

2018-2022

Legacy Report:

Economic and International
Affairs Scrutiny Panel

S.R.11/2022

4th May 2022



States of Jersey
States Assembly



États de Jersey
Assemblée des États

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Chair's Foreword

As indicated in the Introduction to this Report, the Economic & International Affairs Scrutiny Panel has been well occupied throughout this term, having held in excess of 300 meetings and, additionally, conducted 47 public hearings; during the period 2018-2022, it has also presented 12 Scrutiny Reports and 23 Comments Papers and lodged 5 amendments.

This Report identifies the various Reviews and Reports undertaken and I will therefore not repeat that information here. However, one area I do wish to note is the emergency legislation required as a result of the covid pandemic. In the case of this Panel. The responsibilities of this Panel included such areas as restrictions in the workplace, shops, restaurants and other public places and, as a result, it engaged in regular and frequent discussions with Ministers and officers as to the appropriate measures to be introduced as a matter of urgency. The extent of this commitment is perhaps not fully reflected in the summary and both the Panel Members and officers and the ministerial teams are to be congratulated on their input and co-operation during that period.

The Report contains individual paragraphs on subject matters and there identifies areas on which the incoming Panel might wish to follow up. In particular, there are a number of matters as to which the present Panel had hoped to carry out substantive reviews but had first been awaiting reports from the Economic Development, Tourism, Sport and Culture; a number of reports have been published in the first week of May and it is anticipated that the incoming Panel may wish to take matters forward.

With the Panel's remit being to review policy and legislation related to the topics of financial services, external relations and economic and international development, the Panel's work naturally focuses on that of the Minister for External Relations and Financial Services, the minister for Economic Development, Sport and Culture and the Minister for International Development. However, there is an increasing element of 'crossover' of responsibilities of Ministers and, by way of example, the Panel's review of regulations as to medicinal cannabis and that of seasonal workers and the rural economy resulted it in taking evidence from Ministers with whom it would not normally engage. This increasing trend of crossover affords Scrutiny Panels the opportunity to work more closely with each other and it will be noted that, in the paragraph relating to the regulation of medicinal cannabis, it is recommended that certain aspects might wish to be taken forward by the Environment Scrutiny Panel.

Finally, I take the opportunity of thanking not only my present colleagues for their hard work but also other Members who served on the Panel, including my predecessor as Chair. And not least, I wish to record my appreciation to both the present Scrutiny Officers and their predecessors for all their input and commitment and without which the Panel would not have been able to fulfil its role in the manner that it has.



A handwritten signature in black ink, appearing to read "Deputy Johnson".

Deputy David Johnson
Chair
Economic and International Affairs Scrutiny Panel

Introduction

Scrutiny panels are appointed by the States. There are 5 Scrutiny Panels and the Public Accounts Committee (PAC) which are made up of States members (who are not Ministers or Assistant Ministers) and some members of the public. These Panels carry out detailed investigations into Ministers' work, and can call for papers and witnesses relevant to their investigations.

Standing Order 135 Scrutiny panels: establishment and constitution

(1) *There shall be –*

(b) a scrutiny panel which is assigned the topics of economic development (including financial services, innovation, competition, and the digital industry), tourism, sport and culture, external relations, international development and international relations;

The Panel

Panel Remit

The Economic and International Affairs Scrutiny Panel reviews policy and legislation related to the topics of financial services, external relations and economic and international development. It focuses mainly on the work of the Minister for Economic Development, Tourism, Sport and Culture, the Minister for External Relations and Financial Services, and the Minister for International Development.

Panel Meetings and Output

The Panel held in excess of 300 scheduled Panel meetings throughout the course of 2018 – 2022. Whilst these meetings were closed to the public, minutes of each of these meetings were recorded and can be viewed [here](#). The Panel also held meetings with Government and officials relating to certain topics which were under review or where further information was required.

