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Deputy Inna Gardiner
Chair of the Public Accounts Committee

By Email

3rd December 2021

Dear Deputy Gardiner

RE: PAC Review of the Government of Jersey's Response to the COVID-19 Pandemic

Thank you for your letter of 5 November 2021 introducing the Committee Review and setting out an initial question framework.

We are pleased to enclose a Departmental response to the Committee's questions and would be happy to explore these further with you as needed. In the meantime, do let us know if any points of clarification or additional detail are required.

Yours sincerely,



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Response to PAC letter to Director General Economy – Covid response – 5th November 2021 – response due 3rd December 2021

Question	Response
<p>1. How did your responsibilities as Director General of your department change during the COVID-19 Pandemic? What new responsibilities did you take on and what responsibilities did you hand over to other officers?</p> <p>a. How was this tracked?</p> <p>b. What new responsibilities did your department take on and what responsibilities did you hand over to other departments? How were these tracked?</p> <p>c. How did you work with other departments and key stakeholders to identify new areas of work to mitigate the impact of the pandemic?</p>	<p>I did not take on any formal additional responsibilities nor did I hand responsibilities over to other colleagues. I was, of course, involved in leading and forming GoJ economic response to the pandemic although I would see this as being aligned to core responsibilities albeit in a somewhat different external environment.</p> <p>b. Economy (within Office of the Chief Executive) took on the responsibility for development and administration of various COVID business support packages. Increased priority was placed on certain financial operations to support the island. Our focus changed to the most relevant matters: paying individuals and suppliers promptly, working on the business cases, policy and/or operational aspect of various support schemes e.g. BDLGS, CFPS, VAES, VASS, FCSS, VCHSS, Blue Islands lending.</p> <p>c. work with T&E and CLS and COO (procurement) on business support as part of a OneGov approach to being collectively better together. Each working group ensured a good representation from each department to ensure business continuity and appropriate skills and experience.</p>
<p>2. We know there has been a huge impact of COVID-19 response measures on departmental business as usual activities, including the secondment of Government staff to other departments to aid the response effort. Do you have a 'back-to-normal' recovery plan for your department?</p> <p>a. In respect of the secondment of Government staff to other departments to aid the response effort, how did you ensure disruptions to certain workstreams were prioritised in an objective and consistent way?</p> <p>b. What would you do differently next time?</p>	<p>The Department for the Economy played a pivotal role supporting colleagues across Government:</p> <ul style="list-style-type: none"> • providing enhanced services to local SMEs (through increased grant funding to Jersey Business Limited) • devising new schemes and projects in response • contributed to the development of financial measures to assist various businesses (such as the CoFunded Payroll Scheme, FCSS, VASS), <p>In some cases these projects have taken up a substantial proportion of their time and so delayed work on other projects and BAU activities. However, colleagues worked at pace and supported each other to ensure that our 20/21 business plan progressed largely in line with expectations. We were able to deliver the ToM in November 2020.</p>

	<p>Throughout COVID, the department needed to consider which key workstreams needed to be prioritised despite reduced capacity with some officers concentrating on the response effort for the majority of their week. At the start of the pandemic, Economy Departmental Leadership Team and other key officers reviewed Business Continuity Plans to include essential activity and conducted stop, start, continue analysis of all projects to determine what needed to be reprioritised. It was decided to stop the work to progress the 'Future Economy Directorate' aspect of the ToM and there was considerable delay in the progress of the CERT workstream.</p> <ul style="list-style-type: none"> a. Ministers were regularly appraised of departmental pressures through weekly Ministerial meetings and this helped to develop a shared understanding of priorities. A number of colleagues stepped-up to take on additional responsibility for short periods e.g. designing the early iterations of the Co-Funded Payroll Scheme and this additional contribution of time and energy was greatly appreciated by leadership and the business community that we serve. b. It's clearly not possible to resource the team for the eventuality of a pandemic or other emergency. Ensuring colleagues are prepared in other ways is a key objective moving forwards e.g. in emergency planning exercises, business continuity planning, cross-skilling etc.
<p>3. How have you monitored the effects of the COVID-19 Pandemic on departmental business as usual activities and the disruptions to it?</p> <ul style="list-style-type: none"> a. What tools were developed by your departments to monitor this? b. How do you minimise the impact on services and key deliveries? c. What decision making tools/approach did you use to decide on who should be seconded, and to where? d. How did you compensate for staff seconded to other departments to aid the response effort? 	<ul style="list-style-type: none"> a. Weekly meetings of the Department Leadership Team (Tier 1 & 2) are held to advance business decisions beyond individual sign-offs and share information cross-department. Similar meetings take place involving Tiers 3 and beyond. Weekly Ministerial meetings provide a structured opportunity to escalate matters, discuss business delivery and add, remove or re-schedule priorities as needed. Good communication proved essential to ensure all areas of the department were up to speed with key activities and requirements. Office 365 tools e.g. Teams were also used to communicate at pace, work collaboratively and ensure that all colleagues had access to role relevant information. In its most acute form, this was addressed through Business Continuity Plans and steps the Department had already taken to facilitate options for remote working. The more

