

05 November 2020

Deputy Kirsten Morel
Chair
Economic and International Affairs Scrutiny Panel
By email

Dear Deputy Morel,

**Economic and International Affairs Scrutiny Panel – Review of the 2021-2024
Government Plan**

Thank you for your letter, dated 27 October 2020 regarding the above mentioned. Please see below our written response to the questions.

Yours sincerely,



Senator Lyndon Farnham
Deputy Chief Minister
Minister for Economic Development, Tourism, Sport and Culture
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Additional Revenue Projects

Sport division - minor capital replacements Status: **On track**

Funding identified in 2019	2020 £125,000	2021 £200,000	2022 £200,000	2023 £200,000	
Funding identified in 2020 ¹		2021 £200,000	2022 £200,000	2023 £200,000	2024 £200,000

1. The 6-month update report says that funds will be used to extend the life of gym equipment at five locations. What are the 5 locations?

Les Quennevais, Springfield, Oakfield, Langford Sports Centres + Fort Regent.

2. The report also says that the investment from 2020-2023 will support the protection of the £2m income that is derived from the Active Card membership. Can you elaborate on what that means?

For the Active Card Scheme to be successful, attract new members as well as retain existing members the equipment in its gyms needs to be fit for purpose, modern, safe and up to date.

3. How much of the budget for 2020 (£125,000) has been spent?

All of the budget has been spent.

4. Can you provide a brief overview of the plans for this project going into 2021 and the funds identified for it?

The 2021 project plans will be a repeat of the activity in 2020 and previous years to replace end of life gym and outdoor sports equipment across multiple sites including (Les Quennevais, Springfield, Oakfield, Langford Sports Centres and FB Fields, Grainville etc). £200,000 has been identified for 2021 (circa £190,000 in 2019). There are 450 pieces of gym equipment alone that are subject to regular servicing, considerable wear and tear and eventual replacement at the end of their life across the broader sporting estate in Jersey. The average cost of a piece of equipment is around £4000.

Inspiring an 'Active Jersey' Jersey Sport status **Reduced** and the Active Jersey Strategy status **Deferred**

Funding identified in 2019	2020 £509,000	2021 £799,000	2022 £965,000	2023 £965,000	
Funding identified in 2020 ²		2021 £799,000	2022 £965,000	2023 £965,000	2024 £965,000

5. It seems that the Covid-19 pandemic has had a significant impact on this project. We can see from the 6-month report that it had a significant impact on Jersey Sport and therefore the project is reduced. Could you explain the reasons for a reduction and whether it is a reduction in funding, or a reduction in the aims of the project?

Jersey Sport was provided with £509,000 of growth funding in 2020, including £200,000 of repeat funding for the purpose of sports travel grants. The organisation had developed the programmes and activities and was at the stage of appointing roles to the organisation to take

forward the first year of delivery against the strategy when the COVID-19 pandemic took hold. Rather than growing the programmes as intended, Jersey Sport, like many other businesses, had to reduce or cease activity. The reduction in spend for 2020 is £87,685, though elements of the project have been delivered or altered. The aims of the project in the longer term remain.

6. Similarly, Covid-19 seems to have impacted significantly on the Active Jersey Strategy. The 6-month report explains that almost all recruitment posts have been placed on hold. Were any recruitments made?

One cycling instructor for 30hpw (rather than two FTE)

7. The 6-month report says that funding has been moved back by one year – will recruitment processes begin in 2021 and will there be any changes to the posts identified in the previous plan?

The plans previously submitted by Jersey Sport for 2021 to 23 have largely remained unchanged and recruitment processes are once again active.

8. Is there a risk that this project will be deferred further if Covid-19 continues to create problems in 2021?

Project plans may require further adaptation as a result of Covid-19 – with travel grants impacted significantly.

9. Has any of the funding identified for 2020 (509k) been spent? If so, what on?

See Table below.

Budget	Original Budget (£)	Revised Budget (£)	Forecast Underspend (£)
Move More Schools	195,500	162,373	33,127
Move More Opportunities	113,500	22,777	90,723
Sporting Opportunities	-	15,000	(15,000)
Core Budget Variation	-	21,165	(21,165)
Total Growth (minus Travel Grants)	309,000	221,315	87,685

Original Planned 2020 Delivery

The Jersey Sport original budget in 2020 contained an amount of £200,000 for the purpose of sports travel grants. It was then agreed that £50,000 would not be claimed by Jersey Sport from the government and this would be retained by the department to allow the Minister to make these grants himself to the Island and Commonwealth Games committees.

Original Sports Travel Grants budget £200,000

Amended 2020 Delivery

Quarter one allowed for a reasonable amount of sports travel to take place before this was severely hampered first by the liquidation of Flybe and secondly by the start of the COVID-19 pandemic.

No travel has taken place in quarter two and it is unlikely any will take place in quarter three a small provision of £10,800 has been retained in quarter four in case travel becomes possible for individual athletes and some smaller team sports. As a result of this there is a significant underspend in sports travel grants.

Revised Sports Travel Grants budget £45,000

The Assistant Minister for Sport has indicated to Jersey Sport that he would like this underspend of £105,000 to be available to create a fund to support sports who have lost out financially as a result of the COVID-19 pandemic. Jersey Sport have agreed to come forward with proposals for him to consider as to how this money could be best used.

Future Economic Partnership Goods and Borders Cluster Status: deferred

Funding identified in 2019	2020 £450,000	2021 £450,000	2022 £450,000	2023 £450,000	
Funding identified in 2020 ^s		2021 £250,000	2022 £250,000	2023 £250,000	2024 £250,000

10. The formal status of this project is that it has been deferred but looking at the figures, it seems there has also been a reduction in the funding. Can you explain the figures?

