



# Economic and International Affairs Scrutiny Panel

## Quarterly Hearing

### Witness: The Minister for Sustainable Economic Development

Thursday, 4th July 2024

**Panel:**

Deputy M. Tadier of St. Brelade (Chair)

Deputy K.M. Wilson of St. Clement

Deputy M.B. Andrews of St. Helier North

**Witnesses:**

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

Deputy M.R. Scott of St. Brelade, Assistant Minister for Sustainable Economic Development (1)

Connétable A.N. Jehan of St. John, Assistant Minister for Sustainable Economic Development (2)

Mr. R. Corrigan, Chief Officer, Department for the Economy

Mr. D. Houseago, Group Director, Department for the Economy

[14:05]

**Deputy M. Tadier of St. Brelade (Chair):**

Minister, welcome back for the afternoon session to our quarterly hearing, and welcome to the Assistant Ministers and officers, member of the public and anyone who might be listening. For the record, we are going to introduce ourselves. I am Deputy Montfort Tadier. I am the chair of this panel, which is the Economic and International Affairs Scrutiny Panel.

**Deputy M.B. Andrews of St. Helier North:**

I am Deputy Max Andrews, member of the panel.

**Deputy K.M. Wilson of St. Clement:**

I am Deputy Karen Wilson, member of the panel.

**The Minister for Sustainable Economic Development:**

Deputy Kirsten Morel, Minister for Sustainable Economic Development.

**Assistant Minister for Sustainable Economic Development (1):**

Deputy Moz Scott, Assistant Minister for Sustainable Economic Development.

**Assistant Minister for Sustainable Economic Development (2):**

Connétable Andy Jehan, Assistant Minister for Sustainable Economic Development.

**Group Director, Department for the Economy:**

Dan Houseago, Group Director, Economy.

**Chief Officer, Department for the Economy:**

Richard Corrigan, Chief Officer for the Economy.

**Deputy M. Tadier:**

Welcome to you all. As I said, we had the Minister and Dan in earlier today on a specific review that we are looking at. This is a general quarterly hearing, so we are going to try and get through a number of subjects today. The first of which is really to do with sport. Minister, we are mindful that you did not have much of a say in the last quarterly hearing. We apologise for that, but your time has perhaps come today. As Deputy Andrews has said, you are on the starting line this time, not on the bench anymore. Can we ask for an update on the review for the funding of sport and physical activity and how this will impact on the delivery programmes from 2025?

**Assistant Minister for Sustainable Economic Development (2):**

Yes, we are working with both H.C.S. (Health and Community Services) and C.Y.P.E.S. (Children, Young People, Education and Skills) and looking at what areas we currently cover under the sport heading that are more appropriate to their portfolios. I have commissioned a piece of work this summer to see how much we support sport. We give Jersey Sport just over £2.14 million. Infrastructure has costs of around £4.6 million, which can be attributed to sport. So I have asked for a piece of work to be done to understand what we currently invest in sport. Clearly one of our main investments is in infrastructure, sport centres, et cetera, our swimming pools in particular, which are very expensive to construct and very expensive to run. We need to understand the cost of that and the value that we are providing to Islanders.

**Deputy M. Tadier:**

Where would you say the headline areas of expenditure are in the sports portfolio?

**Assistant Minister for Sustainable Economic Development (2):**

Currently in facilities would be where we invest most of our money, and running those facilities; £4.6 million against £2.1 million, it is quite clear. Within Jersey Sport itself, probably around 60 per cent is spent on sport; what I would describe as sport. We do toddler play, holiday play clubs, Move More, all things that are important, but in terms of sport and helping sports men and women, yes, around 60 per cent of the money goes to sports.

**Deputy M. Tadier:**

When you talked about C.Y.P.E.S., education in other words, what is the relevance of education in the overall portfolio of sport, sporting facilities and sports provision?

**Assistant Minister for Sustainable Economic Development (2):**

That is a great question, is it not? We currently provide the money from Economy Development for things like toddler play and we commission the work. We are not experts in that area. The C.Y.P.E.S. portfolio is. The other key area we are working with C.Y.P.E.S. on is around the facilities. We have so many facilities around the Island which are totally under-utilised. Before we go investing in more facilities, in some cases we do need more, we need to make sure that we are sweating that asset and they are available to the community throughout the year, not just term-time or not just during school holidays. I am having some constructive dialogue with the Minister for Children and Lifelong Learning. It is important from a community aspect that we can get these facilities working harder for the Island.

**Deputy M. Tadier:**

Maybe that leads on to the second question which we have about sports facilities in the east of the Island. Can you talk to us about any plans for either new or developed facilities in the east?

**Assistant Minister for Sustainable Economic Development (2):**

In the first place, we should pay tribute to the team at the FB Fields who have worked tirelessly following Storm Ciarán; to get that up and running is terrific. We have invested significantly there at the FB Fields to make sure that is proper. In terms of the east, we are just about to start, hopefully in about 3 or 4 weeks' time, at Oakfield. That is over an £8 million investment for a 3-court facility. It will also host martial arts. It will be a great venue for netball, for example. Cricket and basketball will be played there. We are looking at Le Rocquier School and the potential to provide a 3G pitch, which would be utilised by the school during the school day, but would have separate changing facilities, separate access, so it could

be accessed throughout the year and work for the community as a whole. We are very mindful of the lack of gym space. We are trying to get the gymnasium that is at Oakfield open for the public. There is capacity there. Notwithstanding the safeguarding challenges we may have during the school day, once the school day is finished, we should be utilising that asset for our Active members. Another exciting project we are working on is launching Junior Active, a gym membership for youngsters at Langford. I am excited by that prospect, where youngsters, who finish school in that area will be able to access the gym.

**Deputy M. Tadier:**

To ask a question about Active, is it profitable?

**Assistant Minister for Sustainable Economic Development (2):**

Great question, and that is why I have asked for this piece of work to be done, because do you include depreciating in your costs? In terms of staff costs, how much of your staff costs are attributed to the Active programme versus general management? I could not tell you the answer. I would suggest it is probably not profitable at the moment. It is a very important part of ...

**Deputy M. Tadier:**

You do get income though from it?

**Assistant Minister for Sustainable Economic Development (2):**

Yes, we do generate significant income, but I am not sure how much of our income that we generate for it goes against the costs that are attributed to those ...

**Deputy M. Tadier:**

Are you comfortable, philosophically, with the Government running a sports facility and having that provision?

**Assistant Minister for Sustainable Economic Development (2):**

Should it be part of our core business? That is questionable, personally. We are doing a lot of work with Jersey Sport. We have a new chief executive going into Jersey Sport in the next week or so. We were excited by that appointment. Once Jersey Sport becomes more mature - my words - then perhaps we could have a look at them potentially running some of our facilities. That is not a discussion I have had with officers, it is a personal view.

**Deputy M. Tadier:**

Thank you for that. I am going to pass over to Deputy Wilson.

**Deputy K.M. Wilson:**

Thank you. It is encouraging to hear the development in St. Clement, in my Parish.

**Assistant Minister for Sustainable Economic Development (2):**

What we have tried to do is be realistic. There were some fantastic ideas and suggestions for Le Rocquier School, which I do not know how people thought they were going to be paid for. What we need to do is be realistic in what we can provide. It is a massive catchment area, as you know, in that part of the Island. We need to try and get on and deliver. That is what I have tasked the team to do: what can we realistically achieve?

**Deputy K.M. Wilson:**

Okay, thank you. Minister, can you tell us what has been undertaken to understand the relationship between the sports strategy and the wider health strategy? Have you got any joint indicators that you are working on, in terms of trying to develop common purpose around each of those strategic frameworks? How are you going to monitor this, particularly in relation to the impact it is going to have on the community?

**Assistant Minister for Sustainable Economic Development (2):**

What we have done is set up a Ministerial group, which covers both Health and youngsters, C.Y.P.E.S. We are working in that area.

[14:15]

The point about opening the facilities that are based at schools for longer periods is hopefully going to generate more participation, particularly in some areas where we do not see large participation. There is potential for people to do sport. That could just be bouncing a ball and throwing a ball through a hoop in their local school playground. There is lots of opportunity for us to do more. Encouraging people to exercise is vital. I see that as a public health initiative rather than a sport initiative. Clearly, if we have the facilities, we are happy to facilitate that. We are working on the strategy jointly, yes.

**Deputy K.M. Wilson:**

Would you consider developing some joint health outcomes for some of those pieces of work that you have outlined that we can see and track progress?

**Assistant Minister for Sustainable Economic Development (2):**

We all see the benefit of prevention. That is prevention of illnesses and, equally, if people have had an episode, the rehabilitation of people. We do a lot of work at Springfield with the Health team for cardio and breathing work, in particular. We could do more of that in the community, yes.

**Deputy K.M. Wilson:**

Would you target any particular group around that?

**Assistant Minister for Sustainable Economic Development (2):**

It is too early for me to say if we would or we would not. By setting up this working group together, we are looking at the options we have. The Minister for Health and Social Services is certainly keen on prevention and supporting the public health body.

**Deputy K.M. Wilson:**

Thank you. In terms of the work that you have done to improve accessibility and inclusivity in sports, can you give us some information about what progress has been made around that?

