the internet for the acquisition of goods and services, so that is going to make the retailers' challenges even

greater moving forward, which could lead to the restructuring of the offering in our town centre. You and I attended a meeting recently where we had that very discussion of what the town centre and what retail might look like in 5 to 10 years, so that is important work. But I also predict that that sector, it might shrink locally, but I think it will become more productive and even more valuable to our economy. Those are just 2 examples of my - albeit potentially subjective - view of what the future might look like at the moment. If any officers or Steve perhaps would like to comment, then they would be welcome to, if you would allow that.

Deputy K.F. Morel:

Absolutely. Before we go there, the one thing I would say, I also asked about migration, because obviously Jersey's economy has been reliant on quite considerable significant migration. I think back to when I was 15 years old, there was about 80,000 people living in the Island and 30 years later there is, let us say, 110,000 so that is a very large - 30 per cent to 40 per cent - increase in the Island's population over 30 years. Do you still believe we will be relying on a migration-dependent economy moving forward?

[10:30]

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

We probably all know that that level of population growth is unsustainable for our small Island, which is why the productivity gains are so important, absolutely vital for us to keep our economy and our population sustainable. That is why education and skills, vocational training and development of our on-Island workforce is absolutely essential. I think a really good example of that is the start-up of the Digital Jersey Academy, which we have got off the ground now. That was started last September and I understand they are seeing a huge increase in interest and uptake in the courses they are offering. As we develop our opportunities for on-Island training and development of skills, facilities and resources like the Digital Jersey Academy, Highlands College - and perhaps we are looking at the restructuring of the education system - are going to play a really key part in ensuring we can deliver growth from, wherever possible, our own population. Having said that, there will still always be a need to import skills right across the spectrum, from health workers to teachers and specialist engineers and so on and so forth, but we cannot be as reliant on the numbers we have previously had to import. It is not going to be easy, it is going to be a challenge, but we have to be committed to it.

Deputy K.F. Morel:

Thank you. I will carry on. I appreciate you invited others to speak, but just because of time, if that is okay, we will move on. Quickly changing the subject from economic recovery, would you mind

describing the work you are currently undertaking in the department? Which workstreams do you have on the go outside of economic recovery?

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

We have got an awful lot of business as usual, so if you look across our areas of responsibility, we are still working closely with Visit Jersey, with the agricultural sector. Particularly an interest, a priority for the department is the continued progress and development of medicinal pharmaceutical cannabis. That is a priority. There is some other work going on at the moment in reference to Jersey Heritage and we are working on that with Deputy Tadier and Chris Kelleher, who is with us today. It is about how they might wish to restructure or perhaps look at their constitution because of the need to become a charity to sustain their income. The charity law has an issue with governance on that, so that is a small but important piece of work we are carrying on. I know Senator Pallett has been extremely busy. He is working on topics from skate parks to sports infrastructure facilities, so I am sure you have got questions for him on the big and the very good work he is doing with sport there. Of course we have Channel Islands Lottery considerations. As you are aware, we are discussing how we might develop the lottery. We have already stated an intention that we want to spread the contributions from lottery to a broader sector of the community, so that is an important piece of work as well. That is just a bit of a flavour of what is going on, but I think that is probably the key areas.

Deputy K.F. Morel:

Thank you. Very quickly, before I hand over to Senator Moore, when can we expect to see the retail strategy?

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

I am pleased you asked that because Ian Clarkson is with us. Ian, can you update on that? It is a priority. We have taken it off the simmer hob and put it back on to boil recently, you will be pleased to know. Ian.

Registrar of Aircraft and Shipping:

Yes, Chairman and panel, good morning. The position with the retail strategy is that we have produced an interim redraft. You will not need me to tell you that while we had a draft retail development strategy that was at the point of broad consultation at the end of February, COVID-19 rather changed the landscape somewhat. In fact, one of the things that it did was rather ram home Scrutiny's recommendation 9 in its 2018 report that you will remember rather well around the relative lack of data that we were working with. Not only was COVID-19 having a major impact on retail, but it was perhaps more difficult than it might be for Government to assess the rate of change in the dynamics of the market, particularly in St. Helier. To cut a long story short, there is now an interim

strategy, a draft of which is with the Minister for initial review. It has been through our Economics Unit for peer review; it has been referred to the Statistics Unit. What we are hoping to do next is get to a point very quickly in August where we can have some consultation with specific stakeholders that were previously heavily and valuably engaged in retail strategy production through 2017 and 2019 just to make sure that the direction of travel is appropriate, but to outline what the interim strategy is exploring at the moment, it is essentially 4 themes. The first is better sector connectivity with Government. One of the themes that has been made very clear to us from retail stakeholders is that they would like ideally a single point of contact to refer data to us to engage with and know that Government have a policy officer that is working with colleagues on the range of strategies and policy development that impacts retail, right through from tax policy to transport. There is one workstream right there. The second one is around securing better data. In the short term we are looking at things like expanding again the footfall camera network that is currently with the Parish of St. Helier, so we are looking at working in conjunction with them to get an improved footfall data collection system, in the short term that is. In the medium to longer term we are going to be looking at opportunities to perhaps do something more on-Island based in conjunction with Digital Jersey, so securing better data, second theme. The third one is about expansion of particular operational business support in conjunction with Jersey business. We are clear that there is a particular short-term need for S.M.E.s (small and medium-sized enterprises) to receive greater assistance in digital sales and marketing skills and financial management to help stay afloat in some unprecedented times. The last workstream is perhaps going to be looking at the interim or bridging Island Plan. There seems to be an emerging body of thinking that we might want to look at increasing the flexibility of uses that are permitted in the core retail area of St. Helier in particular, acknowledging that there is some flexibility in the Island Plan as it currently stands. There does seem to be significant stakeholder comment to the effect that we could perhaps do more to encourage leisure, entertainment and community uses to locate in closer proximity to each other and help sustain the footfall that we are lacking in St. Helier.