The funding was requested by the then Growth Housing and Environment (GHE) Department and was used by a blended team across Economy, Regulation and Environment for the Goods and Borders Working Group to employ support staff, together with technical consultancy as and when necessary, and to cover the extraordinary travel and subsistence costs associated with a protracted period of negotiations with and across UK government departments, to ensure the best outcomes for Jersey and to minimise the risks as the UK negotiates with the EU and latterly the rest of the world, towards their shared Future Economic Partnership (FEP). In 2020, the economy function was split out into the Office of the Chief Executive and therefore elements that relate to Regulation and Environment functions that remain in GHE have to be split out on a pro rata basis. These costs are circa £250,000/annum in 2020 and a pro rata amount of £131,500 was transferred to GHE by MD in July. Costs were not as high as expected as the Covid-19 pandemic restricted travel costs and the availability of consultants and contractors.

11. It is unclear from the 6-month report why this project has been deferred. Could you explain its current status? i.e. what has been completed, if anything.

Much of the necessary 2020 activity in this area has been undertaken in the GHE/IHE Department (hence the funding transfer) in terms of putting in place the necessary domestic legislation and regulatory processes required to be in place at the end of the Transition Period. Lack of clarity on internal and external market requirements required post transition period has meant that consideration of the economic impact on businesses of the new processes and regulatory standards has been deferred until the UK-EU negotiations determine the processes required to give assurances against market requirements. Other associated economic assessment to support the UK-EU FTA negotiations has been completed such as the analysis of Jersey’s State Aid over the past 10 years, which has been fed into DiT.

12. Has any of the funding identified for 2020 (£450k) been spent? If so, what on?

To the end of October 2020, a total of £83,117 has been spent. £29,817 has been spent on internal staff costs (project manager) and the balance (£53,300) has been spent on contract services, consultancy and advice associated with Brexit. Furthermore, of the £450,000 allocated at the start of 2020, £131,500 has been transferred to Infrastructure, Housing and Environment for costs associated with Brexit (Ministerial Decision ref – MD-TR-2020-0092).

Economic Framework and Productivity Support Status: **On track**

Economic Framework

Funding identified in 2019	2020 £1,000,000	2021 £1,000,000	2022 £1,000,000	2023 £1,000,000	
Funding identified in 2020 ^a		2021 £500,000	2022 £500,000	2023 £500,000	2024 £500,000

Productivity Support Scheme

Funding identified in 2019	2020 £2,500,000	2021 £2,500,000	2022 £2,500,000	2023 £2,500,000	
Funding identified in 2020 ^a		2021 £500,000	2022 £500,000	2023 £500,000	2024 £500,000

13. The progress of this project is that it is on track but it appears the funding has been reduced. When do you expect that an Economic Framework and Productivity Support will be delivered? Please could you also explain the reduction in funding and how this will affect the projects.

The contact with PwC covers the delivery of 4 work packages which includes the production of an Economic Framework and runs from 1 June 2020 and 1 June 2022. Subject to States Assembly approval for funding for a Productivity Scheme within the Government Plan the scheme will go live in 2021. Different parts of the Economic Framework will proceed at different paces, but still plan to deliver the Economic Framework as originally scheduled by end 2021. The Productivity Support Scheme is positioned for delivery in 2021 as part of helping businesses build back better and linked to opportunities for improvement as identified through FEP work to date.

The initial funding identified was an early estimate of the programme costs and were made prior to contracting negotiations with the strategic partner PwC. Following negotiations, programme costs were brought down below those initially anticipated, partly due to the greater utilization of internal staff and partly due to the revised context and scope associated with the Covid outbreak. Funding finally agreed by Ministers and subsequently the States Assembly in 2020 of £500,000 has therefore proven to be adequate and provided a benchmark for assessing future funding requirements as we move from Covid-19 response to the economic recovery phase. Funding for 2021 is increased to capitalise a Productivity Support Scheme, to add to and supplement other recovery measures (e.g. The Recovery Fund). The details of the PSS are being designed for conclusion at the end of November through work associated with the Future Economy Programme.

14. Has Covid-19 had an impact on the work being undertaken by PwC Jersey?

The contract with PwC was signed in June, with Covid-19 delaying the anticipated start date. The big impact has been the changed C-19 context since the initial response to the ITT,

however, this has been factored into the 2020 work package. What has not changed is the Future Economy Programme focus on shaping the future long-term direction of the economy, with a focus on productivity and skills and seeks to align and build on multiple initiatives, including post-pandemic recovery and renewal.

15. How much of the funding identified for 2020 (£1m for Economic Framework and £2.5m for productivity support scheme) has been spent?

To the end of October, a total of £111,609 has been spent on consultancy costs carried out by Price Waterhouse Coopers associated with agreed work package 1.

16. Given that we can see from the figures that funding has been reduced from 2021 – 2024 – why has the status been identified as “on track” as opposed to “reduced?”

Project described as ‘on track’ as at point of writing the activity agreed with PwC for Work Package 1 is on track and on budget.

Promoting Jersey

Professional Rugby – status: **Delayed**

Funding identified in 2019	2019/2020 £250,000	2020/2021 £250,000	2021/2022 £250,000		
Funding identified in 2020 ^e		2021 £150,000	2022 £50,000	2023 0	2024 0

Air route development marketing - Status: **Delayed**

Funding identified in 2019	2020 £250,000 (route marketing only)	2021 £850,000	2022 £850,000	2023 £850,000	
Funding identified in 2020 ^r		2021	2022	2023	2024
Route Marketing		£250,000	£250,000	£250,000	£0
Short breaks		£600,000	£600,000	£600,000	£0

Rugby -

17. In the 6-month report, it says that the project has been delayed, but it also appears that funding has been reduced. Can you explain why that is the case?

Decision on grant funding for 2021 has been delayed as impact of Covid-19 has created uncertainty over future income, specifically the RFU grant (monies received by Jersey Reds from Rugby Football Union who run the Championship). Funding forecast for 2021 is currently in line with the GP20, i.e. reducing to £150k in 2021, £50k in 2022, thereafter 0 (figures quoted in this document are incorrect). This may need to be reconsidered pursuant to ongoing negotiations if professional rugby is to be maintained on the Island. Next meeting due with Officers/Jersey Reds on 6 November 2020 when we expect an update on the RFU grant.