**Assistant Minister for Sustainable Economic Development (2):**

We have probably not made enough progress. It is important and I have learned a lot about this. I spoke to a coach recently and I did not understand the difference between girls sport and boys sport. This lady, who had played their sport at national level, explained the differences, which when she told me I fully understood the message, but prior to that I had seen football as football. Clearly people have different needs at different ages. It hit home. I was delighted to attend the Jersey Sport breakfast on Women's Day earlier this year. There is some terrific work being done there. There is a lot of collaboration between clubs in the same sport. Golf is a great example, where they were recognised nationally. If I think of football and I think of changing rooms, we do not think about girls' participation in football; a changing room is a changing room currently, and there is a wider understanding. It is an area that Jersey Sport are doing well in, in making sports more widely available. We have seen a cricket event recently, hosted by Jersey Cricket, for women one evening - more of a social thing - to encourage girls to play cricket. The work we are doing around the new gymnastic facility at Oakfield, a lot of work is getting done there with the Special Gymnastics Club, for example, to make sure we have hoists and lifts for people who need support.

**Deputy K.M. Wilson:**

Okay. In terms of the way in which you want to see that progressed, what would you want to see in the next 12 months in terms of improvements?

**Assistant Minister for Sustainable Economic Development (2):**

Certainly you can measure the amount of people who participate. There is very low female participation in some sports. I was talking to the rock climbing community this week and they say they have about a 50:50 split, which is fantastic. I have been to watch the Jersey women's rugby team play at St. Peters. They are doing really well. They have a good youth programme. At the end of August the J.F.A. (Jersey Football Association) have an international women's tournament they are hosting here. We have already spoken to somebody about holding a football tournament in Jersey focusing on girls. Jersey Bulls this week have announced the launch of their foundation, and they are focusing on women's sport as well.

**Deputy K.M. Wilson:**

Why has it been so difficult to get that profile and that engagement?

**Assistant Minister for Sustainable Economic Development (2):**

I do not know. In a previous life I introduced ladies football to St. John's Football Club when I was president, probably 20 years ago. I dare say a lot of it is down to volunteers. That is often the case with sport, getting volunteers. There is a lot of work done, not only for people to participate in sport, but we need to work harder on training our officials and our judges and our referees, because we need to find pathways for them. A great example of that is someone who has recently retired from the volleyball who was involved in the Paralympics and has gone right to the top in their sport as an official. I know that person has helped local sports because I worked with him in the 2015 Island Games. We have to encourage people and try and find out what the barriers are, find solutions.

**Deputy K.M. Wilson:**

For the benefit of the public, can you remind us: is this anywhere to be seen in the sport strategy, in terms of this focus on women at all?

**Assistant Minister for Sustainable Economic Development (2):**

I can point you to a paragraph, but rest assured that both Government and Jersey Sport are very mindful of the need to increase participation across the demographics, across communities, and across abilities. We are very keen to do that.

**Deputy K.M. Wilson:**

Thank you. There is one final question I would like to ask about the kinds of initiatives that are about to ensure that those who are unrepresented in particular sports receive the appropriate funding to enable them to engage and participate. Can you give us some information about that?

**Assistant Minister for Sustainable Economic Development (2):**

People can get funding from a whole range of areas. Jersey Sport manages some of our funding. The Community Foundation also supports people. Another good thing that Jersey Sport do is help groups to put packs together to get sponsorship and support. There are a number of areas where we are working on that.

**Deputy K.M. Wilson:**

Are there any that come to mind specifically, in terms of what you are trying to target at all?

**Assistant Minister for Sustainable Economic Development (2):**

The challenge we have is getting access to cash that we can put into that. If we can increase our spend on sport then clearly that is an area we would be keen to do. The big screen at Howard Davis Park, it is interesting to see some of our community, the numbers that we are getting to the games, we are seeing some of our community is well represented at that event. That is one way. It is free to enter, so it is a great way of bringing communities together. Last year I went to watch a football match. The involvement of the families of this community that was playing in it was just fantastic. It was like going back 30 years. It was phenomenal.

**Deputy K.M. Wilson:**

Do you have any sense of what percentage of people with a disability are engaged in sport in the Island at all?

**Assistant Minister for Sustainable Economic Development (2):**

I do not, but what I do know is that the Jersey Sports Association for the Disabled do some terrific work. I mentioned the gymnastics earlier. They do swimming. They do football. They do an enormous amount of work. Les Amis do a lot of work themselves. They recently had a tournament. Unfortunately I was away so I could not go and watch it. There is some terrific work getting done out there. We have a very high quality tennis player, who is disabled. The charity, Riding for the Disabled, has just been regenerated. That is a fantastic initiative. They have some new volunteers involved. When you see people connecting with horses that is absolutely terrific.

**Deputy K.M. Wilson:**

Sure, yes. Thank you very much.

**Deputy M. Tadier:**

I have a question, hopefully this might make sense to you, about consolidation of sports clubs. Does that mean anything to you? I can clarify what I mean. I have had it put to me by some people in some sport sectors that there can be lots of small clubs, so there is some duplication. From a



Ministerial point of view, when you are dealing with new initiatives or funding requests, is that problematic sometimes?

**Assistant Minister for Sustainable Economic Development (2):**

I do not think so. I have been involved with sports clubs for decades. They are probably more political than politics at times. Sports clubs get created for a whole range of reasons. It could be to provide something for people with different needs or it could be somebody wants to become more elite than others. The challenge we have around facilities is the limited space we have on the Island and the limited budget we have on the Island. One thing I am desperately trying to do is when people that lease property from the Government that they all pay the same amount of money. That work I am getting done in the summer is to identify that. I had 3 clubs playing the same sport, 2 clubs paid X and one club paid 2 times X. That is not acceptable in my book. That will take time as leases come to an end to get people on a level footing. There are opportunities to use sports facilities by more than one club, so we can sweat the asset. That does not mean consolidating clubs, it means really getting your facilities to work harder for you. My experience in St. John is there are 28 different user groups at the recreation centre. The rifle range is used for shooting, pistol shooting, kick-boxing, trapeze yoga, archery. They all use the same space and it is terrific.

**Deputy M. Tadier:**

That is fine, I think you have answered that. Shall we move on to a new topic? Let us draw one out of the hat; cannabis. Thank you, Deputy Andrews.

**Deputy M.B. Andrews:**

Thank you very much, Chair. Minister, I would like to firstly start by asking you: do you believe that Jersey's legislation is fit for purpose for the cannabis industry? If not, what are you seeking to do to address that issue?

**The Minister for Sustainable Economic Development:**

Jersey's legislation is fit for the work the cannabis industry has been doing. Principally, that was about getting the cannabis industry up and running. We are in the position now where at least one of the companies is selling its products and it is exporting its products internationally. It has absolutely been fit for that. However, we do recognise that we are at the stage now where we need to review the regulations and look to how we can use those regulations to embed the industry and make sure that the industry can go from the start-up phase into the future ongoing, hopefully successful, phase. That is a review that we are undertaking at the moment. We are doing so in conjunction with the Minister for Health and Social Services, who is ultimately the regulator. Yes, there is no question they are fit for purpose. The purpose that they were fit for was the start-up

phase and we review those regulations with a view to rounding them out to make sure we can have ongoing success in the industry.

**Deputy M.B. Andrews:**

Obviously this has been ongoing for some time. The incumbent Chief Minister, when he was Minister for Sustainable Economic Development, in your position, predicated that the cannabis industry has a potential to thrive and complement the financial services sector. Why do you believe that the sector has not been able to thrive as some people would have hoped? Do you believe there are potentially barriers that exist that need to be broken down?

**The Minister for Sustainable Economic Development:**

I take issue with you asking why do I believe that it is not thriving. I never said that. I have never said that. It is not something I believe at all. As I said, we are moving from different phases, from start-up to embedding and moving forward. It would be fair to say that as a brand new industry to the Island, there have been more challenges and different challenges than were initially expected when my predecessor set off down this road. What we have seen is that those challenges can be absolutely overcome and give us the opportunity to make sure that we have a regulatory regime which can turbo-charge the industry as we go forward. We still have huge interest in the sector. Interestingly, the medicinal cannabis sector seems to have played a role as a catalyst for other areas in the med tech sector, to look at Jersey and start to see the Island as a place that they can do business in. We are seeing other businesses in very different areas of the medical technology sector now moving to the Island as well. That is a huge benefit that perhaps was not foreseen when the medicinal cannabis sector was started. It is a case that you learn as you go. With anything, we are likely to talk about the Opera House, and one thing I have said about the Opera House is you look behind a plasterboard wall and you will find a whole load of challenges you were not expecting to find. That is the same with any start-up business and it is the same with any start-up industry as well. There have been challenges, not all of them foreseeable, but the industry is overcoming them and we are helping them to do that.

**Group Director, Department for the Environment:**

Building a facility from scratch to operate at a global standard is quite an undertaking. The first licence to do so was issued in December 2020. Considering that it is only 2024, the industry has come a long way.

[14:30]

It continues, through subsequent rounds of fundraising, to generate investment and we are now in the situation where we are supplying products to Australia, the U.K. (United Kingdom) and Germany,

with predictions of profitability in the sector coming through in Q4 of this year, so all the signs are that we are moving in the right direction.

**Deputy M. Tadier:**

When you say “fund raising”, you mean that the private sector is raising capital from investment?