Deputy K.F. Morel:

Thank you. Very quickly, I am just looking for dates, Minister. When can we expect to see the productivity strategy?

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

Can I come back to you on that, rather than ...

Deputy K.F. Morel:

Absolutely. The inflation strategy?

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

We have produced a first report of the anti-inflation ...

Deputy K.F. Morel:

I thought there was still ongoing work on that, sorry.

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

Yes, but the work of the group, the idea of establishing that group was to be a permanent group, so we will continue to monitor and report on a regular basis. I would expect the next report probably to be out towards the end of this year. There are some interesting things and interesting potential - or whatever the opposite of potential is - for the inflation strategy. As we are seeing changes in consumer behaviour we are not sure how that is going to impact on certain markets, so we could see higher inflation in some sectors compared to others, but we are monitoring closely. But as you know, inflation, it is really important we try and control that because that is at the heart of controlling the economy.

Deputy K.F. Morel:

Absolutely. Also obviously you have been doing a large piece of work on the economic framework. Is that still ongoing?

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

Richard, would you like to update us on the economic framework?

Deputy K.F. Morel:

Just so you know, at the end of Richard's question, Senator Moore will take on ...

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

Sure. The economic framework group was suspended temporarily for the economic recovery work, but now we are starting to focus on the economic framework again. Richard, could you update the Chair on that, please?

Group Director, Financial Services and Digital Economy:

Thank you, Minister. So the economic framework, the first work package, work package 1, has been commissioned from PwC. Dan is working extensively with the PwC team and that is provisionally skills and supply use tables and one or 2 other initiatives. We expect the first substantive outputs of that in September. Dan, is there is anything you quickly want to add to that?

Group Director, Economy:

It is just as you say really, Richard, supply use tables for tools to allow us to predict some of the future scenarios and considerations that the Minister was talking about earlier, but very thorough evidence reviews so that we are making sure that we have got evidence-based policy going forward. In some cases, strategic work needs to be informed by additional data and we are making sure we understand what those data needs are. There are some sector reports in hospitality and retail to support the development strategic document in the context of a massively changed economic backdrop and upskilling preparation to make sure that the skills required for the future are in place and, finally, design of the productivity support scheme which the Minister referenced for delivery in next year's Government Plan.

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

Thanks, Dan.

Senator K.L. Moore:

Shall I take it that we are going to move on to the Government Plan, Minister? With regards to that plan, what process is your department going through in order to determine the fate of projects that appeared in last year's Government Plan?

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

Could I hand you over to Richard to run you through the work we have done there, please? Thanks.

Group Director, Financial Services and Digital Economy:

Thanks, Minister. Within C.S.P. (Common Strategic Policy) 3, which was around sustaining a vibrant economy, and it also covered other elements like our international identity, there is an investment going in of about £19.3 million I think is the figure for 2021 in the Government Plan, as is currently structured. That rises through 2022 and 2023 to a total of £23.5 million. Of course all of that was pre-coronavirus and there may be the requirement for additional interventions to be made around fiscal stimulus and possible other long-term economic renewal measures. So there is a substantial amount of work in the department to deliver on those current Government Plan initiatives while at the same point reviewing those in the context of a halt, deferral, reduce strategy to determine if those are still fit for purpose, given the changed times, and indeed whether the flight path on some of those initiatives around proposed spending remains appropriate to that change in circumstances. There will be very little that we would look to add as direct bids into the Government Plan, I think. At this stage it is having sufficient detail for 2021. I think the Chair mentioned the financial services aspect of the Minister for External Relations' portfolio and some thoughts there. We recognise the need to invest further into Jersey business so that they can help to give first-stage advice and ongoing advice both to business start-ups and to more mature business around their business management, their financial management, their wider obligations as employers and supporting their journey towards

growth. Then there is also some work that we will need to do around long-term telecoms infrastructure, given some of the changing attitudes internationally towards certain vendors of telecoms equipment and also thinking about how the Island might at some future point deploy a 5G telecoms network, all of which sits in the Minister's portfolio.

Senator K.L. Moore:

That is very helpful and you have outlined a considerable number of very appropriate and interesting topics, but if push comes to shove and Ministers are asked to squeeze their budgets, because obviously this department has seen some considerable growth over the last 2 years, how will the department filter that decision-making process and decide what its priorities are out of these many good and laudable aims?

Group Director, Financial Services and Digital Economy:

I think that is one I would pass to the Minister, yes.

[10:45]

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

I think if I can ask Members to cast their mind back to the last round of savings which was started from 2014, the Economic Development Department I think delivered the second-highest percentage of savings in relation to its budget. We managed to shave almost 20 per cent off our budget at that stage. What that left us with was a slightly smaller structure and during that period we saw a number of vacancies created, not created, but a number of jobs vacated and not refilled, so that lessened gaps in our resource. For the last probably 2 to 3 years, we have a very small team of officers, including Dan, Darren, Ian and some others. Some of the others now have moved on to other departments within the States, so that left us with a very, very small team of officers doing a huge amount of work, for which I thank them. So what I have asked Richard to do and what is happening is that we need to refill those positions. We are not creating extra posts, but we cannot continue to run with so many vacancies, not least because I think there is going to be a huge increase in the requirement of the department as we first of all move towards becoming an independent department, which was the plan, and that is still on track. So that means we are not looking to make too many more savings in staff because we have been running at a very low level for such a period of time. We have already returned some monies this year for projects where recruitment has been delayed. I just wanted to make that point, that we need to fill our vacancies so we can deliver on the work and some of the important work that you have questioned us on today.