18. What elements of the project have been actioned in 2020?

Full budget for 2020 of £250k for Jersey Reds has been allocated and spent as per plan, notwithstanding the early termination of the 2019/2020 season. The money was spent on supporting professional rugby, delivered as a one-off payment into the organisation which is one of a number of revenue streams to support their ongoing activities.

19. How much of the funding for 2020 (£2.5m) has been spent?

As above (noting budget is £250k not £2.5m)

20. Was the division of spending between 'Route Marketing' and 'Short Breaks' the same for 2020-23 as it is described in this Government Plan?

Yes it is the same as the 2020-2023 Government Plan.

Route marketing/Short breaks –

21. We note that the original intention was to focus on shoulder month travel and new routes. Please could you explain why changes have been made to this?

Impact of Covid-19 has forced a rethink on policy on promoting Jersey in this area as activity is entirely dependent on current operational 'travel rules' which are variable.

22. £250k was identified for 2020 for route marketing. How much of this has been spent to date?

£0 from this budget

Rural Economy Strategy - Status: Reduced

Funding identified in 2019	2020 £65,000	2021 £272,000	2022 £473,000	2023 £680,000	
Funding identified in 2020 ^a		2021 £272,000	2022 £473,000	2023 £680,000	2024 £680,000

23. The 6-month report did not offer much detail about the reasons the project has been reduced. Can you provide this detail?

This project was to supplement the budget for the Rural Support Scheme (RSS), which stood at £579k in 2019. Repurposed Department 'savings' (£26k) plus the GP growth of £65k enabled the RSS budget to be increased to £670k in 2020. The scheme payment structure was set in March 2020 in advance of applications and designed to maximise support within budget limits and by necessity had to ensure the scheme was not oversubscribed or over budget. The 'reduced' budget reflects the fact that funds allocated by the scheme amounted to £653,217 thereby creating a budget surplus of £16,783 (2.5% of the RSS value).

- a. Was there a lack of demand for the Rural Support Scheme, which we note, had a deadline of 30th September for applications?

Demand was as expected and in line with forecasts; including 2 new entrants on the scheme for 2020 and a further 3 new entrants who did not make the application deadline (or meet

criteria for qualification) but whom we expect to join the scheme in 2021. Had these 3 new entrants managed to qualify in time for 2020 the full budget would have been utilised.

24. How much of the funding identified for 2020 (£65k) has been spent?

£48,217

25. Whilst the project is described as 'reduced' the figures provided show no reduction in funding. Please could you explain why.

The size of reduction could only be quantified after all applications had been processed and verified – which has only just occurred.

Digital Jersey growth - Status: Reduced

Funding identified in 2019	2020 £697,000	2021 £897,000	2022 £1,097,000	2023 £1,097,000	
Funding identified in 2020 ^a		2021 £897,000	2022 £1,097,000	2023 £1,197,000	2024 £1,197,000

26. The 6-month report explains that additional funding was released to Digital Jersey in Q1 2020 in line with their proposed business plan. Can you let us know how much additional funding was provided to Digital Jersey and how it was used?

In 2020, Digital Jersey was allocated a total grant of £1,825,000, which was an increase of £575,000 of the 2019 core budget of £1,250,000. However, Digital Jersey returned £100,000 due to activities it couldn't undertake as a result of COVID 19, so the total amount received was £1,725,000.

27. The report also explains that good progress has been made hiring additional resources in the areas of fintech and operational management before arrival of COVID-19. Were these the areas where additional funding was spent?

Yes. Digital Jersey recruited a Head of Fintech, a Head of Finance and Operations and a Business Development Manager. A Manager for DJX was also due to be recruited, but this was postponed due to COVID 19.

Funding was also allocated to the Digital Jersey Hub and marketing. The Hub has been expanded on both the ground floor and a new first floor. The ground floor facilities now include: an enhanced meeting area, hot-desking area, and seminar space. The first floor now provides 30 dedicated open plan desks and 7 smaller offices for 4-6 people, which will only be available to priority digital businesses.

The Marketing Budget has been increased. In 2019 the budget was £159,000 it was increased to £187,000 in 2020.

28. How much of the funding identified for 2020 (£697k) has been spent?

As of October 2020, Digital Jersey's assumption is that approx. £140k will be carried over to 2021. The majority of which will form a "reserve" of 1 months fixed expenditure (to cover staff, rent, etc).

29. The status of this project is 'reduced' but it does not appear that any reduction is proposed in this year's Government Plan. Please could you explain this.

Digital Jersey's planned operations were curtailed during the lockdown. However, Digital Jersey allocated three members of staff, including the CEO, to the Covid19 response for 4-7 months. This work included:

- Directly supporting the Public Health Policy Team to deliver a Covid-19 testing process, workforce return programme, and information governance
- Development of Public Health online questionnaire
- Development and Implementation of Jersey Covid19 tracing app

The rest of the Digital Jersey team moved to support community support projects including:

- Working with telecoms providers to increase broadband speeds to 1gig for all connections
- Working with telecoms providers to ensure all households with children had access to a broadband connection.
- Running the States Assemblies virtually
- Providing remote working advice for businesses and schools
- Promotion and support of on-island wellness and healthcare based digital solutions, such as the Soulgenic App

Digital Jersey is about to submit its 2021 Business Plan. This outlines where it proposes to use additional. Digital Jersey anticipates that it will be a key delivery partner for economic recovery and growth initiatives.

Delivering the Digital Policy Framework Status: **Reduced**

Funding identified in 2019	2020 £541,000	2021 £541,000	2022 £541,000	2023 £541,000	
Funding identified in 2020 ¹⁰		2021 £541,000	2022 £541,000	2023 £541,000	2024 £541,000

30. The status of this project is reduced, but the funding amounts appear to be the same. Can you explain the reasons why the project is reduced and how it is being reduced?