Throughout the course of 2018 – 2022, the Panel presented 12 Scrutiny reports, presented 23 comments papers, and lodged 5 amendments. It sent in excess of 82 letters to Ministers and conducted 47 public hearings. Further details of the reports, comments and amendments can be found later in this report with links to each.

Panel Membership

Towards the end of 2020, the Panel was reconstituted, and certain Panel commitments were paused due to a change of Panel membership. In January 2021, the Panel was reformed with Deputy David Johnson appointed as Chair, Deputy Steve Luce as Vice Chair and Senator Steve Pallett as a Panel member.

Previous Members June 2018 – January 2021

- Deputy Kirsten Morel (Chair)
- Deputy David Johnson (Vice Chair)
- Deputy Steve Luce
- Senator Kristina Moore – (17th October 2018 - 19th January 2021)
- Deputy Inna Gardner – (18th September 2020 – 1st April 2021)
- Deputy Kevin Pamplin (14th January 2018 – 24th September 2018)
- Deputy Scott Wickenden (21st June 2018 – 30th May 2019)

- Deputy Jess Perchard (1st May 2019 – 18th September 2020)

Current Members January 2021 – June 2022

- Deputy David Johnson, (Chair)
- Deputy Steve Luce, (Vice-Chair)
- Senator Steve Pallett



Met over **300** times



Lodged **23** comment papers



Produced **12** reports, made **205** findings and **86** recommendations – **75** were accepted or partially accepted

(excluding S.R.4/2022 – responses not provided prior to publication of this report)