**Group Director, Department for the Environment:**

Exactly. A bit like all start-ups, cashflow is quite a difficult piece at the beginning, so there is a race to reach regulatory standards before you can get into revenue. That journey has been longer than many anticipated. Nevertheless, if you look at moving from nothing, no infrastructure to where we are today with some of the companies, most of which are now well into producing at least for accreditation and some beyond that. The industry has moved a long way and generated significant inward investment along the way.

**Deputy M.B. Andrews:**

Minister, I have engaged with one local firm and the process seemed to be quite bureaucratic in order for them to have their licence in order to then sell cannabis. Would you be in agreement that the process, potentially, could be easier for new entrants to increase the number of firms in the cannabis sector or do you believe the current arrangements that are in place are fit for purpose and do not need to be changed.

**The Minister for Sustainable Economic Development:**

It is interesting; it is not a critique that I have had expressed to myself by the firms in the Island. I am always willing to look at regulations. As we say, we are looking at a review of that regulation. One area, and it is perhaps what the people you were speaking to may have been referring to, is at the moment we have annual licences. One area we are looking at is can we extend the period of time for a licence. Again, I referred to this in our previous hearing, certainty is important in business. If you are uncertain as to whether at the end of the year you will be allowed to carry on that makes it hard to make investment and it makes it hard to find capital investment into your business as well. That is one area we are looking at, the extension of the licence period. I would be pleased to ask the people you are talking to if they do have concerns beyond that area. Please do bring them to us and we will happily look at it. It is also important to state that the regulation around this area has to be very strict and tight, because it is an internationally-controlled substance that is being grown. There definitely has to be a balance struck between ease of process and making sure that the regulations and the process around those regulations are tight, ensure security, ensure health security, and also ensure that the U.K., which is ultimately, in a sense, the sponsor of this, from a regulatory perspective, that they are happy with the regulation that we have. This is not all within our control. We have the U.K. sitting above us and if the U.K. is unhappy with our regulation then

we have to work with them to change that. It is definitely, as opposed to some other areas of regulation, licensing laws, public entertainments law, things like that that we are talking about, this is one where we have to be very aware of the international profile of cannabis as a controlled substance.

**Deputy M. Tadier:**

Yes.

**Group Director, Department for the Environment:**

The feedback from those that have got licences is that it is reassuringly robust.

**Deputy M. Tadier:**

How happy are you with the U.K. holding that power over us for cannabis?

**The Minister for Sustainable Economic Development:**

I do not see it as happy or unhappy. It is a fact. Jersey is not a sovereign nation. We are not a member of the United Nations in our own right. Therefore, we are not allowed to operate these regulations in our own right, we have to do it under a sovereign nation's sponsorship. That is the U.K. Until Jersey is wholly independent, there is no other choice.

**Deputy M. Tadier:**

Can we rely on the U.K. to be even-handed with Jersey? What we have seen up until now, have they played fair with Jersey in this regard?

**The Minister for Sustainable Economic Development:**

I believe so. I have not heard any suggestion that they have not.

**Group Director, Department for the Environment:**

The way I would look at it is they have to be our parent regulator. We are a sub-agency of the U.K. because we cannot be a signatory to the 1961 U.N. convention. I look at it positively, which is that as our regulatory regime matures around this space, we have a very experienced regulator helping us and providing, effectively, consultancy advice as our regulations mature. That is very positive.

**The Minister for Sustainable Economic Development:**

When I just said about not being aware of being even-handed or not even-handed, I was thinking specifically of the medicinal cannabis sector as opposed to the C.B.D. (cannabidiol) sector. In case that is an example you may have been thinking of.

**Deputy M. Tadier:**

Yes. I was thinking about C.B.D. issues with traces of T.H.C.(tetrahydrocannabinol), which were then prevented from operating.

**The Minister for Sustainable Economic Development:**

That was an unfortunate site. From my perspective, it is a shame, because the company that suffered there was a brilliant company in terms of innovation and entrepreneurship in the Island. I wasn't privy to all the technical reasons why this happened, so I cannot say whether they were even-handed or not, but there are a lot of lessons to be learned. I hope the U.K. learn them as well.

**Deputy M.B. Andrews:**

I have one more question. This is in relation to the legalisation of cannabis. As a legislature, obviously when we make decisions, and let us say if it is primary legislation, it has to be approved through the Privy Council. As a Minister, do you have any concerns about the legalisation of cannabis and our relationship, from a constitutional perspective, with the U.K.?

**The Minister for Sustainable Economic Development:**

That is a very interesting question. I personally do not. I believe that is an area where, within our own 9 by 5 landmass we choose to legalise something then that is up to us. I appreciate that constitutionally it might not be wholly up to us. That is perhaps is where I am less happy. If we decide to allow something in this Island, because the States Assembly decides to allow it, whatever that may be, we should be able to do so.

**Deputy M.B. Andrews:**

Thank you very much, Minister. Thank you, Chair.

**Deputy K.M. Wilson:**

I wanted to declare my conflict interest, given that Dan has made a number of references to the work around the regulations, to say that I previously was involved in working with officers on this. That is just so the public know.

**The Minister for Sustainable Economic Development:**

Thank you for working with officers.

**Deputy K.M. Wilson:**

One of the things that I would like to just work through is how are you developing the competitive stance around the medicinal cannabis industry in Jersey. The market has been quite well developed in the Island, in terms of the development of the industry. What are you going to do next, in terms

of maintaining that competitiveness? In addition to that, do you have any particular challenges that you have anticipated around developing the competition in the market? Do you think that there will be a point where the production or the development of that industry will reach a threshold where it will no longer become competitive?

**The Minister for Sustainable Economic Development:**

As far as where we are going now, this regulatory review, and policy review as well in that sense, we are going to come out with a stated policy on these issues, is very much around making Jersey competitive and making sure that the Island is competitive. Part of that is around having the strength of regulations that enable Jersey to become a standard bearer for quality medicinal cannabis around the world. It has been made for members of the public as well as the industry itself; they have said that that is something they believe will work very well, so developing a Jersey standard for medicinal cannabis. That is something which could then, as I mentioned earlier, with the nascent medical technology sector, potentially work in to that wider medical technology sector as well. It is important from a competitive perspective that we do undertake this regulatory review, to put Jersey up there at the very top. Other steps that have already taken place, I was very pleased that the industry itself have come together with a Jersey Cannabis Advisory Board. It is not a government board. We did play a role in convening the people by essentially asking them: "We think it would be a good idea for you to do this", but it is entirely independent. That is a good way for the industry itself to work together to enhance the industry and to make sure that it is as competitive as it can possibly be. They have recently appointed a U.K. barrister as chair on that board, which is a good step forward; having an independent chair and one with excellent legal knowledge. There are a number of things taking place, but that Jersey standard is a key part of that.

**Deputy K.M. Wilson:**

Okay, thank you. On that, in terms of the board structure itself, it is funded by the industry, there is no Government investment in that at all?

**The Minister for Sustainable Economic Development:**

That is correct.

**Group Director, Department for the Environment:**

Yes, totally independent.

**The Minister for Sustainable Economic Development:**

Yes, it is an entirely independent board.

**Group Director, Department for the Environment:**

We do not always go to meetings, even if we are invited. It is effectively a producer group.

**Deputy K.M. Wilson:**

Yes. The other issue around competition: is the competition mainly internal competition between the established industry in the Island or is there any external competition that is starting to appear?

**The Minister for Sustainable Economic Development:**

The competition I am referring to is principally external. Please correct me if I am wrong, Dan, but what we are seeing in Jersey, particularly with the creation of this cannabis producer group, is a greater level of collaboration within the Island. That plays well, given there is, to some extent, a lack of scale in Jersey. Ultimately the industry so far has been focused on producing cannabis flower, which in essence, to some extent, is a commodity product. It is the lowest end of the value chain. Where the industry could really grow and where we would like them through regulatory review, et cetera, is move into the value added part of that chain, finished cannabis products, not just the flower, which is then being processed into cannabis products elsewhere. That is likely to need a collaborative approach within the industry to do that properly. We are going to see a greater level of collaboration as opposed to competition within the Island. All of that is designed to make sure that we are incredibly competitive externally.

**Deputy K.M. Wilson:**

Yes, okay.

**Deputy M. Tadier:**

Something came up in for debate in the last sitting, that the distinction between medicinal cannabis and recreational cannabis is a social or legal one, it is not a horticultural one.

**The Minister for Sustainable Economic Development:**

Yes.

**Deputy M. Tadier:**

What is being produced in Jersey at the moment for medicinal export, could that also be done for recreational export currently if there are countries which have legalised cannabis? Is there anything stopping the medicinal cannabis that is being produced being used recreationally in other jurisdictions?

**The Minister for Sustainable Economic Development:**

I do not believe there is, but I will pass to Dan.

**Group Director, Department for the Environment:**

If you look at places like California, they are synonymous products. They are the same thing.

**Assistant Minister for Sustainable Economic Development (1):**

It is important to be aware of the regulations in those countries themselves, which is where the Minister was mentioning having the industries present in the Island collaborate and agree what needs to be done, bearing in mind they may have different target markets.

**Deputy M. Tadier:**

No, I get that. I was wondering in terms of openness and transparency, for example, if Jersey did not have medicinal cannabis available and legalised, we could presumably still produce medicinal cannabis to export. I am wondering why we still call it medicinal cannabis. Why do we not just call it cannabis?