Senator K.L. Moore:

Thank you, Minister. I am afraid I am going to cut in at that point because I am very conscious of the time. Without wanting to prolong this questioning period, I would just like to make the point that of course it is your department who is responsible for the productivity review and of course everything starts at home, so we could potentially push this back to you and suggest that it is down to your department to be more productive and to prove that productivity is possible and you should be at the forefront of achieving more with less, but we will perhaps move on in the interests of time. I have a couple of quick questions about travel, in particular the Manche Iles Express and the suspension of those ferry crossings. Do you have a particular concern about that?

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

I just have to respond to your previous comment about productivity within the department. As you know, productivity in the economy is measured by the output of businesses, business profits added to the compensation of employees. I think if you applied that calculation to my department it would probably be right up there as one of the most productive departments in the public sector, so I am going to be a little bit defensive on that, but the point on delivering productivity in the economy is taken. That is a priority for us and we are very aware that we need to deliver on that. In relation to Manche Iles Express, it is not surprising, but it is very disappointing that they have chosen not to operate. I think it is in relation, quite simply, to the demand. There is not a great demand, the French, perhaps for day trips. The testing regime here is not an incentive for people to visit on a day trip and of course we are seeing the landscape around us changing almost on a daily basis as the virus has increased in jurisdictions very close to us. We have a strong relationship with Manche Iles Express and there is a strong desire from them and us to get them operating again as soon as possible, but I suspect, being realistic, we are not going to see too much activity until next spring, but let us just wait and see.

Senator K.L. Moore:

Do you have any indication of the impact that the travel protection measures are having on visitor numbers to the Island at this stage?

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

They are fulfilling 2 things. I think the measures we have are sensible and the fact that we have had them in place for some time and we are still seeing very, very low levels of the virus in the community. The level of testing is not conducive to growing numbers very significantly, which is probably right under the current circumstances, but on the other hand I think, firstly and most importantly, they have allowed Islanders to travel to see families and families to return to the Island. From a tourism perspective, they have allowed for some tourists, so the tourism sector are doing some business, but they are not prospering. The move that the States have allowed and followed will allow tourism and many other industries to survive and to be here for the recovery.

Senator K.L. Moore:

How is ferry travel performing on both on the northern and southern routes?

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

I think this is an opportunity for me just to single out Condor for their exceptional attention to detail on board. Although I have not experienced it myself, family members and friends - and I have had a lot of communication from members of the public - say they have been extremely impressed with the way Condor are handling passengers and cars, so I wanted to publicly thank them for that. There is a suppressed demand and again we are seeing on both routes I think the majority of the take-up is from Islanders who need to travel either north or south for various personal reasons. That has provided reasonable business for Condor, but when I say that, I think Condor are still hugely challenged as a carrier because of the pandemic. So, first and foremost, I think it has been helpful for locals, but then there is, I think, stronger interest from tourists from the northern route than there is on the southern route, given the current circumstances.

Senator K.L. Moore:

Yes, I was just about to ask whether there is likely to be any change in travel restrictions to France, given the potentially changing circumstances with the traffic light system.

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

As of earlier today, the rate per 100,000 in France was up to about 23.5, I think. If that hits 25 then they will go on to our amber list, which means visitors and residents returning from France will be subject to different criteria. They will test on arrival, self-isolate for 5 days and then have to undergo a second test. It looks like, unfortunately, France is heading towards an amber rating on our traffic light system and that will have quite a serious impact on the transport link to France.

Senator K.L. Moore:

Thank you, Minister. I will pass over now to the Deputy of St. Mary.

The Deputy of St. Mary:

Thank you, Senator, and good morning, everyone. My area of questions relates to what might be termed sports-related matters, which I will leave it to you as to who picks up the baton on that one.

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

I am happy to delegate that immediately to Senator Pallett.

The Deputy of St. Mary:

I thought you might. Can I begin, please, with the new skate park? At the last quarterly hearing with you, the Assistant Minister advised that progress was being made with the new skate park, albeit that there had been a measure of delay due to COVID. What further update can you give us on the project?

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

As you will be aware, Deputy, we have sent you some of our meeting notes relating to the last 2 project meetings we have had and I think they have been quite detailed about the progress that we have made. But to be brief, the project is progressing. We have a limited resource available this year to take us up to and through the planning application process. As the documents have said, we are starting to do some of the reports that are required for the application, such as ecological reports and things like that, so we want to keep on top of that. We have met recently with the Children's Commissioner, who felt that it was important to get young people's views, although we have had input from young people all the way through the process through the Jersey Skateparks Association and youth clubs. So I think we have been quite good in regards to engaging with young people, but it was important that we had the Children's Commissioner briefed and I believe on board. As I said, we have got a lot of the ground investigations currently going on. We are just waiting to get the tender evaluation for the designer signed off. I spoke to the Director General of G.H.E. (Growth, Housing and Environment) and one of his priorities is to sign that off so we can engage the designer, which will lead us hopefully to a planning application later on this year and build in 2021.