Growth funding in this area largely supported the retention of headcount in the Digital Policy Unit.

Reductions in deliverables are due to delays in some work streams primarily AI and Data Protection policy. This is as a direct result of COVID as some members of the (five strong) DPU were deployed to assist in the Government's response to the pandemic. For example, the Director, Digital & Telecoms policy led the Government's industry stakeholder engagement throughout the Safe Exit Strategy, one of the Digital Policy Advisors worked closely with Digital Jersey to develop the Jersey Covid App and ensure appropriate data protection and cyber security and the Telecoms Policy Advisor and Director, Digital and Telecoms Policy worked closely with stakeholders including industry, CYPES, the community task force, the regulator and Digital Jersey to put in place a number of initiatives to ensure essential connectivity was maintained for business and islanders during the lockdown. Examples include:

- Put in place an SMS text system to allow important Government of Jersey COVID information to be communicated to residents

- Advised on the provision of free internet to school students with no home internet connection
- Developed a process under the Emergency Powers and Planning Law 1990 to provide telecoms networks with enhanced connectivity should it be required
- Provided vouchers to residents who unable to pay bills would otherwise lose all voice and broadband connectivity.

There has been strong progress in many elements of the delivery of the Digital Policy Framework. Please note that this excludes cyber security projects:

- A proposed amendment to the Data Protection (Jersey) Law 2018 to allow the continued free flow of data to the UK post Brexit (lodged for debate on the 19 November)
- Proposals to modernise the Electronic Communications (Jersey) Law 2000 to ensure businesses can operate digitally and to capture lessons learned during COVID. (consultation forthcoming)
- Policy development to enable the BBC to fund the over-75s licence fee concession in Jersey
- In conjunction with the JDPA, development of a new fee model for the Data Protection regulator
- Extensive engagement with the EU Commission on data protection matters including on Jersey's continued adequacy status.
- Initial work to develop a Data Foundation Prototype
- Continued implementation of the Telecoms Strategy
- Initial work on the development of a Telecoms Security Framework for Jersey including the establishment of a Telecoms Security Working Group with industry.

31. The 6-month report explains that some discretionary work has been delayed as staff were engaged in other work areas. Can you explain which areas have been delayed?

Main delays were to AI policy development, amendments to the electronic communications legislation and data protection policy initiatives.

32. How much of the funding identified for 2020 (£541k) has been spent and the items of this expenditure?

As per the previous answer the funding in his area was largely staff costs and the DPU has been fully staffed since May 2020. At the end of October 2020, £346,539 has been spent supporting the delivery of the Digital Policy framework. Most of this (£249,178) has been spent on permanent staff costs, with a further £94,521 being spent for a member of staff employed through the London office to support the delivery of the programme.

Cyber Security growth Status: **Reduced**

Funding identified in 2019	2020 £500,000	2021 £600,000	2022 £500,000	2023 £600,000	
Funding identified in 2020 ¹¹		2021 £600,000	2022 £443,000	2023 £458,000	2024 £458,000

33. The 6-month report explains that it is vital that cyber security should be a pan-Channel island effort. Since funding was approved, what pan-CI developments have been progressed?

Jersey’s Cyber Security Strategy highlighted the importance of creating an island Computer Emergency Response Team and the benefits of creating this jointly.

Throughout 2018 and 2019 Jersey officers led the joint project including commissioning and conducting a joint feasibility study for a CERT which informed the Government Plan.

Throughout 2020 officers continued to make every effort to engage with officers in Guernsey on pan-CI cyber security efforts including setting up the joint CERT on the basis established by the joint feasibility study.

Unfortunately, there were significant delays from Guernsey officials in the first half of 2021 which in turn meant the recruitment for the joint CERT director had to be delayed. These delays were then exacerbated by COVID. When Guernsey reengaged in the second half of 2020 it was apparent that Guernsey was pursuing a less aggressive timeframe for the set-up of a CERT and had reconsidered the role of the CERT Director and the CERT.

It was evident that the change in Guernsey’s approach and prioritisation of this project would affect the Government of Jersey’s ability to meet the commitments of the Government Plan and the corresponding funding requirements allocated to setting up a CERT.

The Minister directed that Jersey officials proceed with setting up a Jersey only CERT at pace. This was communicated to Guernsey officers and it was made clear that Jersey remained open to working jointly on cyber security matters where possible.

(Important to note that as a result of moving to a ‘Jersey only’ CERT some elements (staffing and overheads) have been adjusted to remain within the budget allocated by the Government Plan while meeting the Island’s requirements).

As an example of this Jersey has been engaging closely with Guernsey and the Isle of Man to identify opportunities for alignment and for joint working in developing a Telecoms Security Framework. The Council of Ministers recently approved this workstream and joint working with Guernsey and the Isle of Man where possible with the caveat that joint working aspirations should not delay progress.

34. Has the Covid-19 pandemic halted communications with Guernsey in any way?

The Covid-19 pandemic did interrupt communications with Guernsey officials. For example, a planned face to face meeting in Guernsey in March 2020 on the CERT recruitment was cancelled by Guernsey officials due to Covid-19 restrictions and the replacement video conference was also cancelled by Guernsey officials due to other priorities. Guernsey officials

were unavailable to discuss cyber security matters including the joint CERT project for several months. Re-engagement at the Guernsey end did not start to recommence until the summer when the Guernsey officials returned to BAU.