**The Minister for Sustainable Economic Development:**

It is an interesting question and genuinely not one I have thought about myself. There is nothing in the regulations which say that we will only export it as a medicinal product. That is why I looked at Dan there, just in case, but the regulations do not state in any way that it is a medicinal product that we have produced.

**Group Director, Department for the Environment:**

There is a differentiation where “medicinal” implies a degree of psychoactive substance, T.H.C., and other cannabis products might not have that; C.B.D. products, for example, wellness products, that sort of thing. It is a useful differentiator. Cannabis, arguably, could be used to describe hemp as well.

**Assistant Minister for Sustainable Economic Development (1):**

It is a controlled drug.

**Deputy M. Tadier:**

Yes, it is a controlled drug, but what I am saying is a product which is medicinal could be used by someone who does not have a prescription in a country where it is completely legal to use it recreationally.

**The Minister for Sustainable Economic Development:**

Dan, please correct me if I am wrong, Canada has legalised cannabis recreationally and there is nothing at our end of the regulations which would stop us exporting to Canada for the recreational side of the Canadian industry. As Deputy Scott rightly pointed out, we can only export when there



is an import licence granted by the Government of that country. If Canada did not want us to be exporting to them for recreational purposes, it would be on Canada to not issue an import licence. Without the import licence, we cannot issue an export licence. I apologise to Canada for using them as an example, but they are the one country that I can think of that has legalised for recreational use completely. It is more on the receiving country to decide whether they want to receive it or not.

**Assistant Minister for Sustainable Economic Development (1):**

Plus, there is a complexity of routing.

**The Minister for Sustainable Economic Development:**

Yes.

**Deputy M. Tadier:**

Yes. Would you keep an eye out around, not just the nomenclature but the technical labelling and all of those considerations around the products that we are exporting?

[14:45]

Is that something you are willing to keep an eye on, just in terms of whether or not currently things that we call medicinal cannabis are being sold for recreation, whether there could be, whether there is any benefit in doing that, what the risks are around doing that reputationally?

**The Minister for Sustainable Economic Development:**

I am happy to look at it. You mentioned the reputational side; the reputational side is important. A few minutes ago I talked about having a Jersey standard. The idea of that is within the medicinal cannabis sector, not within the recreational sector. It absolutely would be incumbent on us if we want to make sure Jersey is known as purely medicinal cannabis then we would have to adjust our regulations at this end.

**Deputy M. Tadier:**

I am sure these things will evolve anyway, but rather than saying we export medicinal cannabis, we could say we export X, Y, and Z type of strains, which do X, Y, and Z, in terms of their effect.

**The Minister for Sustainable Economic Development:**

We could, but, of course, what is being exported in terms of strains will always be down to the private companies to decide. We could write it into legislation. I would suggest that that would not be the appropriate way forward as the market changes.

**Deputy M. Tadier:**

I am not saying we should.

**Deputy K.M. Wilson:**

Is it not true to say that part of the regulations require a route to market to be absolutely clarified. If you comply with the regulations you understand your route to market.

**The Minister for Sustainable Economic Development:**

Yes.

**Group Director, Department for the Environment:**

One of the points about medicine's regulation is we are talking medicinal cannabis as an ingredient in medicine. They are governed by global standards anyway, so things like manufacturing practice, packaging, labelling, is all set out as a minimum standard based on, effectively, patient safety. A recreational market might have different standards. There is nothing to stop a producer putting additional stuff on their packaging, but they do have a minimum standard around the description of what is in it and what it does. That exists already. We could not trade as an Island without that. That is a safeguard in that respect.

**Deputy M. Tadier:**

Thank you.

**Deputy K.M. Wilson:**

That is all I wanted to ask, apart from the issues around the membership of the Jersey Cannabis Agency, the Jersey Cannabis Advisory Board, and the Ministerial Oversight Group; I am familiar with the configuration of all of those. Has there been any more work done on that, to clarify the governance and the interface and the membership of what those respective groups are to do?

**The Minister for Sustainable Economic Development:**

Yes, that is part of the work of the previous Scrutiny Panel and their recommendations. On our side, we have worked through all of those recommendations. There is still work to be done on the Minister for Health and Social Services' side with regards to that, but on the Economy Department side we have worked through and responded to all those recommendations. In my head there are clear domains. The Ministerial Oversight Group is just that, it is a Ministerial policy oversight group, which includes myself and the Minister for Health and Social Services principally. From the Jersey Cannabis Advisory Board's perspective, that is solely a producer group, so nothing to do with the political side of it or the Government side of it at all. From the regulatory perspective, that is the

Minister for Health and Social Services. That is an area we are looking at. As, Deputy, I am sure you will be aware, it is a large burden on one Minister to be the regulator.

**Deputy K.M. Wilson:**

Yes.

**The Minister for Sustainable Economic Development:**

That is definitely something we are looking at, as to how we should structure the regulatory function within Government and whether it should all fall on the Minister's shoulders.

**Deputy K.M. Wilson:**

Okay. Has there been any further discussion as to whether it is the Minister for Health and Social Services or whether it is the Minister for the Environment who has the regulation agenda?

**The Minister for Sustainable Economic Development:**

I missed the first Minister that you said; I heard the Minister for the Environment.

**Deputy K.M. Wilson:**

As you pointed out very clearly, the responsibility to the Minister for Health and Social Services is there at this moment in time, but there was some discussion as to whether or not, because it is a regulatory function, there would be any transferrable responsibilities knowing that the Medicines Act is the thing that is going to be the issue that will make that decision. I also just wanted to know, has there been any progress on that? Have you found a way forward or does anybody know if there is a way forward on that as yet?

**The Minister for Sustainable Economic Development:**

I have not been involved in conversations about moving that regulatory function. I will ask Dan whether there has or not.

**Group Director, Department for the Environment:**

That was a live conversation when you were Minister. I do not think that has moved forward. In answer to the question around the structures, at the moment we do not have a sitting political oversight group. This is something we will be discussing with the Minister for Health and Social Services on Tuesday next week, to say ultimately is there a need. I get the sense from the Chief Minister, the Minister for Health and Social Services, and the Minister for Sustainable Economic Development that what we are trying to achieve with the sector is to support it. At the moment that feels like where we still are. What we are trying to do is a cross-government piece. Effectively, strengthening the cannabis framework and the legislature base; developing the value chain, moving

away from ingredients to finished product, which doubles the value; promoting the sector internationally; and looking at adjacent opportunities in the economy. All of that requires a lot of co-ordination. It is an important point that we are going to be making to the Minister for Health and Social Services on Tuesday, to say that we do need to make sure we have the proper co-ordinating oversight to make all that happen.

**Deputy K.M. Wilson:**

Would that protect the separation of powers around regulations and the industry?

**Group Director, Department for the Environment:**

Yes. There is also that outstanding question around should we be expanding the remit and maybe even delegating some of the responsibilities of the Minister for Health and Social Services or the Minister for the Environment to de-politicise the process to some extent. Those are still ripe discussions.

**Deputy K.M. Wilson:**

Okay, thank you.

**Deputy M. Tadier:**

All happy with that? Thank you. We will move on to the next section, which is retail. We are going to ask some questions around Sunday trading, perhaps around opening hours more generally, also around the idea of French supermarkets. A lot of these things you have spoken about, Minister, and they have been in the media relatively recently as well. Let us start off with Sunday trading. Are you envisaging relaxing further some Sunday trading rules? If so, what might that entail?

**The Minister for Sustainable Economic Development:**

It is not something that has been on my agenda; so, no, in short. As always, I am happy to listen if people think that further changes need to be made. From my perspective, in the last Assembly we voted through a big deregulation, so to speak, of liberalisation of Sunday trading, so effectively any shop can trade on a Sunday now. Again, from my personal point of view - not a Government point of view - particularly in the town centre, we are still not seeing an enormous uptake of Sunday opening. I have concerns about how that impacts on our tourism sector and our visitor economy. Rather than changing further the regulations, my wish would be to encourage businesses to open on Sundays and to encourage more businesses in the town centre to open on Sundays, while appreciating that staffing is perhaps ...

**Deputy M. Tadier:**

What mechanism, what levers have you got; soft levers? I am looking at your comments, the shops that open on Sundays the more it would boost the visitor experience, which is what you have just told us. Another area that ties in with that is around the opening hours as well. We were talking before we went live about the fact that Europeans may have a longer lunch period, shops may be shut over the lunch period, between 12 and 2, but they might be open later in the evenings. As I understand it, there is no reason why shops cannot legally open late into the night. I do not know if there is an ultimate time that they can stay open until. In terms of the general flexibility that might be offered to shoppers, is that also something you would like to see?

**The Minister for Sustainable Economic Development:**

I would, yes, particularly during the summer months, the visitor months, and in December. In December, obviously, we do have later opening hours. Parish restrictions can play a role in that as well. From my perspective, I would encourage any shop owner to seek to stay open as long as possible. To say that is easy, but the restraints on the shop-owners are getting staff and the overheads. I have worked in retail in the past and the shops that I worked in stayed open until 6.00 p.m or 6.30 p.m., which could at times become the graveyard shift, in the sense that after your 5.00 p.m. or 5.30 p.m. influx of customers out of the offices, it would suddenly die off and so from a shop-owners' perspective, they have to look at whether it is worth paying their staff to stay open if only 2 or 3 customers come in. While I would encourage all shop-owners to seek to stay open as long as possible, because that is a better visitor economy experience, I say that knowing very well that they have huge constraints on them and they need to operate profitable businesses. I do not say that in a glib fashion or in a critical fashion. It is the more they can be open, the better it is for town as a whole.