The Deputy of St. Mary:

Thank you for that. At the last meeting you did indicate that it was then at the design stage. In terms of what you say, it is meaning that the design stage has been moved on, but you still hope to get the planning application in before the end of the year?

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

Yes, that is the intention. Obviously COVID had has effects in all sorts of areas and this is another one, but yes, absolutely. We are doing what we can in regard to some of the reports we need so that we can lead into the planning application a little bit quicker later on in the year, but I am assured that the funding is available. Like you say, we have been given £100,000 this year to progress through planning application and the design stage, with the rest of the money, I presume, being made available to build the project. Some of that is Government funding, some of that is funding from the Regeneration Steering Group and a small amount of money from Ports of Jersey as well.

The Deputy of St. Mary:

Okay, good. Can I move on now to Fort Regent, which I suspect the Minister will again designate to your good self? Could you provide us with an update on the progress of the ideas for the Fort's

development? In the Government Plan, 3 preferred themes were identified for future use, these being Jersey business hub, botanic gardens and sports village. Could you advise how far you have got with each of those?

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

I am going to bat this one back to the Minister, because I do not sit on that group. That is one that the Minister sits on, so I am sure the Minister will be able to update you as best he can.

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

Thank you, Senator. There has been some what I would describe as quite exciting progress with the Fort Regent Steering Group that is chaired by the Deputy of Trinity. Some firm plans for the Fort have been worked up and some detail has been put around those plans. There is still a little bit of work to do, but I would expect that we would be seeing announcements, some firm announcements as to the future of the Fort as we move into the early autumn, but again I do not want to usurp the position of the chair of that group. I am not sure who would ... sorry, I am just thinking aloud. I am trying to remember when our next meeting is, but I can update you separately as to the exact timetable, which I hope we can agree at the next Fort Regent Steering Group meeting. There is some really good progress being made.

The Deputy of St. Mary:

Thank you for that and I am pleased to hear it. Sorry, is that group you have just referred to the same as what I have got down as the Fort Regent Working Group? Are you part of that?

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

Yes, chaired by the Deputy of Trinity. I am sorry, I cannot recall the exact timetable for announcements, but it is imminent.

The Deputy of St. Mary:

Okay. We will leave that for a separate meeting then. The final question on the Fort is during the review of the Government Plan, or our review, we recommended that because of the crossover in remits, the Fort Regent Working Group and the Sports Facilities Group be amalgamated. Has this happened or is it going to happen?

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

No, it has not happened. I think it is unlikely that it will happen. Senator Pallett is leading the Sports Facilities Group and a collaboration has been required because it is likely that some sports facilities at the Fort will in the fullness of time be displaced and I know Senator Pallett's Sports Facilities

Group will be taking that into consideration with the work that he is doing. I am not sure if Steve would like to ...

[11:00]

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

Yes, I am quite happy to comment a little bit further. It is important, I think, that the 2 groups work collaboratively and very closely together, and that happens. It certainly happens at officer level. The same officers are involved in both groups. I think politically it is important that both the Fort work and the sports facilities work move together hand in hand because one clearly has an effect on the other. From a sports facilities point of view and the strategy, the intention is at some stage later this summer to get approval for that through the Council of Ministers. I think I would be right in saying the intention is to try to do that and for the Fort Regent, the initial work, take a paper to C.O.M. (Council of Ministers) again later on this summer. But the 2 groups are working closely together, although I believe at the moment there is no necessity to amalgamate them.

The Deputy of St. Mary:

I think you have answered my next question. If they do work closely together - and I am pleased to hear it - to that extent, is there not merit in the 2 joining forces or are there advantages to keeping them separate?

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

I think the likelihood is they would only be together for a short period of time. I think once we get the final report from the Fort Regent group, it is likely - and I do not want to go into much detail - that those 2 pieces of work would then split apart again to go their own separate ways. I do not want to go too deeply into the detail, but joining them for a very short period of time only to split them again I do not think would be beneficial, but they are working extremely closely. I get updates on the Fort on a regular basis from the officers, so I know all the detail in terms of how it is moving forward and how it might impact on the sports facilities work. I have been able to input in that in regards to making sure information is made available to the Council of Ministers when decisions need to be made. So I am comfortable with the direction we are taking and I am comfortable that both groups are working closely enough together.

The Deputy of St. Mary:

Thank you. Can I move on to a specific sport, which is rugby, that I have asked questions on before? I am sure the Assistant Minister will be aware that the R.F.U. (Rugby Football Union) has set up a committee to look at the future structure of the championship league, in which Jersey play, and the

funding of its team players. I appreciate that is in the early stages, but has the Senator or anyone else involved in his department been involved in any discussions with the rugby club as to this?

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

I can speak politically. I cannot speak on behalf of officers, but from my point of view I have met with rugby club officials over the last 3 or 4 months, both to understand some of the issues and concerns they have and what some of their aspirations are moving forward. Within those discussions, yes, the areas around the R.F.U. and how they are going to restructure the league have come up, but they have not sought any commitment from Government or any support from Government in regards to funding in regards to their changed situation. I know they have done a lot of work in-house to make themselves more sustainable financially, which I think is incredible considering the period of time that they have gone through. But I think from a long-term perspective, it is important that our leading clubs, such as the Jersey Reds - and I will include Jersey Bulls in this as well, the football team - are sustainable over a period of time and some of that will depend on providing the necessary infrastructure to allow them to develop and some of that work will be included within the sports facilities work. I am aware of the situation that they are in, but there has been no discussion with myself around any funding necessity, but again I cannot talk on behalf of officers. They may have spoken to officers but I do not believe that is the case.