35. How much of the funding identified for 2020 (£500k) has been spent?

- Risk Assessment cost £149K- project scheduled for completion by end of 2020
- Digital Apprentice - Secondee to assist project £20k by end of 2020
- Recruitment costs likely to be £12k
- Budget returned for COVID (as below)

At the end of October 2020, nothing has been spent from the £500k Cyber Security funding allocated as part of the 2020 Government Plan. £380,000 has been identified as being available to return to support Covid-19 costs across Government, however, the Minister for EDTSC is seeking agreement with the Treasury Minister that the £380,000 can be used to fund the additional Covid-19 costs associated with Jersey Heritage Trust (JHT). JHT have requested top-up funding of £1,275,000 to support falling demands associated with the ongoing Covid-19 travel restrictions.

36. The recruitment of a new team has been delayed, but we understand that it was hoped a Director would be recruited in late 2020. What progress has been made in this area?

Initial progress was strong with all Job Descriptions drafted and evaluated early in 2020 and a location identified for the CERT premises.

Recruitment was delayed due to lack of engagement and commitment from Guernsey in Q1 and then the advent of COVID where the decision was made by Jersey to pause the recruitment due to the pandemic.

Since restarting the process as a Jersey only CERT there has been strong progress. The States Employment Board approved the role of the CERT Director, specialist recruiters were appointed via a tender process and the search has commenced. The job advert went live on Monday 26th October.

37. Reductions in funding are modest. Please explain the effects of these reductions.

Reductions in funding relate to delays incurred in 2020 (largely due to COVID) as opposed to any reduction in work planned across the period of the Government Plan.

For example, the Island Wide Risk Assessment which with agreement with the Minister was paused in March 2020 and restarted in August. It is still due to complete by the end of 2020.

Likewise, the original timetable for the CERT aimed to recruit the CERT Director in 2020 and then initiate set up in the second half of 2020. The delays in the recruitment of the CERT Director (due to COVID and challenges with joint working) mean that some of the costs for 2020 will not be incurred. The budget for the CERT has been revised to ensure that it meets the budget allocated in the Government Plan.

Heritage, Arts & Culture - Status: Reduced

Funding identified in 2019	2020 £700,000	2021 £3,065,000	2022 £5,425,000	2023 £5,060,000	
Funding identified in 2020 ¹²		2021 £963,000	2022 £3,197,000	2023 £2,966,000	2024 £2,926,000

38. The development of a Heritage strategy and an Arts strategy has been ongoing for some time. What recent progress has been made on these two strategies? How close are they to completion?

The development of the Heritage Strategy is being led by Historic England in consultation with Jersey Heritage and the Government. Covid-19 has impacted the development, not least as Historic England have had their own issues dealing with the pandemic in the UK. Discussions with Historic England last month shows steady progress, but the UK's decision to shut down will obviously have an impact on receiving the first draft of the strategic government.

There has been a delay in selecting a preferred supplier to develop the Arts Strategy. It is anticipated that a preferred supplier will be appointed shortly. As this will be an external contract outside the Island, the target date for completion will be in 2021. As a significant part of the work will be around engagement, both participation and audience, this will take a significant amount of time to organise.

39. Will the effects of Covid-19 be acknowledged and included within both strategies given that Heritage, Arts and Culture has been hit particularly hard by the pandemic?

As both strategies will cover engagement, absolutely.

40. The 6-month report explains that these two strategic documents will be important for determining where additional funding for the sector ([P.40/2019](#)) will be best directed. The funding has been reduced quite considerably for 2021 (£963k from just over £3million) – is that due to the proposition (P.40/2019) requiring that a target of 1% of overall States revenue expenditure should be provided to the sector by 2022?

The Council of Ministers (COM) are committed to meeting P.40/2019 by 2022. However, due to pressures on the public finances arising from the COVID-19 pandemic, and the need to find budget savings where possible the 2021 CAH growth has been reduced from £3.065m (as per the proposed figures in the GP2020-23) to £963k. This reduction has been necessary in order to move money from 2021 to 2022 and beyond to meet the 1% target.

The composition of the £3.065m in the GP2020-23 was as follows: £1.7m for general Culture, Arts and Heritage funding plus £1.365m towards the capital investment to refurbish the Hospital Block and Officers' Quarters at Elizabeth Castle. This work had been double counted in the GP2020-23, both in revenue and capital. For the GP21-24, this has been removed from both areas and therefore the reduction is from £1.7m to £963k. Jèrriais is now included in the CAH funding bracket, and therefore adding this back in the reduction is £351k.

41. Given the severe impact of Covid-19 on the sector, why hasn't more funding been provided in 2021?

The Department will shortly be signing off on an addition £1.25m to JHT as a top-up grant to keep them as a going concern for 2020 in recognition of what services they provide for government and also the lack of income from tourists that contribute half of their total income. The Department will also be submitting business cases to the Fiscal stimulus Fund for various CAH projects including refurbishing the Opera House, Arts Centre, a new agricultural museum at Hamptonne which will run into many millions of pounds. A report will also be going to the COM shortly to purchase the Celtic Coin Hoard. In summary, the CAH sector will potentially be getting more than the original £3.065m earmarked for 2021.

42. What impact will the reduction have on the project? Have you spoken to representatives of the sector?

The Department is in regular contact with four CAH ALOs, and who will shortly be submitting their respective 2021 Business Plans for consideration by the EDTSC Ministerial Team. The Ministerial team, having considered their commitments to the CAH ALOs will then determine how best to distribute the remaining growth funding. 2021 will be very much another stabilisation year for the CAH ALOs, as well as considering the recommendations from the two strategies and begin rolling out the respective action plans.

43. How much of the funding identified for 2020 (£700k) has been spent?

All of the £700k was committed in 2019 for 2020. The vast majority of growth was used to stabilise the CAH ALOs with the remainder being used to fund the development of the two strategies.

Trade and Export function

Funding identified in 2019	2020 £0	2021 £169,000	2022 £187,000	2023 £195,000	
Funding identified in 2020 ¹³		2021 £0	2022 £0	2023 £0	2024 £0

44. There is no mention of this project in the 6-month report so we are unaware of the progress status. Can you explain?

At the time of the submission of this Government Plan bid, it was anticipated the a new Trade and Export function would be established within the economy team, which at the time sat within GHE. In addition, at that time, it was anticipated that GHE would take the lead on developing Jersey's trade policy.