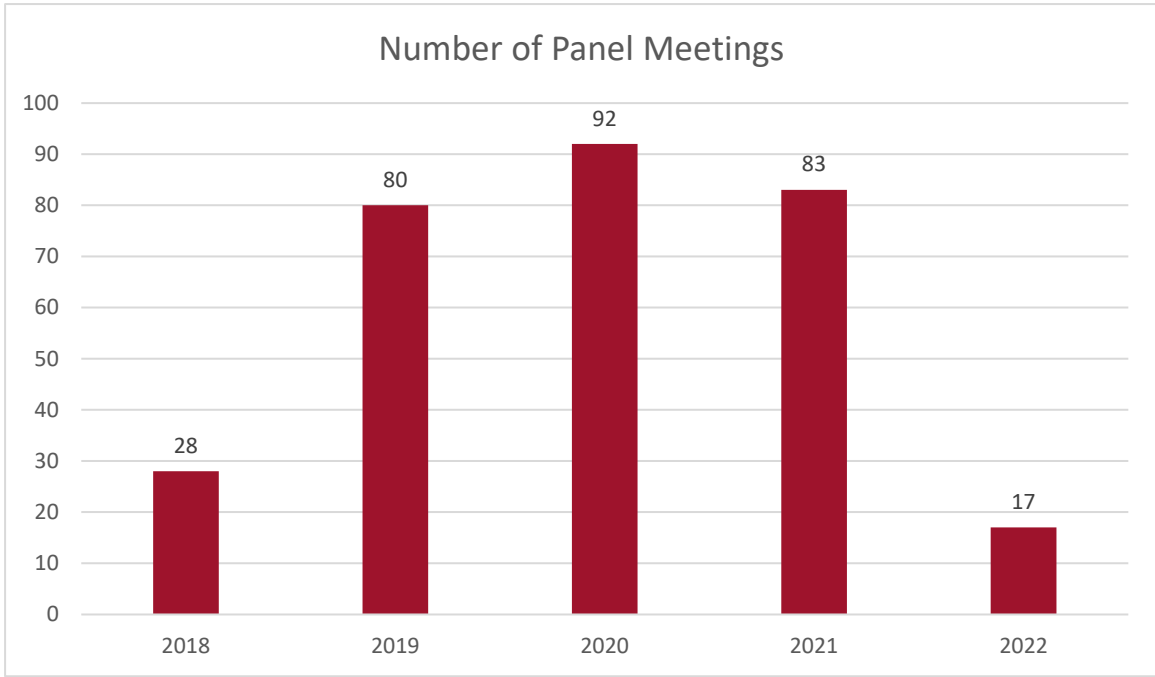
Lodged **5** amendments to propositions



Sent and received **47** letters



Conducted **82** public hearings



Review output / work undertaken

Reviews and Reports

Review	SR Number	Date Presented
2018		
Retail Policy Review	SR18/2018	21st December 2018
2019		
Family Friendly Employment Rights	SR11/2019	4th June 2019
Government Plan Review 2020 - 2023	SR13/2019	11th November 2019
2020		
Processes within External Relations	SR4/2020	7th October 2020
COVID-19 Response and Recovery Review	SR13/2020	3rd December 2020
Government Plan 2021 - 2024	SR14/2020	4th December 2020
2021		
Review of the demerger of CICRA and Future Operation of the JCRA	SR11/2021	13th August 2021
Government Plan 2022-25 Review - Economic and International Affairs	SR17/2021	9th December 2021
Covid-19 Response: Support for Businesses (open letter to Minister) Minister's Response to Covid-19 Response	Due to the nature and fast-moving pace of this topic, no report was presented. Full Scrutiny was undertaken and the output was an open letter to Minister.	18th March 2021
2022		
Regulations for the licensing, production and export of Medicinal Cannabis in Jersey	SR1/2022	6th January 2022

Regulation of Jersey Estate Agents	SR3/2022	9th March 2022
Review of Seasonal Workers and the Rural Economy	SR5/2022	12th April 2022

Comments papers

Proposition	Minister	Date Presented
2018		
P.132/2018 Draft Taxation (Companies - Economic Substance) (Jersey)	Minister for External Relations	3rd December 2018
P.85/2018 Draft Limited Liability Companies Law	Chief Minister	3rd September 2018
P.59/2018 Draft Companies Demerger Regulations	Chief Minister	9th July 2018
2019		
P.105/2019 Channel Islands Lottery: allocation of proceeds from 2018	Minister for Economic Development, Tourism, Sport and Culture	6th November 2019
P.93/2019 Draft Shops (Regulation of Opening) (Amendment) (Jersey) Regulations 201-	Minister for Economic Development, Tourism, Sport and Culture	18th October 2019
2020		
P.81/2019 Draft Banking Business (Depositors Compensation) (Amendment No. 2) (Jersey) Regulations 201-	Minister for External Relations and Financial Services	6th January 2020
P.129/2019 Draft Taxation (Implementation) (International Tax Compliance) (Mandatory Disclosure Rules for CRS Avoidance Arrangements and Opaque Offshore	Minister for External Relations and Financial Services	4th September 2020

Structures) (Jersey) Regulations 202-		
P.35/2020 Draft Limited Liability Companies (Amendment) (Jersey) Law 202-	Minister for External Relations and Financial Services	7th May 2020
P.49/2020 Draft Covid-19 (Construction Work) (Jersey) Regulations 202-	Minister for Health and Social Services	20th April 2020
P.59/2020 Draft Covid-19 (Workplace Restrictions) (Jersey) Regulations 202-	Minister for Health and Social Services	18th May 2020
P.69/2020 Draft Financial Services (Disclosure and Provision of Information) (Jersey) Law 202-	Minister for External Relations and Financial Services	6th July 2020
P.99/2020 CI Lottery – Allocation of 2018 balance	Minister For Economic Development, Tourism, Sport and Culture	4th September 2020
P.125/2020 Draft Financial Services (Disclosure and Provision of Information) (Jersey) Regulations 202-	Minister for External Relations and Financial Services	10th November 2020
P.141/2020 CI Lottery: Allocation of 2019 Proceeds	Minister For Economic Development, Tourism, Sport and Culture	27th November 2020
P.158/2020 Draft Covid-19 (Workplace Restrictions) (Amendment) (Jersey) Regulations 202-	Minister for Health and Social Services	24th November 2020
2021		
P.45/2021 Draft Proceeds of Crime (Amendment of Law) (No. 2) (Jersey) Regulations 202-	Minister for External Relations and Financial Services	28th June 2021
P.93/2021 Draft Income Tax (Amendment of Law – Taxation of Cannabis Companies) (Jersey) Regulations 202-	Minister for Treasury and Resources	16th November 2021