The Deputy of St. Mary:

Okay. It is perhaps worth mentioning that this latest initiative from R.F.U. is only about 2 weeks old, so it would not be surprising if you have not yet been consulted. One idea being floated though is the fact that the championship teams revert almost to a pro-am status in that players will be expected to have a second form of employment, which does not perhaps lend itself well to the Jersey situation. But given the support given by the department previously, would I be right in thinking that if players were employed by the rugby club essentially there would be a problem in them seeking alternative employment as well, additional employment to bolster what the R.F.U. is looking for?

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

That would depend on their status in terms of whether they were entitled or whether they were registered, so there would be some impact, I presume, just my own thoughts. I think there would be some impact on some of the jobs that they could do locally. I think from the point of view of the R.F.U., as long as it is a level playing field and all the clubs are taking the same approach, I see that as a benefit. I think levelling the playing field and all the clubs having the same degree of financial support and roughly the same financial commitments would be beneficial to us locally. Another aspect I think they have talked about is potentially having a north and south league, so some of the travel costs would be limited. Again, they are all ideas I think that are being floated at the moment, but there is nothing firm around what they may look like.

The Deputy of St. Mary:

Thank you for that. I appreciate it is early days yet. The final question in this area is you have already indicated that you would expect to be able to give some support or maintain funding for the club into 2021, and I take it from what you say that the precise amount is not yet established. One concern I have is that if there is a reorganisation then the standard of playing in the league might not be as good as it might be, which in turn might affect the quality of teams and therefore the viewing figures. When I say “viewing”, the spectator figures, should I say. I sense it is on that basis that you have been happy to give support in the past, that supporters of the opposing club come over to the Island. Would your degree of support be influenced by the level of support coming in from outside the Island?

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

From a personal perspective and my own view, I think the level playing field is important. I think the different ways that players could be engaged could provide the club with some more financial stability moving forward, which I think is important. Will it lower the standard? Not necessarily. I think the league will always be competitive, in my view, so I think it will always attract people to come and watch. What it may do is it may lead to more local players being involved in the club from the first team point of view, from a Jersey Reds point of view. I think a lot of people that watch the club feel that something that has possibly been missing over the last few years is that local connection on the playing side, so there may be opportunities. I know there is one or 2 players that have been signed recently that have come up through the academy and that is a very positive aspect. I think there could be pros and cons to some of that, but I think having some local players playing has always been a draw for local spectators and we may see more of that.

The Deputy of St. Mary:

Thank you. I certainly accept that view, although of course trying to maintain our status in a professional era is difficult from just a home-grown product. Anyway, we have done enough on that aspect, I think. I will hand you over now to Deputy Pamplin, if I may, on his area of questioning. Thank you for that.

Deputy K.G. Pamplin:

Thank you. It is good to see you, Minister. This is obviously our first public interaction since - and it would be remiss of me not to mention it - you stepping in to chase my proposition. I just wanted to publicly thank you again for doing so and ask you, while you are here in front of me, for any updates.

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

Thank you, Deputy. The key part that is outstanding is the publication of S.T.A.C. (Scientific and Technical Advisory Cell) minutes and I know the chairman of S.T.A.C. is working on that. They spent a number of days in session this week providing advice in relation to the announcement we are going to make later today, but they are acutely aware of the deadline, that we have passed the deadline set by the States. I anticipate that all of the measures requested in your proposition as amended will be in place by the end of next week, as stated in our exchange of emails. Thanks for your patience and apologies to States Members for the slight delay. I think, with hindsight, the timescale that we agreed to in the Assembly was perhaps a little bit ambitious given what is going on around us.

Deputy K.G. Pamplin:

For sure. Okay, thanks for that. Right, into some questions. I know we do not have Deputy Tadier here, so very briefly could you give us an update on the arts strategies and heritage strategies, which we were told were going to be done and published separately? Any update on that? Are they going to remain separate?

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

I think we are in a similar position to where we are with retail. We were making progress and then COVID hit, which threw a whole new set of challenges at all of the arts and culture and heritage organisations and how they manage their assets. I am not sure whether Dan or Chris Kelleher would want to just talk briefly to the Deputy's point.

Group Director, Economy:

Thank you, Minister. Perhaps if I start and Chris finishes, that might be a good way of doing it. The Economic Council has effectively recommended to the Minister that the cultural strategy, as it was described, is completed by the end of the year. That is in train in terms of commissioning some expert advice on the basis of recommendations made by the representative for culture, arts and heritage on the council for the future. We completed that first round of informal conversations around the sort of expertise that we might require going forward, I think in recognition that we do not have the capability in some of these areas. I think that is point number one, so we are making progress there and should be moving into procurement of that over the next week or so. The second point that has fallen out of the Economic Council is the need to look at culture, arts and heritage in strategic terms more closely than effectively having a separate arts and culture strategy and a separate heritage strategy because of course culture looks forward and backwards and heritage is therefore quite important in that context. So I suspect that the strategy and the terms of reference that we will be bringing back to Ministers for approval will be a consolidation of aspects of heritage with arts and culture as well. I think the third point that comes out of some of the discussions more broadly, not just in the Economic Council, but within the future economy programme and in other fora, is a more

detailed consideration of the relationship and connected nature of that piece of work and that function in the context of how it adds value and growth in the economy through promotion of the creative industries, what we need to do in terms of its impact in St. Helier and in the public realm, how it might add to vibrancy and deal with negative issues. This feels now, as a consequence of some of the considerations we have had as a consequence of COVID, a more rounded view of how to bring culture, arts and heritage together to deliver across effectively a triple bottom line of social, environmental and economic. Chris, do you want to add a little bit from your perspective?