These decisions were taken at a time of significant uncertainty and when the direction of travel in terms of Brexit and future trade relationships was extremely unclear. Subsequently, it was determined that the development of trade policy should be led by External Relations (ER) and they have now established a structure to deliver this function including dedicated officers and through the establishment of the cross-government Jersey-EU Trade and Partnership Group.

The subsequent restructuring of GHE, which has led to the consolidation of an economy team within the OCE, with a corresponding re-assessment of structural and functional needs, which has determined that the funds required for staffing and structural requirements anticipated at

the point of submission to the Government Plan are not required, as provision is now made in the new Sector Lead for Growth and Trade within the new Economy team structure.

Competition policy and the JCRA - Status: Partial deferral

Funding identified in 2019	2020 £200,000	2021 £250,000	2022 £270,000	2023 £270,000	
Funding identified in 2020 ¹⁴		2021 £250,000	2022 £270,000	2023 £270,000	2024 £270,000

45. We understand the purpose of the project in last year’s Government Pan was to meet the Oxera recommendation of a Court and Case Costs Reserve and improve the JCRA’s capability and capacity to supervise markets. How much progress had been made in these areas since the decision to demerge CICRA was made?

Original Business Case:

- The Business Case refers to various reviews of the Jersey Competition Regulatory Authority (JCRA) which have identified a need to establish a sustainable litigation funding for the authority.
- The additional investment required will enable £100,000 per year to be paid into the Court and Case Costs Reserve of the States. This would fulfil a recommendation made by Oxera that the JCRA should have greater certainty of funding against the risk that one of its decisions is appealed.

Court and Case Costs Reserve

Oxera recognised that it is important that the JCRA has more certainty over funding, particularly for appeals.

Prior to the decision to unwind CICRA, Treasury and Exchequer (in the 2019 End of Year Report) confirmed that the Court and Case Costs arrangement should be extended to court and case costs of the JCRA. Through transferring funding from the Office of the Chief Executive budget, a contribution to the smoothing reserve is made for the JCRA and, as a result, the Authority will be able to access it in future years.

In the first months following the separation of CICRA, the Department has focussed on reconstituting the JCRA as an insular body under its own Board, Chief Executive and staff. A new Chair, two new Non-Executive Directors and an interim Chief Executive have been appointed to enable the JCRA to better focus on the consumer matters that impact people in Jersey. As is indicated below, JCRA is now also making progress on its market studies programme.

In relation to the Court and Case Costs Reserve, the governance around the management of the Reserve is currently being formalised by Treasury with its own section in the Public Finances Manual. In respect of the JCRA’s admittance to the Court and Case Costs arrangement, an MoU (or Agreement) between the Law Officers’ Department and Treasury is needed to govern the JCRA’s access. Putting an MoU in place that deals with access to the Reserve by the JCRA is a priority for the Department in the upcoming period.

In this context it is also important to note that, as a requirement of the new section in the Public Finances Manual, a representative of the Office of the Chief Executive will sit on the Court and Case Costs Review Group to discuss C&CC forecasts and other related matters.

Improved capability and capacity to supervise markets

The purpose of the funding included in the Government Plan 2020-23 is also to enable the JCRA to increase its capacity to supervise competition. It is recognised that there is an important role for the JCRA to play in supervising the functioning of markets outside of a breach of the Competition (Jersey) Law 2005. The Government expects the Authority to work on competition issues in support of States objectives around the inflation strategy and considers the Authority has an important role to play when Jersey begins to emerge from the COVID pandemic.

The JCRA is making good progress on its market studies programme. It has recently updated its website, signalling its approach to market studies, with guidelines to be published early next year. Department Officials also met with the JCRA in early October and the Authority provided a verbal update on the work that has been undertaken to develop the market studies area of the business. The JCRA has developed a systematic approach that Government has been asking for. The Authority has considered around 50 potential markets for a study which has been narrowed down to 20 for more detailed consideration. The JCRA is now in the process of refining a shortlist of a few candidate markets to be reviewed in the context of a market study.

46. How much of the funding identified for 2020 (£200k) has been spent?

Court and Case Costs Reserve

In respect of the £100,000 to be transferred into the Court and Case Costs Reserve, this will be done at the end of 2020 through a Ministerial Decision (to be signed by the Treasury and Resources Minister). It should however be noted that £100,000 for Court and Case Costs is not necessarily expenditure as a liability will only arise should the JCRA have one of its decisions appealed.

Improved capability and capacity to supervise markets

In respect of the £100,000 to increase the Authority's capacity and capability to supervise competition, it should firstly be noted that, in part, due to the Minister's decision to withdraw from the MoU between the JCRA and the GCRA, the JCRA has had to re-evaluate its competition objectives and work programme for 2020. However, as indicated, the JCRA has recently been making good progress on its market studies programme.

Following the demerger of CICRA, the JCRA has advised the Department that as a result of the additional costs associated with the demerger, the Authority will have a total deficit of £133,000 in 2020. Whilst the JCRA is able to mitigate this by applying up to £83,000 of deferred income, the Authority still requires an additional £50,000 of Government funding in 2020 to cover the extra costs arising from the decision to separate the Authorities. The additional amount required in 2020 is needed to cover the normal running costs of the Authority in Jersey and results from an increase in staff costs. No additional activity is included in this forecast.

A Ministerial Decision has been prepared (for the Treasury and Resources Minister to sign) to reallocate £50,000 (out of the £100,000) of Government Plan funding available in 2020, originally earmarked to increase the JCRA's capacity for supervising competition, for the purposes of reconstituting the JCRA following the decision to unwind CICRA. As a result, an amount of £50,000 of Government Plan funding to increase the Authority's capacity and capability to supervise competition remains available to the Authority in 2020.