P.90/2021 Proposed Government Plan 2022-2025 Fourteenth Amendment	Minister for External Relations and Financial Services	9th December 2021
2022		
P.104/2021 Draft Financial Services Commission (Amendment No. 8) (Jersey) Law 202-	Minister for External Relations and Financial Services	13th January 2022
P.108/2021 Draft Companies (Amendment No. 8) (Jersey) Regulations 202-	Minister for External Relations and Financial Services	3rd February 2022
P.51/2022 Draft Proceeds of Crime (Amendment No. 7) (Jersey) Law 202-	Minister for External Relations and Financial Services	20th April 2022
P.56/2022 Draft Non-Profit Organisations (Miscellaneous Amendments) (Jersey) Law 202-	Minister for External Relations and Financial Services	20th April 2022
P.53/2022 Draft Sanctions and Asset-Freezing (Amendment No. 2) (Jersey) Law 202-	Minister for External Relations and Financial Services	21st April 2022

Amendments

Proposition	Minister	Date Presented	Adopted
2019			
P.71/2019 Government Plan 2020–2023 fifth amendment	Council of Ministers	8th November 2019	Yes, as amended 44 pour 5 absent
P.71/2019 Government Plan 2020–2023 sixth amendment	Council of Ministers	8th November 2019	No 31 contre 15 pour 3 absent
P.100/2019 Draft Employment (Amendment No. 11) (Jersey) Law 201-	Minister for Social Security	7th October 2019	No – Part 1 29 - contre 16 - pour 4 – absent Yes – Parts 2, 3, 4

			37 – pour 7 – contre 5 - absent
2020			
P.81/2019 Draft Banking Business (Depositors Compensation) (Amendment No. 2) (Jersey) Regulations 201- (P.81/2019)	Minister for External Relations and Financial Service	6th January 2020	Adopted - Standing vote
2021			
P.53/2021 Channel Islands Lottery: allocation of proceeds from 2020	Minister For Economic Development, Tourism, Sport and Culture	7th July 2021	Adopted - Standing vote

Other methods of working

Quarterly Hearings

The Panel held public hearings with the Minister for Economic Development, Tourism, Sport and Culture, the Minister for External Relations and Financial Services and the Minister for International Development on a quarterly basis, which gave the Panel an opportunity to ask questions in a public forum. Topics discussed covered all aspects of the Panels remit, ranging from ongoing policy to new legislation of the Ministers and Government of Jersey.

The Panel also held specific public hearings to gather evidence as part of a number of reviews it undertook during the term of office.

Letters

The Panel kept in regular contact with Ministers with correspondence asking for background information or written questions. It has sent and received 82 letters over this term (excluding letters sent requesting targeted submissions for reviews). These include correspondence with Ministers, public bodies and stakeholders, enabling the Panel to pose questions and gain evidence during the course of its work.

Briefings

The Panel has regularly invited and received officials from Government to give informal briefings on a particular subject for background information at the start of a review, updates to completed reviews or significant developments/progress reports on areas of potential review within its remit. Whilst briefings were held regularly for each Department under the remit of the Panel, there were a number of detailed briefings from the External Relations and Financial Services Department specifically in relation to the upcoming assessment of the Financial Services industry by MONEYVAL due in 2023. This upcoming assessment will require the Island to meet the Financial Action Task Force (FATF) regulations and as such, Amendments to existing legislation are required to comply.