**Deputy M. Tadier:**

I am guessing that one is talking about a cultural shift that would be needed. It is chicken and egg scenario; people do not shop in the evening, because the shops are not open, and therefore if you do open your shop there is no culture of shopping after work. I must admit, I find it puzzling how shops can be open between 10.00 and 12.00. I would not personally go and buy a suit or a casserole dish in the morning at 10.00 a.m. or 12 Noon, but I might want to do it in the evening at 7.00 p.m. if I am still in town, but if the shops are not open I cannot. I am asking the question again, but what can we do to move to a more European model, in terms of our retail offering?

**The Minister for Sustainable Economic Development:**

There are things we are doing genuinely through the Economy Department. A good example of how we have been boosting the retail ecosystem is we have been putting on events. One of the best events that we put on recently was the Asian Lunar New Year in the middle of February, the darkest, dullest months, where footfall in town is probably at its lowest ebb. With the Asian Lunar

New Year Festival, we saw on a Sunday afternoon in the middle of February thousands of people in town able to go shopping. My disappointment when I was seeing that was seeing so many shops that were shut during that time. Here is an event where we delivered footfall, it is then incumbent on the shop-owners to open their doors. Communications may not have been appropriate. I can imagine the deluge of criticism as to why they would and would not do that. One of the things we can do, and we are doing, is providing events throughout the year to drive footfall into town. The hospitality sector plays a role in that as well. We are seeing more eateries and cafés in the centre of town opening later. If they are open later there will be higher footfall in town later, which then means it is more reasonable for the shop-owners to open later as well. It is that interdependency between different areas of the visitor economy sector. We are trying to bring them altogether to work together, to play off each other, so they enhance each other, and ultimately end up with longer opening hours. I know what you mean about buying a suit in the morning at 10.00 a.m., it is not something I would ever do either.

**Deputy M. Tadier:**

Thank you. Will changes to Sunday trading regulations and alcohol licensing be implemented to balance business needs with community interest. In all of these things, there are competing voices. There are the voices of traditionalists who have said they do not want Sunday opening or that there needs to be attention given to local communities in terms of alcohol licencing. Is that something that you are mindful of balancing competing needs? If we go back to Sunday trading, one school of thought is why are we regulating what time shops can open at all. If we are saying B&Q, for example, can open for 10.00 a.m. until 4.00 p.m., why can it not open from 8.00 a.m. until 8.00 p.m. on a Sunday?

**The Minister for Sustainable Economic Development:**

You are absolutely right; ultimately that is utterly political, is it not? I come from the more liberal area when it comes to opening hours. If it is your shop and you do the maths to work out when you should be opening and when it is profitable for you to open then whether it is from 9.00 a.m. to 5.00 p.m. or 12 Noon to 9.00 p.m. is for you to decide. There are people who view tradition in some ways and that is important, you have to hear their voices and balance those voices as well. Also then there is an element of policing and public safety as well that comes into it. However, we are moving and we have seen, again if you go back to our childhoods, Jersey had very conservative opening hours on Sundays particularly, but also into the evenings. We are now seeing the market opening longer. That is one of the most traditional areas of town and we now have evening opening of the markets, we have afternoon opening happening, and we are moving into a much more liberal opening-hours environment. I personally think that is a good thing.

**Deputy M. Tadier:**

Yes, I agree. Deputy Wilson, would you carry on for the last 2 questions; a change of voice might help?

**Deputy K.M. Wilson:**

Yes. In terms of when you are talking about extending opening hours and whatever, that will have implications for traders, as you have just alluded to. Do you plan to do anything that will support businesses to remain open?

[15:00]

Are there any particular incentives that you are offering as a Government to be able to support these extended opening times?

**The Minister for Sustainable Economic Development:**

Other than our own events and that kind of external animation of the town centre, I do not believe so, no. Certainly in terms of financial support and that side of things, no.

**Deputy K.M. Wilson:**

No, okay. For those that do, what kind of support will be given to business who, for example, are having to pay additional wages and that sort of thing? Are you saying that they are going to take that decision entirely on their own or is there anything the Government is doing to protect workers' rights around that or paying conditions, those sorts of things?

**The Minister for Sustainable Economic Development:**

Workers' rights in Jersey are well protected. There is certainly no move to weaken that in any way. Deputy Tadier, and you all, will be very pleased to know that is not an area we are looking at. There is no work that needs to be done there. One of the things that I love about working in Economic Development is that we are creating an environment, and it is private sector businesses that deliver the services that we are creating the environment for. It is very much their decisions. I am very aware of the Connétable sitting to my left, the locality has to be with those traders, so each Parish and each locality will have its own different views. I imagine that in St. John it may be that if a shop wanted to open very late, the Connétable might realise that is not appropriate in St. John village, for instance. In the town centre, the Connétable here might feel that it is appropriate. There are rules around hours, and what I have done is sign an exemption for one business in St. Helier, which is a new business run by a new entrepreneur, and they offer vending 24 hours a day. The laws stopped them opening easily. They had to get all sorts of licences in order to be open all day. I signed an exemption which means that they do not need those licences. That was a very good move. I am pleased to see that business thriving. It is also interesting, and until I spoke with the owner I had

not thought about it, at 3.00 a.m. the customers that he sees in that store are public sector employees, the police, the nurses, the ambulance staff, who previously had nowhere to go to get a snack at 3.00 a.m. It was his decision and I created an environment to enable him to carry through his decision. The benefits accrue to the public sector as well, which is fascinating.

**Deputy K.M. Wilson:**

Yes, sure. Do you think that there is some imminent danger to the way in which the High Street will flourish if people are not prepared or not willing to take up some of this extended hours type of initiative?

**The Minister for Sustainable Economic Development:**

Yes, it is not a sudden danger. If there is a danger it would be over time. However, I am pleased that we are seeing healthy footfall. We have installed 2 extra footfall cameras in town. They are reporting healthy footfall in the centre of town, which is superb. I know Deputy Andrews asked me questions about some areas that I have commented on in town where there are vacancies, and I am pleased to tell you that we have 3 retailers talking to landlords about moving into St. Helier High Street. That is because they are able to see the footfall numbers and what they realise is that Jersey has a healthy High Street still, although we are not back to pre-COVID levels. That is also about changes to working, with people remote-working and staying at home during the day and things like that. We have a healthy High Street. We are going through a period of transition where changes in the U.K. and bankruptcies in the U.K., et cetera, affect us directly. If a U.K. firm, that operates here, goes bankrupt in the U.K., we lose that firm too, even if their local branch was successful. We are going through a transition period, but our vacancy rate is still significantly lower than the U.K. vacancy rate; although it is the highest it has been certainly since I have been in the States Assembly.

**Assistant Minister for Sustainable Economic Development (2):**

The public realm is also important; the experience that people have when they come to St. Helier. I am fascinated to walk through town at lunchtimes and see the amount of people sitting and relaxing right through from Broad Street, the Square, right up to the parade. We have to do more around that and we are certainly working with the Connétable of St. Helier. It is about the experience that people have and as we get more and more people living in St. Helier we have to do more and more work around that experience.

**The Minister for Sustainable Economic Development:**

Absolutely right, yes.

**Deputy K.M. Wilson:**



Do you think that that is, in itself, almost a stimulus to attract new interest, new investment, so you are almost getting some sort of champions about how to work differently and that is what is making the difference?

**Assistant Minister for Sustainable Economic Development (2):**

It is evident. If you see the investment that has taken place in Broad Street already, that is now a vibrant area. It used to be desolate at times and now it is vibrant. We have seen further investment recently and we should encourage that, because people will want to be there, yes.

**Deputy K.M. Wilson:**

Yes, thank you.

**Deputy M. Tadier:**

Did you have a question?

**Deputy M.B. Andrews:**

Yes, I do indeed. Thank you, Chair. As you mentioned, Minister, we now have a High Street where there are more empty shops compared to years previous, so what discussions have taken place between yourself and, now your Assistant Minister, Connétable Crowcroft to address that issue?

**The Minister for Sustainable Economic Development:**

It is an ongoing topic of conversation, as the Connétable pointed out as well. It is a kind of 3-way conversation as well, particularly around public realm. I speak with officers and my officers are working very closely with the Connétable of St. Helier as well. I have been concerned very much about Queen Street, particularly one side of Queen Street. But the indications are that I think we will be seeing change in the coming months there, which is really heartening to me, and I am really pleased. But, again, this is one of those areas where we do not have control, in terms of they are not our buildings, so we cannot control tenancies and landlords, et cetera. But certainly in some of those areas I am really grateful to landlords for having let us dress up their windows, things like this. We have had stories about the R.N.L.I. (Royal National Lifeboat Institution) or we are going to have. They have allowed us to kind of dress windows to at least create some animation in there. But it is a difficult period on that particular street. But I do think I am beginning to get indications that there is light at the end of that tunnel.

**Deputy M.B. Andrews:**

What do you think the main reasons are for shops becoming empty?