It should furthermore be remarked that there has been a substantial increase in monthly costs since the demerger of CICRA on 1 July 2020. The Authority's competition expenditure in Q3 totalled £125,000, whereas in the first six months of the year the JCRA only spent £110,681

on competition. Whilst there were some one-off costs relating to the demerger (setting up website, recruitment etc.), it was always anticipated that the demerger would lead to an increase in overall costs. However, it is more important to have an Authority that is functioning as well as it can in supervising Jersey markets and, in doing so, offers the best outcome for Jersey consumers, businesses and the economy. This also ties in with the Minister's expectation that the newly set up insular JCRA will promote competition and consumer interests through a comprehensive programme of activity that would typically be delivered by a general competition authority. Having regard to the above, it is not anticipated that in future years there will be any significant underspend by the Authority.

47. The 6-month report says that funding for 2021-23 will be reviewed if funding is approved in the upcoming debate. How will the funding be reviewed?

The 6-month progress review provides that -
Following a decision by the Minister for Economic Development Tourism, Sport & Culture (MEDTSC) to re-establish primacy of a single Jersey Competition Regulatory Authority (JCRA), efforts in 2020 have focused on the build-out of that insular Authority. A new Chair and interim Chief Executive have been appointed. Growth funding intended for market reviews by the Authority have been re-purposed intra-year to support the implementation of the required JCRA resourcing. Funding for 2021-23 will be reviewed considering this decision.

It appears that the abovementioned review of funding relates to the decision to withdraw from the CICRA arrangement and the impact of this decision on the Authority's funding needs.

To deliver its programme of activity, the JCRA must ensure that it is appropriately resourced. By letter of 2 July, the JCRA advised that the cost of reconstituting the Authority as a Jersey-only body and ensuring that an appropriate number of staff (including an independent board) are in place to deliver its objectives, requires additional funding of £277,000 per annum. Having regard to the JCRA's financial forecast, a new bid for 2021-24 Government Plan funding has been submitted, which recognises the need for additional funding to set the JCRA up as an insular body under its own staff and Board.

The Government Plan 2021-24 proposes to allocate an additional £150,000 per annum, and the Department is carrying out work to identify how the remaining £127,000 can be funded out of departmental reprioritisations. However, if that is not possible, an additional funding mechanism may be required to ensure that the regulation of markets is optimised.

Capital Projects reviewed in 2019

Fort Regent (pre-feasibility) Status: Partial deferral

48. Can you provide an update on the plans for Fort Regent and the £2million which was allocated as part of the pre-feasibility vote. Progressive work at the fort is going to COM on 11th November.

Last year the States approved a Pre-Feasibility Funding allocation for in the 2020-23 Government Plan. Subsequently a team of leading experts, under the guidance of the Fort Regent Steering Group chaired by the Chief Minister, have developed a complimentary mix of uses which are both deliverable and sustainable.

Following the initial optioneering exercises a number of complimentary uses were identified as a long term solution to the Fort Regent development challenge. The potential mix of uses for more detailed consideration included:

- Multi-Purpose Venue
- Winter Gardens
- New external green spaces
- Casino
- Cinema/Bowling
- Food & Beverage
- Adventure Play Area
- New improved Access
- Residential

Critical Success Factors included;

- create a natural of facilities potentially anchored by a multi-purpose venue/conference centre
- ensure that the site can deliver on public amenity agenda
- delivers on overall government strategic priorities
- can support delivery of future tourism targets

Further refinement of the options has been carried out by sector experts; more information can be seen in Question 49 with how the money has been sent.

The proposals have been divided within phases and the first phase of development has been included in this plan. The overall ambition for Fort Regent is larger than that contained in this Government Plan and will need to be considered as part of a wider debate that includes the agreement of the vision, the impact on sporting facilities and the overall funding mechanism for the agreed scheme.

49. How much of the funding has been spent and on what?

It is anticipated that £117,000 from the £2m Pre-Feasibility Vote allocation for Fort Regent. This is allocated to project management and quantity surveyor support.

Note £330,055 has been spent on Business Advisory services including development management, economic, specialist property, leisure and event advice, placemaking support, design and commercial management services. This has been funded by SOJDC.

50. The Government Plan 2021 – 2024 identifies full cost funding of £4,800,000 for the early phase – is this in addition to the £2million identified last year? Please explain what this funding will be used for.

It is recognised that the Fort Regent project is a very large development and that delivery will be determined by market factors together with availability of both public and private resources. Notwithstanding current uncertainties regarding the pandemic there are key 'quick win' projects that can be taken forward that can provide both short term fiscal stimulus and new placemaking/interim uses for the Fort whilst the enabling work long term leisure mix of uses is being progressed. Interim uses include the creation of significant areas accessible green spaces outside rampart walls. Following strip out of asbestos and peripheral internal structures the creation of three very large event spaces under the existing roof.

An outline description of enabling and longer term project delivery works to be funded by budgets indicated in the Government Plan for 2021 are described below:

- Enabling/Interim Use Projects
 - The relocation of current activities out of the Fort to until either permanent alternative accommodation becomes available.
 - Design and survey work to prepare for Internal strip out (incl. asbestos) and demolition of internal structures to create three new large flexible use spaces. North of Queens Hall, Queens Hall and South of Queens Hall.
 - Create new accessible green space/park areas for community use. Including improve rampart areas, new gardens in the area on the old cable car station. New hard and soft landscaped garden/park area in the old 'crazy golf' area.
 - Develop events programme for new internal and external green spaces to enliven the Fort whilst Phase III works are being progressed.
 - Support work to a new pedestrian access route from Snow Hill area.
 - Develop events programme for future public/community use.
- Further work to progress to redevelop the Fort as a modern leisure destination including:
 - Develop Masterplan, and outline plans for initial developments, in consultation with public, to support and guide future development.
 - Develop delivery strategy to deliver the project.
- Note:
 - Feasibility of development at Snow Hill is being carried out by SOJDC. The development will include dedicated access lift(s) to the Fort complex. This development is being coordinated as part of the overall programme but delivered by SOJDC. As such the funding arrangements for this phase are out with the Gov Plan application.
 - An application to the Fiscal Stimulus Programme is to be submitted to fund the asbestos strip out and internal works in 2021.