Advisers

The Panel engaged the services of expert advisers throughout the course of 2018 – 2022. Each adviser was appointed following a full tender process in line with policy and procedures. Panels appoint advisers to assist them in studying Executive policies and have the freedom to select an adviser whom they consider to have an appropriate level of expertise. The following advisers have been commissioned by the Panel for the following reviews during this term of office:

- **COVID-19 Response: March – October 2020**

Chartered Institute for Public Finances and Accountancy, 77 Mansell Street, London, E1 8AN

- **Regulations for the Licence Application, Production and Export of Medicinal Cannabis on Jersey**

Grant Thornton, Central Business District, Birkirkara CBD1050, Malta

Public engagement

The Panel has engaged with the public throughout the course of 2018 – 2022 via social media, calls for evidence in the local press and participation in surveys. This was undertaken done in collaboration with the Digital and Public Services Team within the States Greffe.

Two particular examples of public engagement have been the Covid-19 Response for Small Businesses and the Regulation of Jersey Estate Agents.

Covid-19 Response for Small Businesses

The newly constituted Panel in 2021 was keen to follow up on the previous Panel's 2020 review of the Government's Covid-19 Response for Small Businesses, with the main purpose to ensure the schemes were still effective and fit for purpose. The Panel was aware that business owners had been targeted throughout the pandemic to submit evidence to scrutiny and was keen to avoid stakeholder fatigue. With this in mind, the Panel focused its review predominately on members of the public who were involved in the hospitality industry targeting both those who worked in this industry on a part time basis through party bookings or DJ's and those in full time catering. The Panel was keen to target this sector due to the direct impact of COVID-19 restrictions, such as rules governing social distancing, on the provision of hospitality services. The Panel sent letters to various sectors in the hospitality industry and because of the rapidly changing environment that affected small businesses throughout the pandemic, it wrote swiftly to the Minister with its initial findings, rather than present a report. The Panel did not consider it appropriate to undertake a lengthy review process for this particular topic and agreed from the outset that the review would be nimble in its approach, focusing only on those members of the public who were within the hospitality sector.

Regulation of Jersey Estate Agents

During its Regulation of Jersey Estate Agents Review, the Panel decided to undertake a public call for evidence using a survey designed to capture views about the Jersey estate agency market. The survey was shared publicly across its various social media platforms and received a total of 65 responses over a 2-week period. The survey included questions about the process of transacting property in Jersey, the buyer and seller experience and respondents' views on regulating Jersey estate agents. Following analysis of the results of the public survey, the Panel found that a substantial majority of respondents (86%), were in favour of regulating Jersey estate agents.

Suggestions for future work

Review topics

Medicinal Cannabis

The Panel undertook a review of the Regulations for the Licence Application, Production and Export of Medicinal Cannabis on Jersey. The purpose of this review followed an announcement by the Minister for Economic Development, Tourism, Sport and Culture in March 2019, that Jersey would start to issue licences for the growth of medicinal cannabis. The Minister stated a 'window of opportunity' now existed for Jersey to benefit from the high prices being paid for the crop, due to current limitations of supply available from well-regulated jurisdictions.

The Panel's report was presented on 6th January 2022 and included 28 key findings and 24 recommendations. The Ministerial response was due from the Minister on 22nd February 2022, however due to delays within the Department, the Panel did not receive this until 27th April 2022. The Panel was informed that one of the reasons for the delay was due to the fact that the Ministerial Response was with the Law Officers who were finalising responses to the Panel's key findings and recommendations. The Panel was also informed that this delay would likely result in a significant number of the Panel's recommendations being accepted. The Panel was therefore disappointed to note that the Minister accepted only 9 recommendations out of a possible 24 with a partial acceptance of 2.

A copy of the Ministerial Response can be found [here](#).

Throughout the course of its evidence gathering, the Panel became aware of issues outside of its agreed Terms of Reference, including the impact of growing cannabis on the environment, issues around planning consent regarding the use of glasshouses, lack of collaborative working between Government Departments and possible abuse of prescribed cannabis being sold on to third parties.