Strategic Policy Manager:

Yes, thank you, Dan. The only comment I have is that the heritage strategy that is being developed is being led by Historic England. Obviously COVID is having an effect in terms of people coming over from Historic England to interview people on what the strategy should look like, but it still is underway and we do still have a target for the year end in terms of that. Just to complement what Dan has said, one of the ideas we are looking at is having some sort of culture for wellbeing framework, which will be the overarching document that will sit above the heritage strategy, the arts strategy and also the stuff that is being done on the Island's identity. It will be rather than just pointing to the economic benefits, because there is a value, there is an intrinsic value, there is a social value and there are economic values as well, so it is a culture there. I think one of the areas we want to be looking at and will be focusing on is one of inclusion: why are people not coming to engage with culture; what is it we are missing? The sector has been heavily underfunded for a good decade now and with Deputy Tadier's proposition last year the additional funding will be used to broaden the cultural offering for the Island. Work is underway, but bear with us because it is more about timing. Particularly when we are using consultants from the U.K. (United Kingdom), it is getting them to come across and trying to work, but work is progressing well.

Deputy K.G. Pamplin:

Okay, thanks. That was really insightful. Lastly on this, following the briefing that you are going to do the press conference about today and the next stage, the impact obviously this is going to have on the arts, especially in the theatre world, the Jersey Opera House and the Arts Centre specifically, if we cannot get those anywhere back to any sort of normal capacity or even to a point where money can be made, because obviously if half a theatre is empty it is money lost. What are your thoughts at this stage, Minister, about supporting both these theatres going forward?

[11:15]

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

Before I hand over to the relevant officer to explain the financial support we have advanced to them this year and what we are discussing to ensure they are financially secure moving forward, I think

some of our assets are probably well placed for benefiting from the fiscal support programme. I refer in the first instance to the Opera House, which is now becoming overdue for some more structural work and rejuvenation and refurbishment. I would very much like to see some of our arts assets, not least the Opera House, benefit from that fiscal stimulus funding. I am not sure which officer wants to update Deputy Pamplin quickly on the fiscal support and what we have given. I think possibly Dan. I think we have delivered most of the annual grant to the organisations this year to allow them to continue moving, and on what discussions we are having for further fiscal support.

Group Director, Economy:

Certainly, Minister. I will hand over to Chris for some of those details on the numbers. In principle, we have been working with ArtHouse Jersey, the Jersey Opera House and the Arts Centre, who are the key arm's length bodies that we support through grants in partnership to deliver various culture and arts activity. Obviously the COVID situation has meant that we have had to reforecast cash flows and have worked very closely with all organisations to make sure that we understand what their financial needs going forward are, and indeed in some cases they have returned money, which has been hugely helpful and part of the effort to support Jersey plc, as it were. But as you might imagine, going forward we are having quite detailed conversations on the basis that there is significant growth in the Government Plan allocated as it stands going forward and how we can best flex that growth to support ongoing activity. To some extent this is why it is very important to get the cultural strategy delivered this year so that it can to some degree direct where we spend and what our priorities are next year. I think one of the other aspects is stimulus. We do have and have produced a list of stimulus projects in the culture, arts and heritage world that are effectively quite opportunistic because of course, first, they are closed and so where there are capital works to do we can get on with those without interference and, secondly, it creates some additional economic activity in the economy. If I am honest, it probably prioritises these works that would have struggled to hit the top of the priority list in normal times. So I think there is a positive dialogue across those 3 organisations. We always have a very positive dialogue but perhaps, Chris, if you could add a little bit in terms of the numbers and so on and so forth, that would be hugely helpful.

Strategic Policy Manager:

Thank you. It is just basically to say that in 2019 we did a number of condition surveys at both the Opera House and Jersey Arts Centre, which I suppose you could almost say is quite fortuitous for potentially putting some bids in for the refurbs. Both of them come in at around £1.5 million and it is then to decide what is the urgent capex that needs to be done to ensure that the buildings are sort of water and wind tight. We are likely also to be putting in a submission for one of the heritage sites as well on the basis that they will be shovel ready. But as Dan said, it is almost seen as an opportunity if the Opera House remains closed. It is likely to remain closed for a considerable period of time as artists and agents have either cancelled or postponed their performances until 2021. It

then becomes an issue of how lucrative it is for the Opera House to open if the takings are so small. Plus, from an audience experience as well, it is not fantastic for it to be half empty. The Opera House has a capacity of 625 and I think we are talking somewhere in the region of 100 and 150 people to be able to attend there. Likewise, for the Arts Centre, with a capacity of 250, you are looking at possibly 60 to 80 people being there. What I would say is that the Arts Centre is really champing at the bit to try and ... they really do want to get up and running. It is very disappointing from an historic relationship point of view. Oddsocks, a theatre company in the U.K., has had a relationship with the Arts Centre since it opened, and for the last 37 years has been coming every summer and putting on a fantastic summer production and unfortunately it has been unable to do that this year. So everyone is affected by this, but while they have not been able to put performances on - and I can say this for both ArtHouse Jersey and for the Jersey Arts Centre - they have been delivering online experiences through their social media and their websites. So there has still been a linking, and of the events that they have been putting on, the actual comments back have been very, very positive.