**The Minister for Sustainable Economic Development:**

I like to blame the U.K. (United Kingdom) on this one in terms of not the U.K. Government but a lot of them are U.K. chains. It is their own change of circumstances. Certainly the one that I am thinking of, the big one on Queen Street, it is not because that shop went into liquidation in the U.K., they chose to move to a different part of town where they have got a really vibrant store. That is just the general change and churn of business life. There is also a reality, which was decisions made decades ago by the States meant that the centre of gravity of town has moved to the south. We have obviously now got the Waterfront area, which has become a lot more attractive from a retail perspective. It was mentioned then, I remember reading it in the papers, if you move from the centre of town to the south you are going to end up with less retail activity in the northern part of Queen Street, et cetera. What we are seeing is also the result of policy decisions that the States have made over time. I take it as an opportunity to make town larger in that respect, the retail area of town. In the last Island Plan we shrunk the retail exclusion, not as in excluding other things other than retail, if you know what I mean. Now it really is just very tidy around the main King Street and Queen Street area that is retail-focused. But we are already seeking to loosen that, working with the Minister for the Environment and Planning to see if we can change the General Development Order to make it easier for café or restaurants to open or other types of store which are not necessarily directly retail. You could have a boutique cinema, things like this. They all add up to, as the Connétable was saying, a much more vibrant High Street; that is the aim. I am definitely not a purist in the sense of King Street and Queen Street must be shops for retail only. I think that is an idea that has had its time.

**Deputy M. Tadier:**

Yes, they would have to be economically viable though, would they not?

**The Minister for Sustainable Economic Development:**

Yes, absolutely.

**Deputy M. Tadier:**

If you are paying a full retail rent to run an arthouse cinema you might not get off the ground.

**The Minister for Sustainable Economic Development:**

I am not suggesting that we necessarily will. I was just using it as an example of it does not have to be shops, it can be wider things. You are right, I am not sure economically whether an arthouse cinema would work in there. It is not for me to decide, it is for business owners to decide.

**Deputy M. Tadier:**

If you hold your thought a moment, what I was going to ask is that it seems like there is a synergy is that one interesting area that you have got in your portfolio, I believe, and you have got a Minister

who is responsible for the market, so you are, effectively, landlord of the market, is that correct? There is virtually no vacancy rates, I do not think, in the market in terms of the stalls; that they seem to be well-established stalls.

**The Minister for Sustainable Economic Development:**

There are vacancies in the market. Yes, if you think particularly on the Beresford Street side of the market there are some vacancies there.

**Deputy M. Tadier:**

Okay.

**The Minister for Sustainable Economic Development:**

Like today there are some but I do know we have got a lot of interest and, again, the Connétable might be closer to it but we have a lot of interest and I believe that we are going to see some new shops going into those. I know that there are some empty stores on that side of the Market.

**Deputy M. Tadier:**

Would you ever envisage your department taking over further units elsewhere that could offer a different approach to renting out space too for certain types of ventures, for example, in Queen Street? Is that a possibility that you might consider?

**The Minister for Sustainable Economic Development:**

Personally I would not in the wider High Street or town environment in the market. I have said that we can use the Market to help shops get off the ground. Somebody with a new retail concept could start in the Market where we are able to control the rents to help them get their foot on the ladder; that would be in the short term. With success they can then move into the High Street. I do not know from the Markets if there is any other particular initiative.

**Assistant Minister for Sustainable Economic Development (2):**

I think there are examples of that happening where they outgrow their premise in the Market and they find premises on the High Street, so that is a good example. The Constable of St. Helier is leading on the Markets and they have just allocated, I think, 3 units to new tenants.

**The Minister for Sustainable Economic Development:**

That is right.

**Assistant Minister for Sustainable Economic Development (2):**

I think the fact that the Market is now open on a Thursday afternoon, a couple of evenings a week, I think that is a step in the right direction and it is back to that experience, is it not? If you look at the work that we have done jointly with the Parish of St. Helier in Halkett Street, and I think Halkett Street is a fantastic example of what can be achieved. It is terrific and I really think it is great, yes.

**Deputy K.M. Wilson:**

It is vibrant, is it not? In terms of the broader strategic sources, so I guess around retail, you are going to develop a new retail strategy, yes. When will we see that? When will that ...

**The Minister for Sustainable Economic Development:**

By the end of this year.

**Deputy K.M. Wilson:**

By the end of this year, okay, and ...

**Assistant Minister for Sustainable Economic Development (2):**

Or was it 2025?

**Group Director, Department for the Economy:**

Well the retail structures, yes, we got ...

**The Minister for Sustainable Economic Development:**

Sorry, it might be 2025, my apologies.

**Group Director, Department for the Economy:**

... a zero draft ready at the end of this month, ready for final publication at the end of the year.

**The Minister for Sustainable Economic Development:**

Thank you, yes. Suddenly had the fear I had given incorrect information ...

**Deputy K.M. Wilson:**

That is all right, okay. In terms of the focus, how different is this strategy going to be to what has gone before? What are you trying to achieve through this?

**The Minister for Sustainable Economic Development:**

This is going to be much more focused on the High Street itself. Previously they would have been slightly wider than that. But it is about trying to ... it is going to be very much focused on attracting investment in order to create a vibrant High Street, everything from the public realm side through to

the actual shops, et cetera, that are on there and the businesses that serve Islanders. We have all travelled abroad and been to really vibrant high-streets and town centres, and whichever town you are thinking of when I say that, that is where I would like St. Helier to be. My comments in the paper were - and I so often think this - is I see tourists in town on a Sunday afternoon, and from a retail perspective there is not a great deal to do. But that is being changed by the hospitality sector. We have more al fresco eating, we have more bars and cafés and restaurants open on the High Street itself. Town, I would suggest now, is feeling a bit more vibrant on a Sunday afternoon than it was even a year ago; I think that makes a big difference. We are absolutely moving in the right direction step by step.

**Deputy K.M. Wilson:**

Have you considered the impact of online shopping on your strategic design and strategic developments and how are you mitigating that?

**The Minister for Sustainable Economic Development:**

Yes, it is always there. There is no question online shopping has an impact. But it is, as I say, the fact that we have healthy footfall figures in St. Helier shows you that it is also something which we can work with. It is not something we need to be fearful of. Obviously there are definitely stores in town, particularly Jersey-owned independent stores, where they operate online as well as through their bricks and mortar. I think that is something that is really important. When you run a small business it is exhausting, it is constant work. One of the things nowadays if you are a small business retailer, is that you probably very often have to have an online presence, as well as the bricks and mortar presence.

**Deputy K.M. Wilson:**

In terms of certainty, would you say or are you saying that the attraction through the retail strategy to big chains will give more certainty to the sustainability of the High Street? Is there a danger that we would lose some of those independent businesses as a result of that?

**The Minister for Sustainable Economic Development:**

I do not think so. I do not think we are in that space. Jersey has got a really interesting mix of independent and more well-known chains, principally from the U.K., not all recognised from the U.K. but principally. I think the fact that I would always want to seek to have a good proportion of independent Jersey-owned businesses because that is what ... and, again, think of your own tourist experiences, that is what makes any town unique, is that feeling that it is not just a set of chains one after the other.

[15:15]

But change can play a really important role in attracting footfall as well and tourists, et cetera. It is always just a balance, but they complement each other.

**Deputy M. Tadier:**

Just very quickly, can I ask what data are you citing around footfall in terms of saying that it is healthy?

**The Minister for Sustainable Economic Development:**

I am citing the data that comes from our footfall cameras. The only reason I have not given actual figures is because the data is not owned by us, it is owned by the company that operates those cameras. But the data I have basically, as you say, obviously the note I have been given: "Our new cameras are recording high footfall numbers because they capture the entry and exit points at each end of the High Street." But because they are new cameras ...

**Deputy M. Tadier:**

Higher than what though?

**The Minister for Sustainable Economic Development:**

I am going there. Because they are new cameras, which were only installed last year, we do not have information. We cannot measure the new system against previous years. What we do know is 2023 we were back to 76.3 per cent of the 2019 footfall and so far this year we are up on 2023. As I said, they are not back to pre-COVID levels but we are back above 2022 and 2024 is looking like it is higher than 2023.

**Deputy M. Tadier:**

It is higher than 2024 but we are not sure yet how it will compare to pre-COVID.

**The Minister for Sustainable Economic Development:**

The latest data we have for a full year is 2023, that is still basically 23.7 per cent lower than pre-COVID than 2019. Our data so far for each month this year puts us at higher than 2023, so we are on course ... all else being equal and carrying on in the same direction, we are on course in 2024 to be higher than ...

**Deputy M. Tadier:**

Yes. Footfall just records who is in town.

**The Minister for Sustainable Economic Development:**

That is correct.

**Deputy M. Tadier:**

It does not say what they are doing, whether they are shopping.

**The Minister for Sustainable Economic Development:**

No.

**Deputy M. Tadier:**

They could be just going to work and going home.

**The Minister for Sustainable Economic Development:**

That is absolutely right.

**Deputy M. Tadier:**

There could be more people in Jersey.

**The Minister for Sustainable Economic Development:**

That is exactly right, so really similar to the internet in the sense of you can see who is searching for your name on Google but you do not know if they go and buy what you want or book your hotel, and so it is the same thing. Our job, as the Government, is to provide a vibrant town centre that attracts people to the town centre. It is then on each individual shop, each individual café, restaurant, et cetera, to convert that footfall into their sale. I cannot do that for them.