The Panel believes there is still much to do on this topic with regards to scrutiny and whilst there is always the possibility of a 'follow up' review focusing on the implementation of the Panel's recommendations, the Panel would recommend the environmental and planning aspects of the medicinal cannabis industry are reviewed. In addition, the Panel would recommend that a review be carried out by the upcoming Health and Social Security Scrutiny Panel, in relation to the number of medicinal cannabis prescriptions issued on Island together with how often each prescription case is reviewed. The Panel learned that the number of prescriptions issued in Jersey compared to those in the UK was considered 'high' and in addition, the Panel heard anecdotally that there was a black market for medicinal cannabis with patients openly selling their medication for profit.

Regulation of Jersey Estate Agents

Following its initial public survey undertaken in July 2021, the Panel decided to undertake a review of the regulation of Jersey estate agents and commenced a process of formal evidence

gathering. The Panel received written submissions from estate agents, industry representatives and regulatory bodies and the Minister for Economic Development, Tourism, Sport and Culture (EDTSC Minister). In addition, the Panel welcomed a number of stakeholders including the Minister for Housing and Communities and key industry bodies and representatives to Public Hearings in October and November 2021.

The Panel found that, apart from the general protections offered by the Consumer Protection (Jersey) Law 2018, there is no specific legislation governing estate agents in Jersey or a requirement that Jersey estate agents adhere to an approved consumer redress scheme. The Panel noted that this was in contrast to the requirements imposed on estate agents in jurisdictions such as the UK, where all estate agents are required to obtain membership of an approved consumer redress scheme and adhere to the provisions of the Estate Agents Act 1979. The Panel also noted that current estate agent legislation in the UK is being actively reviewed and developed through the Regulation of Property Agents Working Group.

The Panel's report produced 17 Key Findings and 10 Recommendations for the EDTSC Minister and was presented on 9th March 2022. The Panel received a Ministerial Response on 25th April 2022 and noted that all the Panel's Recommendations, with the exception of Recommendation 10, will be 'Deferred' because *"The Panel's report has come in the final weeks of this political term and with a States Assembly agenda that is proving challenging to work through before the forthcoming election"*. Therefore, the Panel believe it is important that the findings and recommendations in this Ministerial Response are 'followed-up' by this Panel in the next political term. A copy of the Ministerial Response can be found [here](#).

Jersey Aircraft Registry (JAR)

The Panel has been concerned for some time around the feasibility and profitability of the JAR and it has been an ongoing topic of questioning at the public hearings held with the Minister for Economic Development, Tourism, Sport and Culture. The Panel learned that a report was compiled by Oxera on the JAR and whilst the Panel has received a copy of the report and is aware of its contents, it remains confidential. The Panel had asked for the report to be made public to enable it to carry out a review on the future of the JAR however, this request was denied. The Panel recommends that the JAR should be reviewed with a short report focusing on its future and the benefits for the Island, if any.

Jersey Gambling Commission (JGC)

The Jersey Gambling Commission consists of a Chief Executive, Chairman and two members, all of whom are appointed on the recommendation of the Minister for Economic Development, Tourism, Sport and Culture. Throughout the course of its term, the Panel met with the Chief Executive to discuss what support the JGC was receiving from Government, if any, in addition to what collaborative work was being undertaken with other Government Departments.

The Panel was keen to understand how responsible gambling was being promoted by the JGC in line with Government Departments, in addition to how mental health issues that emerged from gambling addiction were being addressed and how this linked into the Department of Health and Social Services. The Panel wrote to the Minister for Economic Development, Tourism, Sport and Culture (EDTSC) and was informed that a coordinated approach between the JGC and the Government Department with responsibility for public

health provisions was currently underway. The Panel also raised concern around the fact that the Memorandum of Understanding (MoU) had not yet been signed and was informed that this was yet to be concluded and would be provided in Q1 2022. The Panel was unable to follow up on these issues and strongly recommends further work in this sector is reviewed, particularly around the dangers of irresponsible gambling and the role of Government to promote responsible gambling.