	<p>general position was through regular communication internally (as described above) and regular dialogue with broader stakeholders including arms length organisations and trade bodies.</p> <p>Longer-term initiatives have been tracked through PERFORM, our corporate tool for GoJ.</p> <p>We also participated in Emergency Planning groups such as the Strategic Co-ordination Group (and underlying Cells e.g. Scientific & Technical Advisory Cell as needed). Calls for support were generally co-ordinated from the Strategic Co-Ordination Group and tactical cells. Given the modest size of our Department and the critical roles expected of us, it was not possible to support the larger corporate resourcing of areas such as track and trace. The corporate matrix was used to assess staff who were business critical to T&E and those that could be released. We were playing a key role in assessing CV19 response, implications, funding and then monitoring programmes of work.</p> <p>The department continues to use the corporate Perform tool to monitor projects, the corporate risk register to monitor risks and submitted the 2021 mid-year report to monitor progress.</p> <p>b. Tier 3 and 4 managers were key to ensuring that business as usual activities were monitored and any potential issues escalated to the senior leaders within the department. Colleagues were still supporting numerous ALOs whilst ensuring that the focus shifted to their organisation response rather than the future growth and business planning of the organisation.</p> <p>c. The department was carrying quite a large number of vacancies at the time which impacted our ability to release staff at a time when the department was also leading the business response. Our secondee to SPPP was matched by a secondee into Economy from SPPP.</p> <p>d. Not applicable</p>
<p>4. Was any departmental authority changed during the Pandemic, including as a result of crisis</p>	<p>No departmental authorities were changed during the Pandemic.</p> <p>The financial resources available to the Minister for Economic Development, Tourism, Sport</p>

<p>management efforts, and if so, were they consistent with existing laws and regulations?</p>	<p>& Culture increased (and therefore also to my resources as Accountable Officer) in 2020 to facilitate launch of business support measures.</p> <p>The Government Plan 2021 –24 extended those financial resources in the sum of £15m, £12m and £12m in each of 2021, 2022 and 2023 respectively. Access to those funds required approval of separately constituted Economic Recovery Political Oversight Group that was created under Ministerial Decision (MD-C-2020-0038).</p>
<p>5. Who is responsible for monitoring the performance of services established in response to the COVID-19 Pandemic within your department?</p> <p>a. What and how have you documented lessons learnt?</p> <p>b. How do you intend to incorporate lessons learned from the performance of these services into the wider performance of your department?</p>	<p>The Department has been involved in a broad range of matters around the COVID-19 pandemic although principally, the provision of business support measures. Those measures were each subject to business case analysis with scheme objectives set out for each. Whilst those objectives are broadly being delivered, more robust analysis will follow as we move more fully into economic recovery.</p> <p>a. The Head of Business Management and Governance in my department is responsible for monitoring the performance of the business support packages established in response to the COVID-19 Pandemic that operationally sit within my department. I am accountable for the success of these schemes. Learning points are captured and shared within the leadership team for consideration in future scheme evolutions and / or wider policy and support activity.</p> <p>b. Each project group (e.g. Fixed Costs Support Scheme) has a documented lessons learnt summary for internal use. As a new scheme was developed at pace, we were generally able to quickly implement the lessons into the next scheme. These documents continue to be updated in light of recent Comptroller & Auditor General reviews and department instigated audits. Business Continuity lessons have been captured throughout by Business Continuity leads and have been fed back to the central Business Continuity team. The Comptroller & Auditor General recently published reports on those business support schemes as well as post-payment audits are covered within those recommendations.</p>

	<p>Schemes are due to cease in March 2022, at which time I will instruct a review of original business case objectives for each scheme to be conducted by the Chief Economic Advisor. The output can be shared with PAC during 2022.</p>
<p>6. How were self-assessment frameworks and Key Performance Indicators used to ensure that key services continued to operate?</p> <p>a. What worked well?</p> <p>b. What would you do differently?</p>	<p>a. We report progress as per the Jersey Performance Framework. We reported progress in the mid-year review. Departmental goals have a golden thread with colleague MCMG that are discussed quarterly with colleagues and their line manager.</p> <p>As Director General I allocated a small number of my department to work on COVID response workstreams. This ensured business continuity for BAU and provided Ministers and other senior officials across government with a clear 'COVID' team with whom to direct queries.</p> <p>Being flexible in our processes and working closely within our department and across government to provide a united response and support to the island worked well. The experience gained through the pandemic and recent flexible working pilot within the department has enabled us to consider and increase the number of roles and tasks can be done effectively from home. This will enable us to work differently and more flexibly in future and, in doing so, supporting the employer's People Strategy.</p> <p>b. The details of our response measures were often communicated within wider Ministerial briefings on current status of pandemic response. This sometimes led to the messaging being lost amidst a wide-ranging briefing. Consideration would be given towards separate economic response briefings targeted more specifically at the business community and delivered consistently with external stakeholders e.g. Chamber of Commerce. Whilst a number of these briefings took place, they were a little more ad-hoc rather than consistently timetabled.</p>
<p>7. What role did your respective Ministers play in deciding on resource and staff reallocations? What level of consultation was provided to them?</p> <p>a. What level of responsibility as the head of your department did you have on how staff should be</p>	<p>The Minister for Economic Development Tourism, Sport & Culture (and his Ministerial team) supported the resourcing challenges placed upon the Department through re-prioritisation of current initiatives and support to secure political approval and additional financial resources.</p> <p>As stated earlier, the Ministerial team was updated through weekly meetings and through a</p>