**Deputy M. Tadier:**

Yes, we just wanted to qualify that. Do you think that it will be possible to break down the footfall in terms of by time later on? If we want to interrogate Sunday and also after 5 o'clock, for example, between 5.00 p.m. and 8.00 p.m., is that something you are likely to go to do with these cameras?

**The Minister for Sustainable Economic Development:**

The data is quite granular. I do not know if it goes to period of the day level of granularity. Because, like I say, it is not our data; we do not own it, I cannot just throw it out there.

**Deputy M. Tadier:**

Who does own it?

**The Minister for Sustainable Economic Development:**

It is private, I believe it is a company in the U.K. that provides the cameras, does the analysis for us and provides us with the information. We have a set circulation of that information, purely for not wanting to break either commercial agreements or data protection laws.

**Deputy M. Tadier:**

We just want to be aware of what ...

**The Minister for Sustainable Economic Development:**

I am definitely happy to ask what can be given to you, if you know what I mean. Sorry, Moz.

**Assistant Minister for Sustainable Economic Development (1):**

No, I was just saying that we have got this figure here ...

**The Minister for Sustainable Economic Development:**

Yes, but I just do not want to say that figure, that is the point.

**Deputy M. Tadier:**

At some point it would be useful to have meaningful ... we can come back to this, it is just I wanted to understand that.

**The Minister for Sustainable Economic Development:**

Yes.

**Deputy M. Tadier:**

Did you have anything ...

**Deputy M.B. Andrews:**

Yes. I just wanted to ask the Minister before we reconstitute at the States Assembly, the Minister for Treasury and Resources brought forward a proposal for the implementation of G.S.T. (goods and services tax) on all Amazon sales.

**The Minister for Sustainable Economic Development:**

Yes.

**Deputy M.B. Andrews:**

I was wondering, what impact has that had on consumption?

**The Minister for Sustainable Economic Development:**



I genuinely do not know I am afraid. Yes, I do not think ...

**Deputy M.B. Andrews:**

No, I just thought I would ask, thank you. Okay.

**Deputy M. Tadier:**

Right, we have got some other areas of questioning and we may not get through all of them today. But you mentioned the Opera House, so let us talk about the Opera House, if that is okay. The restoration budget for the Opera House increased from £11.7 million to £12.7 million, so that is £1 million. Can you provide an explanation of the factors that led to this budget increase, first of all?

**The Minister for Sustainable Economic Development:**

There are a number of factors, not least the fact that it is a heritage building. But I will ask Dan to come in there, if that is all right, Dan, because Dan has been the officer at the front of it.

**Group Director, Department for the Economy:**

Yes. Effectively, the budget has grown as the project has become clearer in terms of what is needed to be done. It started off as a very modest sum and now, as you say, totalling a budget of £12.76 million. This has included an initial sum for the Ashbe request, who is the main contractor for the project, which came in at £11.2 million, effectively. There are additional project costs to that, so the main contractor works and then there are insurance premiums of 6-figure sums, which is, effectively, bringing that number to the £12.76 million. But we can give you a further more detailed breakdown if that is required.

**Deputy M. Tadier:**

There was, presumably, contingency already built into the original budget.

**Group Director, Department for the Economy:**

Yes, based on inflation. We had something like a 6 per cent contingency built in at the writing of the business case. Yes, a contingency has been built in. We have not drawn on contingency beyond ...

**Deputy M. Tadier:**

The contingency was primarily for inflation.

**Group Director, Department for the Economy:**

Yes.

**Deputy M. Tadier:**

Not for unenvisioned extra work.

**Group Director, Department for the Economy:**

It was inflation, it was for that, it was based on an inflationary number; that is the premise of what we might require. I think it is fair to say that at that stage we knew that a project of that type where you take down a wall and you do not know what you are going to find and you find asbestos or whatever and we are finding that throughout the project. You had to have a nominal figure for contingency and we decided that should be based on inflation.

**Deputy M. Tadier:**

If we ask for a breakdown of that £1 million, would you be able to provide that to us?

**Group Director, Department for the Economy:**

Yes, we have got very detailed costings and we have got a very detailed scope of works that we can share.

**Deputy M. Tadier:**

I think it might be better to ask for that in a written form, if that is all right.

**Group Director, Department for the Economy:**

Yes.

**The Minister for Sustainable Economic Development:**

No, I would suggest that is fine.

**Deputy M. Tadier:**

Yes, and then go through a long list of ...

**The Minister for Sustainable Economic Development:**

If I could just add from a quality assurance, as in project quality assurance perspective, the Government's internal audit has done an audit of the Opera House project and has come out with very good findings.

**Deputy M. Tadier:**

In terms of the ongoing maintenance and we have got this lovely new Opera House, which we have seen and we were pleased to be able to go and have a look.

**The Minister for Sustainable Economic Development:**

I am pleased.

**Deputy M. Tadier:**

It is already looking good, so we are envisaging a grand opening. How do we make sure that it is maintained properly in the future so that we do not get into this situation?

**The Minister for Sustainable Economic Development:**

That is work that we are doing with Jersey Property Holdings, so it does touch the Connétable's portfolio as well. I have always said from the outset we cannot end up being in the same position again. We have to make sure that money is set aside and we will do so.

**Deputy M. Tadier:**

What kind of figures are we ...

**The Minister for Sustainable Economic Development:**

The precise way that that will happen is yet to be defined but it is work that is ongoing.

**Deputy M. Tadier:**

Is there a general approach in Government? I am happy if the Constable wants to come in here about depreciation of assets, and setting aside money is a general problem, I think, not just for the Opera House. Is there a Government-wide strategy in this with regards ...

**Assistant Minister for Sustainable Economic Development (2):**

I am not sure if you saw the state of the States report that we have produced earlier this year and by the end of this year we will have a more up-to-date programme. It is clear to say that we have not invested significantly enough in our assets. We have to meet mandatory requirements, so fire legislation, Legionnaires, all those kind of things. But we need to do more and we need to invest more. We need to make some tough decisions about which assets we retain and which assets we dispose of, in my opinion, so that we look after what we have got and make sure that we do a good fist of it. I think the important thing when the building works are done at the Opera House the majority of those works will be covered by a form of warranty. We have got time to put in place a robust plan for that maintenance schedule. It is outstanding the work that is being done, it will be an absolute showcase for the Island and, yes, we look forward to some great performances again on that stage.

**Deputy M. Tadier:**

Yes. Could I ask - and maybe bring the officers in, Minister, if you are happy with that - in terms of to ask the question: what is a realistic sum that we should be putting away for the ongoing maintenance of buildings like this? How do you envisage it might work?

**Group Director, Department for the Economy:**

One of the discussions I have had with the delivery senior responsible officer on the project, who is Tim Daniels, Director of Jersey Property Holdings, I think, firstly, we have got to determine what type of lease we are talking about here. He is committed to produce a tiered sum of money that, effectively, goes into a pot that looks after the Opera House. Because of course, as the Connétable has said, at the beginning because most of the work is under warranty we will not have big costs associated with those items if they go wrong because they are covered under warranty. He is developing a set of recommendations around the level of money that we need to put aside, either this money by Property Holdings or a number that we give to the operator of the Opera House, if it is a fully-repairing lease, for example, around those numbers and what they look like realistically going forward.

**Assistant Minister for Sustainable Economic Development (2):**

I think what is important is - and this is not just for the Opera House - we are looking to have service level agreements with our tenants, so it is very clear as to who is responsible for what, whether that is Property Holdings or the tenant. I will give you a school as an example; the majority of schools have got caretakers. Caretakers are often deployed in driving mini buses around and perhaps not cleaning gutters, for example, when you need to clean your gutters if you are maintaining your property. We are doing a lot of work with colleagues in various different departments as to what is going to be the responsibility of Property Holdings and what is going to be the responsibility of the tenant. Once we have got those agreed Property Holdings will have to manage that in terms of ensuring the work that is supposed to be done by the tenant is carried out. There is a huge amount of work going on in that area.

**Deputy M. Tadier:**

Cleaning your gutters is one thing but rendering a front of a building might be something different.

**Assistant Minister for Sustainable Economic Development (2):**

Yes, absolutely and that is the point about the type of lease. If you have got a fully-repairing lease, if you are the owner of that property you can be quite relaxed because the tenant is going to do all of the work. If you do not have that kind of a lease, then ...

**Deputy M. Tadier:**

This problem has come up before, is it reasonable for entities that are, essentially, non-profit, shall we say, to be expected to maintain a building if they are getting Government grants in the first place?

**Assistant Minister for Sustainable Economic Development (2):**

That is a good question. If you take the school, for example, they do not pay any rent to Property Holdings but Property Holdings have the responsibility of maintaining that asset. They do have a central fund where they deploy assets for some of the general maintenance. I have not been involved in the discussions with the Opera House board but that board of directors, they will be responsible for ensuring that they meet the terms of the lease that they sign.

**Deputy M. Tadier:**

Yes.

**Group Director, Department for the Economy:**

Chairman, on that point I think one of the things I have asked for from the Opera House is what their commercial development plan is. Obviously we want to minimise the cost to the taxpayer running the Opera House, and they are a limited company in their own right. I do not think they are a not for profit. I think we should be doubling down on making sure that the operator is commercial and, therefore, minimising the amount of funding that we require from the public to run what is, effectively, an expensive asset now.