Proposition P. 65/2022 lodged by Senator Vallois

This proposition relating to the monitoring of Arm's length organisations and Green and White Papers was debated at the final States sitting and provides for options to be considered as to the overall monitoring of States owned bodies. Many such bodies, including Ports of Jersey Limited (PoJ), are the subject of Memoranda of Understanding (MoUs) between the organisation on the one hand and the Treasury Minister on the other; the Panel recommends that the incoming EIA Panel take an active interest in the development of possible options under P.65 by way of seeking to extend the degree of influence that may be exercised by the States (other than in relation to pure commercial transactions) and which may not be adequately covered by existing MoUs.

Licensing Law

Proposition P.105/2020 on Alcohol Pricing was lodged by Deputy Ash in December 2020. The proposition was in three sections with parts (a) and (c) of the proposition being adopted. The three sections are listed below.

- (a) the States approve to allow pubs and clubs to apply drinks promotions to assist with the lull in trade during the Covid-19 pandemic
- (b) the Minister for EDTSC undertake a review of Island wide alcohol pricing
- (c) the Minister for EDTSC bring forward amendments to the Licensing Law (Jersey) 1974 to establish a framework whereby licensing policy decisions are vested in the States Assembly.

The Panel has asked numerous questions at quarterly hearings and to date, has seen no amendments brought forward to the Licensing Law (Jersey) 1974 which relate to the accepted section (c) of the proposition. In addition, a review was undertaken by the Jersey Competition Regulatory Authority (JCRA) on request of the Attorney General. The key findings and recommendations of this were presented in a report on 10th March 2022 and the Panel would recommend this report, together with its key findings and recommendations be followed up by the next Panel.

Inspiring Active Places Sports Strategy (IAP)

A briefing to all States Members was presented in mid-April which provided an update on the IAP Sports strategy. The Panel would have liked to have undertaken a review into the IAP strategy however, due to other work commitments, this was not possible. The Panel held a public hearing on 27th October 2021 which focused specifically on sports and with it having recently been announced that a summary report for Health, Activity and Wellbeing Survey

(2021) run in conjunction with Jersey Sport will be published on 5th May 2022, would recommend the incoming EIA Panel undertake a review into how the IAP is progressing in line with the overall sports strategy. This is an area that is rapidly developing and without monitoring and scrutiny, could potentially fall behind schedule.

Tourism Strategy

The update to the Tourism Strategy was due to be presented at the beginning of May 2022. The Panel has received an advance copy however, this work is ongoing and the Panel recommends ongoing monitoring with regular briefings on this topic.

Heritage Arts and Culture

The Panel received a briefing on the Heritage Arts and Culture Strategy in late January 2022. The strategy was approved by the Council of Ministers on 20th December 2021 and follows a 10-year framework. Following stakeholder engagement, Government formed a 'Shadow Heritage Partnership' with key bodies in the Heritage Arts and Culture sector together with members of Government. This Forum will work with the Minister to produce an Annual Heritage Statement and the Panel would recommend this sector is regularly monitored both in public hearings and briefings. The Panel would not recommend a review is undertaken at this stage as it believes the framework needs time to be established and evolve.

The Rural Economy

The Rural Economy is a significant contributor to the Island's income; however, the Panel found through meetings with stakeholders in this sector that the general feedback was that as an industry, it is overlooked in favour of other income drivers to the Island, such as financial services. The Panel notes that an economic framework for the rural economy is to be published on 3rd May 2022 and would recommend this be followed up by the incoming EIA Panel and, so that the area is not neglected, regular questions are asked on the subject at quarterly hearings. The Panel recently presented its report on Seasonal Workers and the Rural Economy which was focused specifically on the rural economy. The Panel was pleased that the review resulted in a number of positive outcomes for this industry and believes further work needs to be undertaken in this sector, either in the form of one large review covering the economy as a whole or various short desktop reviews, taking each of the rural sectors in turn.