Deputy K.G. Pamplin:

I think you are quite right. The outlook for the arts and culture world are wait and see while we follow the advice, obviously, but it is a nervous time there. I am going to move on, Minister, to the Channel Islands Lottery proceeds and the charity sector very briefly before handing back. We saw your proposition obviously about the remaining 2018 funds going to the Association of Jersey Charities. The first question is, just to clear something up: why in 2020 are we only distributing the 2018 funds? It is a question I get asked a lot.

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

In early 2010, myself and Senator Pallett and Deputy Tadier agreed in principle to broaden the distribution of the lottery proceeds. Obviously ultimately that is going to be a decision for the States, but we set to work on how we might do that. We did get off to a bit of a false start because we originally thought we might engage with a U.K. organisation to manage it, but after further consideration we backtracked on that on the grounds that although we did a detailed tender process, we did not get as much local interest as we thought. Once the announcement was made that was the direction of travel, we got a lot more local support and that I think has led to the position we are in now with the Jersey Funders Group, of which the Association of Jersey Charities is part. That is why I think, if I remember correctly - and an officer will correct - we went to the States. Instead of allocating in 2019 all of the 2018 profits, we asked the States to allocate £1 million of profits. That left the balance of 2018. So because of the pandemic the work was delayed and that is why we were keen just to get that balance of £300,000 and something to the A.J.C. (Association of Jersey Charities) for 2018 so that tidies up 2018. Under normal circumstances, the 2018 grant is made by the end of 2019 and the 2019 would normally be made in the autumn of this year. We have talked

about this at Scrutiny hearings, so now we are contemplating how that process might work, whether we give all of the lottery proceeds to the funders group, who are already benefiting from dormant bank account money, so we are creating a larger pot of money to be spread across the community. We are doing that work now and ultimately we will be coming to the States with a proposition. I would think it would be October by the time we present that.

Deputy K.G. Pamplin:

This is really interesting. We can clear something up here, because there is a bit of confusion going on. During the pandemic there was the funders group that came along, which is basically all the funders, the James Knott Trust, Lloyds Bank, A.J.C., Greville Bathe. It funnelled the system, so if charities were needing money during the pandemic they forgo their usual grant procedures so it could be funnelled through who was the best one to deliver the grants. Then there is this Jersey Community Foundation Limited, which I think you are referring to, which was set up and in place by March that, as Senator Gorst explained, was going to manage the dormant bank accounts money that was released to support charities also. But you are also saying that this Jersey Community Foundation Limited could be set up to then take over the lottery funding, so that raises questions because it is registered on the Charity Commissioner's website and the governors are all sitting on charities of the Island at the moment. Are you worried that is a conflict of interest if this group of governors who are sitting on charities at the moment will be overseeing the distribution of grants to other charities? It just raises a few questions there. If you can clear that up, I think that would be really helpful.

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

Yes, that is understood. The organisers that you refer to are part of the same organisation. The group sits above the company, as it were, and we are meeting with them next week. We are setting up a number of presentations, including one to Scrutiny, about how this might work. They are representatives from across the fundraisers in the Island community to work in a consensual and democratic way and from what we have seen so far it looks to be a very good way forward, but we will share with you the progress because we have to get this resolved and get the money allocated as soon as possible. Going back again, one of the reasons we did not leave that £300,000 outstanding is that given the impact of the pandemic on charities, we thought it was better getting that into the community as quickly as possible.

Deputy K.G. Pamplin:

Just to quickly clear up, the proposition is that the 2018 funds go to the A.J.C., which they will distribute as part of the funders group for people who need it as normal and then we will wait for you to hear about going forward with 2019 possibly with this foundation?

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

The A.J.C. will distribute that money, as they have always done, to the charity sector. What we have to decide, for example, is whether we give all of the lottery money to the new funders group or we give some of it to the funders group and some of it to the A.J.C. If we give it all to the funders group, they will then distribute some to the A.J.C. It is just the logistics of how it all works we have to iron out and find consensus on and we will work closely. We will work closely with Scrutiny on it. I have no strong feelings other than we need to get the money into the community to a broader community base as soon as possible, so we are happy to work in partnership and find the right consensus.

Deputy K.G. Pamplin:

Yes, I think that would be great. You know me, it is all about transparency for the charities who have gone through a tough time. Thank you, Minister. I know we are fast running out of time, so I will throw back down to the States building to, I believe, the Deputy of St. Mary who wants a quick go at the liquor licensing. So I will hand over, thanks.

The Deputy of St. Mary:

Before we finish off the charities saga, thank you for that, and myself and the Chairman heard the offer of a presentation on that aspect. I think that will be welcome, so thank you for that. Moving on to the licensing legislation, a few specific questions, but a general one first of all. You previously advised that this legislation has been delayed because resources have been pulled as a result of COVID. Are there new resources within the department that are enabling you to take this matter forward again?

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

I believe we have resources in the department, but it is about prioritising at the moment. I think we need to seek support and prioritisation from the C.O.M. This is an area that Senator Pallett has been working on diligently and I know he is incredibly frustrated at the lack of time it has been taking. I want to say publicly that it is not down to very good efforts that we have seen the delay, but I think it is just a case of prioritising this in the scheme of everything else. The timing is probably not right now given the state of the hospitality sector and all the challenges that are currently being faced. Of course we know that there are other propositions coming in from ... well, there is another proposition coming in from States Members around pricing issues and so on and so forth. But we are live to the fact that the liquor licensing legislation does need a complete review and overhaul at some stage in the future. I am trying to persuade Senator Pallett to stay leaving it, although I think we have tested his patience, but that is where ... Steve, did you want to add anything?