**Deputy M. Tadier:**

Yes. Can I ask about whether it is anticipated that the ongoing maintenance of the Opera House, are you expecting them to pay for it out of their revenue grant or is there an alternative source of funding to be considered?

**The Minister for Sustainable Economic Development:**

Again, I think going back to Dan's point there, and it is one that I would have said, the Opera House is a business, so Opera House Limited is a business. It is up to them to be commercial in that respect. As I am sure, as I believe you likely think as well, the arts is not all about commerciality. Arts and culture is also about putting on shows which will not make a profit. I do not want to put a burden on the Opera House to the extent that they feel they have to make a large profit out of every show that they put on. But, equally, again it comes back to their balance being struck. They will have to put on some commercial shows in order to make sure that they have an element of profitability in their work. That means, from my perspective, and this is where a lease negotiation comes in, the board of directors of the Opera House have to negotiate their lease with Property Holdings. They have to think about the level of income that they are going to have to be able to maintain some areas of that property. I would safely say unlikely to be rendering the front of the

Opera House, it is much more likely to be the internals and things like that, wear and tear from the operations of the Opera House frankly.

**Deputy M. Tadier:**

I get that but what I am saying is, is it reasonable to expect that money to come out of the revenue grant, rather than a capsule bid, for example?

**The Minister for Sustainable Economic Development:**

It has not been decided yet, so it is difficult to say either way. But, as I say, what I have always committed to is the idea that we have a mechanism for making sure that the Opera House as a building, it is not left in the state it was today.

**Deputy M. Tadier:**

I think Richard might want to come in.

**The Minister for Sustainable Economic Development:**

I want to check but I see you have ...

**Chief Officer, Department for the Economy:**

No, just to say, so we have the Opera House as a building, it is the Opera House Board Limited, as the Minister has said. We have got to think about who is the right tenant for the building long term. There is no guarantee that the Opera House Board is the right long-term tenant. We have had problems in the past. We have worked constructively through this phase of the redevelopment of the Opera House with the successful project to date. We have got to ensure that the tenants going forwards, as the Minister for Infrastructure said, are able to uphold those obligations, whatever they may be, whatever they are determined to be and can run an appropriately viable programme that meets both financial, commercial and other social and cultural objectives.

**Deputy M. Tadier:**

Why do you not put that out to tender then?

**Assistant Minister for Sustainable Economic Development (2):**

We are a long way down the road and I would have expected most of these questions to have been answered before we started any work on that building. Because we have agreed to invest significant ...

**Deputy M. Tadier:**

But you have indicated in other areas, you like things going out to tender, so there should not be a presumption that we favour one entity over another, and maybe that is a question for the Minister.

[15:30]

**The Minister for Sustainable Economic Development:**

Just I was going to say from regarding who is operating the Opera House, I have no plans to put it out to tender at the moment. The current Jersey Opera House Limited is the company that we are working with to be the tenants of the Opera House. They have a board, they have marketing going, a programme that they are developing. They are the people; that is who we are starting with. The chief officer is absolutely correct, that they need to factor all these things into their business plans. If, for some unknown reason in the future, it appears that they are unable to uphold their obligations to Property Holdings and so on and so forth, then it may be that there comes a time in the future we would have to look at the possibility of another tenant. It is really important that that is not a plan and that is not agreed to work at the moment.

**Deputy K.M. Wilson:**

How does this square with the responsibilities for public realm? Because what you have got here is an asset that is considered as part of the public realm but what Richard has just talked about is the fact that you are commercialising that piece of public realm and expecting the agent to pay for the upkeep it. I am just trying to get some clarity as to how that works.

**Chief Officer, Department for the Economy:**

Yes, so the point I was making was not dissimilar to the one that the Assistant Minister for Sport made around sports facilities. There comes an element of provision that Government makes but you want the level of subsidy for that to be the lowest acceptable level for all the stakeholders. It is no different than running a social or a cultural venue. You want that level of subsidy to be at the lowest point that stakeholders are satisfied with. If they can turn a profit, great, and then that profit is reinvested back in the arts and cultural activities. But if you can minimise the amount of subsidy that is also helpful. Venues up and down the U.K. will have different operating models. As I said, there has been success working through this renovation with the Opera House board. But we are moving into a very different paradigm now with a new fit-for-purpose building, it has got to be properly looked after and all of the obligations upheld both on our side, as Government, and the department and Property Holdings but also whoever is occupying that as a tenant as well.

**Assistant Minister for Sustainable Economic Development (2):**

Yes, I do not see it as a commercial relationship inasmuch as the Government, as the owner of that building, trying to get the best return on that building. It is a big piece of real estate in the middle of

town, so it could realise significant monies. What we need to do is make sure that, whatever the lease arrangement is, is that the works are done. Whether they pay a slightly higher rent then we would envisage that we do all the works or they pay a lower rent and they take on more of that responsibility. But I think the key thing is that we have a lease in place between the tenant and the Government and both parties are very aware of what they are responsible for.

**Deputy K.M. Wilson:**

Obligations, yes.

**Assistant Minister for Sustainable Economic Development (2):**

Certainly the landlord needs to uphold what they are responsible for.

**Deputy K.M. Wilson:**

Yes, okay, thank you for that clarification.

**The Minister for Sustainable Economic Development:**

That is what I mean by the balance, it is a balance. Yes, I am not asking the Opera House to have profitability targets or anything like this. They can only put on very highly commercial elements. It is a community centre as much as it is a theatre, as much as it is a potential place for commercial activity as well. It has to play all of those roles. I am not asking for it to do anything differently but what we have to be aware of, this Government, is it is not 100 per cent grant-funded, it does not need to be 100 per cent grant-funded. As Richard much more eloquently put it than I do, is there is that minimum level of Government provision to ensure that the community and the non-profitable side of it takes place. But then the Opera House has its ability to make money as well; it is a business. It can make some money and that can help with the maintenance. Again, it is not 100 per cent of the maintenance will be on the Opera House but, equally, it is unlikely that 100 per cent of the maintenance will be on Property Holdings. But we all make sure on our side that Jersey Property Holdings and the Opera House have sufficient funds to maintain that building going forward.

**Deputy K.M. Wilson:**

To a standard.

**Deputy M. Tadier:**

Can I ask and, hopefully, it is not too much of an unexpected question but does Government need to own the Opera House?

**The Minister for Sustainable Economic Development:**



Government does not need to own any property.

**Deputy M. Tadier:**

Property Holdings is looking to divest of some of its portfolio as the Opera House, would it make sense to do it now once it is a new building in peak condition to offer it for sale to the private sector?

**Assistant Minister for Sustainable Economic Development (2):**

I think it is a key asset for the Island. It is a very big part of our heritage. Whether it stayed in the Property Holdings portfolio or went to somebody like Jersey Heritage, there could be, potentially, discussions. I do not see ...

**Deputy M. Tadier:**

It was privately owned before, was it not? It has not always been in Government ownership.

**Assistant Minister for Sustainable Economic Development (2):**

It was. But I do think that it is a key strategic asset for the Island and I think we should ensure that once we have got it into good condition we find a mechanism to keep it in that way.

**Deputy M. Tadier:**

Yes. Okay, good. Sorry, that is not a yes and not a no but probably no plans to sell it at the moment.

**Assistant Minister for Sustainable Economic Development (2):**

I do not see us selling the Opera House to private investors.

**Deputy M. Tadier:**

It is good that there is still appetite for state involvement in commercial environments; it is good to know. We are out of time really. While we would be happy to keep going ...

**The Minister for Sustainable Economic Development:**

Can we ask Deputy Scott a question? Because I feel like she has been here on her own.

**Assistant Minister for Sustainable Economic Development (1):**

It is fine. No, it is fine. I am not even sure I have got anything within my delegations anyway.

**Deputy M. Tadier:**

What are the particular areas that you have been involved with in this department and in the absence of any clear ...

**Assistant Minister for Sustainable Economic Development (1):**

Formally I am delegated a role under data protection. The Electronic Communications Law and Telecommunications Law, that is expand a bit into the cyber defence area. Also, although the Minister has retained an interest in telecommunication security framework as well, which is being developed under the Telecoms Law, and the Scrutiny Panel will be seeing legislation in respect of the Cyber Security Law and regulations in respect of the telecom security framework, hopefully both being lodged in September. Hopefully, that answers the question.

**The Minister for Sustainable Economic Development:**

Absolutely, yes.

**Deputy M. Tadier:**

Yes. We do have questions on the cyber, which were on our paper but I am mindful of the time. If you are all happy to that we can follow up with written responses and you could file those written responses. I think we would be happy with that as well. We will make sure that we put you first on the agenda for the next thing; that seems to be the way it is working out.

**Assistant Minister for Sustainable Economic Development (1):**

The next time, that is okay. Thank you so much.

**Deputy M. Tadier:**

We did say it is difficult for women to access sport equally, so you will be on the starting line next time.

**Assistant Minister for Sustainable Economic Development (1):**

Or access talk, yes.

**Deputy M. Tadier:**

Yes, indeed. Good, well can I thank you, finally, again for coming along? We appreciate your time, twice in one day, Minister, and for some of you. Yes, we look forward to keeping on scrutinising you in the next year or so. Thank you.

**The Minister for Sustainable Economic Development:**

Thank you so much. Thank you.

[15:37]