Economic Framework for the Marine Environment 2022

A report under this heading was published at the beginning of May 2022 and the Panel recommends that the incoming Panel follow this up by seeking an initial presentation prior to deciding what further work should be carried out.

Island Identity

The Island Identity project was launched in late 2021 and the Panel believe having an 'island identity' for Jersey residents, is extremely positive. There are many challenges faced with the implementation of this project with no one size fits all solution. The Panel would recommend regular briefings on the progress of the project in addition to receiving updates either in the form of briefings or questions at public hearings. The Panel would not recommend a review in this area at this time and believes it will need time to evolve.

Technology Accelerator Fund

The above Fund was the subject of P.75/2022 debated at the last States sitting and which was duly approved. It is noted that a Technology Accelerator Programme Oversight Board is to be established under the control of the Minister for Economic Development, Tourism, Sport and Culture and it is anticipated that the incoming Panel may wish to follow up as to the composition and operation of such Panel. Neither this Panel nor the Corporate Services Scrutiny Panel had the opportunity to scrutinise the proposition prior to the debate and, depending on which Panel is to be responsible for taking matters forward, it is recommended that the incoming Panel concerned seek an immediate briefing on the matter as a preliminary to any further action.

Financial Services Legislation and MONEYVAL

Throughout its term of office, the Panel received regular briefings from the Financial Services Team on upcoming legislation. The legislation is part of the global standards required by the Financial Action Task Force (FATF) and their implementation is key to the upcoming assessment of Jersey's Financial Services, due to take place in 2023 by MONEYVAL. The Panel scrutinised all of this legislation and presented comments papers, where it agreed it was necessary.

The MONEYVAL assessment is extremely important in showing the Island is compliant with the international standards required by FATF and the Panel has been informed that more legislation will be lodged later this year prior to the MONEYVAL assessment. Having regard to the importance of this sector to the island's economy, the Panel strongly recommends that this area is given priority and each piece of legislation is accompanied by a detailed briefing from the Department, with the relevant scrutiny undertaken by the Panel as required.

Cost of Living Crisis

The recent rise in fuel, food and the cost of living in general has caused the Panel concern. The Retail Prices Index (RPI) is the main measure of inflation in Jersey and measures the average change in prices of goods and services purchased by households and is sometimes referred to as the 'cost of living'. The recent RPI figure released by the Statistics Unit in Jersey stood at 6% in March. This is the biggest increase in the cost of living since 2008 and is in stark contrast to the figure released in September 2021 of 2.1%.

Whilst this is the likely impact of the Covid-19 pandemic, the recent crisis in Ukraine has triggered a costly humanitarian crisis with no resolution in sight. The International Monetary Fund has stated that the *“economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.”*¹ In addition, the World Bank has predicted that global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

The Panel has followed the rising cost of living with interest however, it is only now that the impact of Covid-19 and the war in Ukraine is starting to affect day to day living. The Panel would strongly recommend a review into the cost of living in Jersey and that the Government's contingency plan is carried out before the end of 2022.

Forthcoming legislation

MONEYVAL

Various pieces of legislation are due to be lodged by the Minister for External Relations and Financial Services in time for the upcoming assessment by MONEYVAL. The MONEYVAL assessment is key as it shows that the Island is compliant with the international standards required by the Financial Action Task Force (FATF).

Appendix 1

Panel Membership – 2018 to 2021



Deputy Kirsten Morel (Chair)



Deputy David Johnson (Vice-Chair)



Deputy Scott Wickenden (21st June 2018 – 30th May 2019)



Deputy Kevin Pamplin (14th June 2018 – 24th September 2018)



Senator Kristina Moore (17th October 2018 - 19th January 2021)



Deputy Jess Perchard (1st May 2019 – 18th September 2020)



Deputy Inna Gardiner (18th September 2020 – 1st April 2021)



Deputy Steve Luce (18th September 2020 – present)

Panel Membership - Present



Deputy David
Johnson (Chair)



Deputy Steve Luce
(Vice-Chair)



Senator Steve Pallett



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