

Senator Steve Pallett  
Chair, Migration and Population Review Panel  
By Email

11<sup>th</sup> January 2022

Dear Senator Pallett,

**Re: Review of P.116/2021 Common Population Policy**

Thank you for your letter of 7<sup>th</sup> January. Please find below the answers to your four questions:

**1. The policy states that improving productivity per worker is an important aim of this policy. What reviews of productivity by industry has been undertaken by this Government? [Page 55 of the Common Population Policy]**

Work has been undertaken by the Economic Development team. In 2019, two written reports were commissioned:

- Increasing Productivity in Jersey Phase 1 Report: Impacts of minimum wage increase and options for intervention
- Increasing Productivity in Jersey: Options to support productivity improvements in Agriculture, Hospitality and Retail and wholesale.

In addition, in 2020 two reports entitled 'Hospitality in focus' and 'Retail in focus' were prepared for the Future Economy Programme and considered business productivity and resilience in each of these sectors. Outside of the Economic Development team, the Employment Study for the Island Plan also references productivity issues.

In terms of Government-funded bodies, in early 2019, Jersey Finance commissioned the Centre for Economics and Business Research to analyse finance sector productivity in Jersey. At the company level, individual reviews of small and medium enterprises are undertaken by Jersey Business Limited via their business efficiency programme, which highlights where productivity improvements can be made and where appropriate are then signposted towards the Productivity Support Scheme (see below).

**2. Is it the intention of this Government to launch a new productivity support scheme before the end of its term?**

A Productivity Support Scheme (PSS) was first proposed in the Government Plan 2018-2022, under CSP3-2-06, and was targeted to be implemented from 2021.

Since that Government Plan was published, the Covid-19 pandemic has highlighted the importance of business resilience in Jersey and has accelerated many of the challenges that businesses face around productivity growth. As part of the Future Economy Programme and Jersey's Respond, Recover and Renew strategy, a productivity support scheme was one of a range of projects funded to support economic recovery. This was outlined in the revised 2021-2024 Government Plan.

Consequently, a pilot scheme was designed and rolled out in partnership with Jersey Business Ltd in Q2 2021, with applications due before mid Q3 2021. Four businesses were approved through the pilot scheme, receiving funding totaling just over £100,000.

The primary aim of the pilot Productivity Support Scheme was to enable firms in Jersey to make productivity gains that were not otherwise likely to be achieved without support and in doing so, work towards achieving the Common Strategic Policy of a sustainable, vibrant and inclusive economy.

A review of the design, controls, implementation and anticipated impact and benefits of the pilot scheme will take place during the first half of 2022. This review will help to determine the demand/appetite for a full Productivity Support Scheme, the form and function of any scheme, the timescale and what amount of Government funding may be required. It will also look at how the work of Jersey Business Ltd in relation to business improvement can support the 'readiness' and current ability of businesses, given the impact of the previous 22 months, to invest in and implement the changes required to meaningfully improve productivity.

**3. The Assistant Chief Minister confirmed that the Future Economy Framework referenced in the policy's executive summary would be published during the current political term of office. Please could you inform the Panel when you intend to publish the framework?**

The Future Economy Programme timeline aims to produce an economic strategy during the term of this Government.

**4. How do you believe the proposed policy will impact areas under your Ministerial remit?**

EDTSC Ministers, through the Future Economy Programme, are considering the economic impact of a range of Government policies. This includes the impact of population policy on economic growth. This work is ongoing and conclusions and recommendations will be captured in the economic strategy.

Yours sincerely,



**Senator Lyndon Farnham**

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