[11:30]

The Deputy of St. Mary:

A few things. Yes, I appreciate Senator Pallett's frustration and I think that was evident in the last Assembly as well. I hear what you say about the priorities, but can I go back to a response you made to Deputy Pamplin's written question some time ago and a few points arise from that? In your reply you advised that yourself, the Assistant Minister and the Chief Minister met the Bailiff and other Crown officers to discuss the next steps. Could you please clarify what those next steps were?

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

I wonder if Senator Pallett would like to ...

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

Yes, I can do. We had met with the Bailiff, I think the current Attorney General and officers, myself, the Chief Minister and Deputy Chief Minister to discuss direction. We wrote to the Bailiff's chambers in regard to setting up a working party. Unfortunately, that happened about 3 or 4 days before COVID really took a bite. What we need to do ... and I have already spoken to both the Minister and officers around writing back to the Bailiff as to what that direction should be and what that working party should look like, but it will require - and it will be no surprise to you - input from policy officers. I think the difficulty at the moment is, as you know, all of our policy officers are deeply involved with COVID and COVID legislation and COVID policy, and it is going to be difficult to prioritise one or more of those officers to deal with any move in the liquor licensing legislation, but we do intend writing back to the Bailiff following up on the previous letter that we sent.

The Deputy of St. Mary:

I was going to ask a question about who comprised members of the working group, but perhaps you could reply to us in writing on that. Generally speaking though, your reply also referred to membership of that group including representatives of the licensing bench. Could you confirm the involvement of the bench is solely as regards the composition of the licensing authority and they will not be involved in any matter of policy?

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

At the moment there is no defined view on what that working group should look like. I have my own view; you probably have your own as well. It would have to be something that was going to move forward in a way that I think was acceptable to the Assembly and the wider public and the licensing trade themselves. A lot would depend on whether we were looking to amend the current law or look for a new draft law. I have my own view about the direction we should take, but I am only one of a number of people that have got an interest in this. We need to write back to the Bailiff's chambers and I think we need to be clear about what the terms of reference would be for a working party and we are not at that stage yet.

The Deputy of St. Mary:

I hear you. But can I ask one specific question? If you are involving members of the licensing authority in this debate at the moment, does that mean you have abandoned the idea of replacing the present licensing authority with States Members, which was the subject of the draft legislation last year?

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

In terms of who would be the decision-making body in regard to licensing applications?

The Deputy of St. Mary:

That is right. That is the question I am asking, yes.

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

I think it was the difference of opinion over that that caused the draft legislation to be pulled prior to the end of the last term. I think Government had a view as to what the industry required and I think the view was that when we met with the licensed industry they were not totally convinced that that was the direction. I think there does need to be some further work on what that body would look like. If it was going to be a new law then it would probably require a new body but, again, we would have to go back to the industry and do some more consultation on that.

The Deputy of St. Mary:

I hear you. It is just that I think the question of the composition of the licensing authority is one of the matters that the Scrutiny Panel has an issue with. If that could be solved it seems to me that the bulk of the new law that was prepared and which your department spent a lot of time on, as well as Scrutiny, would be a great improvement. Is there any chance of resurrecting that law with a few tweaks?

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

I totally agree with you. I think the vast bulk of the new draft law is fit for purpose. There are just one or 2 sticking points that would have allowed us, I think, to carry on towards a debate. It is something we need to review and it is something maybe that we need to discuss further with Scrutiny or even States Members more widely. There has been talk of an in-committee debate on the subject, for example, which I personally think would be useful because I think it would set some clear parameters about what States Members are expecting from a new draft law and, more importantly, some of the things they would not want. We have thought about all those things, but a lot of it will still revolve around having policy officers available to do some of this work. You know my

commitment and I think the Minister is committed as well, but it is a very wide issue and one, he is absolutely right, that needs C.O.M.'s support if we are going to take it forward.

The Deputy of St. Mary:

Thank you for that. The only other question I was going to raise on this is that one of the concerns of the previous panel was the extent of consultation with bodies outside the health area and the States Members as well, but rather than ask you questions about that, I think I can infer from what you have said that you do accept there should be a greater involvement by States Members and at the end of the day any policy statements should have their approval. Would that be a fair assessment?

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

I think the direction is really important in regards to States Members. It has been a very difficult time and things may have progressed more than they have had COVID not struck, but I think if we had had an in-committee debate and some direction it might have avoided P.86 and some of the issues that are coming up. It may have given the proposer of P.86 some comfort that policy was finally going to be in the hands of politicians rather than the judiciary. Again, I have got to say we are not quite at that point, but I think P.86 is going to focus people's minds. I think we may well have that in-committee debate in P.86 because there is going to be a lot of States Members that are going to ask some quite valid questions as to why we have got to the point where we need such a proposition as P.86. I think it is going to be a testing debate.

The Deputy of St. Mary:

I will leave that there and save it for another time. I will hand you back now to our Chairman. Thank you.

Deputy K.F. Morel:

Thank you, Minister, and thank you for staying 8 minutes over. We fitted the 90 minutes, but we started 8 minutes late so we finished 8 minutes over, I guess. I know you have got a busy day ahead. Thank you indeed. That was a very useful session, looking at some of the other work we are doing, and we look forward to seeing you again soon.

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

Can I reciprocate with that? Thanks on behalf of my team to the Scrutiny Panel and we will come back to you on the areas we agreed to and wish you a very pleasant weekend. Thank you.

Deputy K.F. Morel:

And yourself. Thank you.

[11:39]