Island Sports facilities, inspiring places - Status: Partial deferral

51. Can you provide an update on the plans for Island Sports Facilities and the £700k which was allocated as part of the pre-feasibility vote.

Knight Kavanagh & Page (KKP) have completed a draft Sports Facility Feasibility Study. This is the high-level feasibility study on the development of community sports hubs and island stadium options for the Island of Jersey. It considers potential investment requirements over the next 5-10 years and has been commissioned by the Government of Jersey and developed in partnership with key stakeholders involved in the development and delivery of community

sport and physical activity on the Island. A recommendation to publish the report is planned to go to Council of Ministers in November 2020. Whilst the sum of £700k was identified within “pre-feasibility” in the Government Plan 2021-2023, at the time of responding, none of this sum has yet been drawn down. A proposal to draw down £206k in 2020 is under consideration in order to release this funding to the department.

52. How much of the funding has been spent and on what?

£80,450 has been spent so far (in 2019) on KKP fees in relation to the above. As none of the 2020 pre-feasibility funding has yet been released, none of this specific funding has yet been spent, although we expect to do so prior to year end.

53. We were concerned last year about the duplicative nature of the Fort Regent project and this project, particularly if the fort is going to be earmarked for sports use. Why haven't these two projects been merged? Is there a reason they are still working in isolation?

These two projects are closely coordinated. At a political level the Minister for Sport and the Assistant Minister for Infrastructure sit on both projects political oversight groups. At officer level the SRO for both projects is the Acting Director General for IHE. The project lead for Fort Regent together with the Director for Partnerships also sit on both Project Team Boards.

54. The Government Plan 2021 – 2024 identifies £200k for 2021 - 2024 – is this in addition to the £700k identified last year?

The rebalancing exercise undertaken mid-2020 identified that the £700k pre-feasibility was unlikely to be fully spent in 2020 and proposed re-profiling the sum as £500k in 2020 and £200k in 2021. Note it is now anticipated that total expenditure for this year will be £206k.

	Department	CSP	2021 (£000)	2022 (£000)	2023 (£000)	2024 (£000)	Total 2021-2024 (£000)
Central Planning Reserves	T&E		3,700	450	-	-	4,150
Jersey Instrumental Music Service Premises		1	100	-	-	-	100
VCP Replacement School		1	150	-	-	-	150
North of St. Helier Youth Centre		1	350	-	-	-	350
Le Squez Youth Centre/Community Hubs		1	250	-	-	-	250
Rouge Bouillon site review		1	50	-	-	-	50
Mont a l'Abbe secondary school		1	-	250	-	-	250
Review of Greenfields		1	100	-	-	-	100
Piquet House - Family Court		1	150	-	-	-	150
Further Education Campus		3	150	150	-	-	300
Fort Regent		3	1,800	-	-	-	1,800
Learning Difficulties - Specialist Accommodation		2	100	50	-	-	150
Island Sports Facilities, Inspiring Places		3	200	-	-	-	200
Infrastructure Funding		014	300	-	-	-	300

New Skate Park - Status: Partial deferral

55. Can you provide us with an update on this project and the progress made with it?

Following the approval of funding through the Government Plan 2020 – 2023 at the beginning of 2020, a specialist skatepark designer and planning consultant were procured and appointed. A concept design for the main facility has been developed and the supporting planning application documents have been prepared in draft.

The concept design has been based on consultation with children, young people and the skatepark community undertaken as part of the Social Case Report published at the end of 2018. The Jersey Skateparks Association have also had input and been consulted with throughout the development of the concept design. Ground investigation and ecological impact assessment are complete. Presentation and consultation materials describing the concept design are to be prepared to show the concept design of the wider skatepark community and other key stakeholders prior to the submission of the planning application.

Ideas for island wide satellite facilities that form part of the overall solution to providing accessible facilities have been developed and the Parish of St Helier have been consulted with. The design of the satellite facilities will be progressed in 2021.

It is proposed to submit the planning application for the main facility before the end of the year. The concept design will then be developed and finalised through consultation with the skatepark community. It is planned to commence construction procurement in Q2 2021. Construction is planned to commence in May 2021, subject to planning approval, and be complete in October.

56. The 6-month report says that the pandemic has marginally delayed the start of the design process. What is meant by a marginal delay?

The project has been delayed by approximately 2 months.

57. Are you still on track to submit a planning application by the end of 2020?

The current plan is to submit a planning application before the end of 2020.

58. Are you consulting regularly with the Jersey Skatepark Association?

We have an excellent relationship with the Jersey Skateparks Association. We consult with them regularly and involve them at all key points and in key decisions.

59. How much of the funding identified for 2020 (£250k) has been spent?

The funding for 2020 was reduced by £150,000 to £100,000 as a result of the COVID-19 pandemic. The 2020 budget of £100,000 has been spent. The £150,000 reduction was deferred to 2021, increasing the 2021 budget from £535,000 in the 2020 – 2023 Government Plan to £685,000 in the 2021 – 2024 Government Plan. The total funding of £785,000 has not changed.

Actions reviewed in 2019:

Further investment in Sports Facilities **Partial deferral**

60. Can you provide us with an update of this action? £100k of capital has been allocated here.

The funding was spent on two projects to make improvements and enhancements at FB Fields and Les Quennevais Sport's Centre.

61. How was the status of "partial deferral" identified? What effect will the deferral have on the project?

Very little effect on the Project.

62. How does this action fit with the other sports related projects?

This was a small capital project. These improvements and enhancements are linked to the wider Sporting Estate which is will see further capital investments in 2021 across multiple sites.