<p>reallocated and what resources could be taken from your departments and applied to the COVID-19 responses? How was this decision making formalised?</p>	<p>range of other settings e.g. Competent Authorities Ministerial meetings.</p> <p>An Economic Recovery Political Oversight group was set up to ensure transparency, challenge and wider political approval of all Economic Recovery funding allocations. The Minister required colleagues in my department to prioritise their workload into the business cases and scheme guidelines to ensure that all schemes were delivered at pace.</p> <p>a. I was able to redeploy resources from the Financial Services sector team to lead or otherwise contribute to work on business support measures. For example, the banking sector lead took on responsibility for development, approval and delivery of the Business Disruption Loan Guarantee Scheme. Not only was this a first such scheme for Jersey, the scheme was launched within days of a similar UK scheme and served as the template for near identical schemes subsequently provided in Guernsey, Isle of Man and Gibraltar.</p> <p>Another colleague from the Financial Crime team took on the responsibility for further design and delivery of the Co-Funded Payroll Scheme following initial scoping within the department.</p> <p>Department colleagues also re-focussed their current portfolio responsibilities to take account of pandemic impact. One example here is within the Digital Economy team where colleagues delivered a voucher scheme to support access to telecoms from low-income households during a period when there was greater need for home-working and / or home-learning activity with the potential to exacerbate a 'digital divide' within our community.</p> <p>I should record my pride at the way colleagues across the department re-oriented to the challenges of the pandemic and delivered a range of solutions that were of significant economic, social and community benefit.</p> <p>Throughout the pandemic my Department Leadership Team have been visible as 'essential employees' and on hand to support Ministers and colleagues with the incremental workload, re-prioritisation and critical tasks, including those within our Business Continuity Plans.</p>
<p>8. Can you update us on how your department has responded to the recommendations made by the</p>	<p>The Department for the Economy has a very good process of constructive dialogue with the C&AG on her review at all stages – scoping, fieldwork and reporting. This has led to</p>

C&AG on the response to the COVID-19 Pandemic?
Have any recommendations been implemented?
a. Have any changes made to the operations or working practices?

recommendations that are fully understood, and which can largely be accepted and implemented – thus driving continuous improvement.

At the date of preparing this response the C&AG had issued the following Covid-related reports. Numbers in brackets indicate the number of recommendations wholly or partly for the Department for the Economy.

- [COVID-19 Related Emergency Support Scheme](#) (1 – R2)
- [Overall Management of Public Finances during the COVID-19 pandemic](#) (0)
- [Management of the Healthcare Response to the COVID-19 pandemic](#) (0)
- [Procurement and Supply Chain Management during the COVID-19 pandemic](#) (1 – R2)
- [Government support to businesses during the COVID-19 pandemic – Co-Funded Payroll Scheme – report](#) (0)
- [Government support to businesses during the COVID-19 pandemic – Other Schemes – report](#) (6)

Amongst recommendations already implemented are:

- Ensure that exemption and breach documentation and logs are accurate and complete in respect of all departures from the Public Finances Manual.

Amongst recommendations already underway:

- Prioritise the completion of FCSS post payment claims testing and recovery of overclaims.
- Prioritise the completion of VASS post payment claims testing and recovery of overclaims.

Subject to all schemes ceasing in March 2022, I see no reason why all C&AG recommendations regarding the response to the COVID-19 Pandemic within my area will not be closed and implemented before the end of 2022.

	<p>a. I intend to ensure that a project closure report will be prepared in order to assess each COVID business support scheme's success and formally provide notice of project closure. Each project closure report will include:</p> <ul style="list-style-type: none"> • details of scheme success criteria or an evaluation against them • the main reasons for rejection of unsuccessful claims • a breakdown of fraudulent claims or claims made in error • where applicable, cross-reference to letter of instruction concerns, whether those concerns prevailed and if so, to what extent • reasons for overpayments, or percentage of overpayments in relation to total payments (as checking procedures were still ongoing after the closure report was produced); and • the cost and level of resources required to develop and administer the scheme.
<p>9. What thought has been given to 'future proofing' services?</p>	<p>The Department for the Economy is developing our Workforce Plan with help from People & Corporate Services. This will enable us to resource and capacity plan in the department for projects contained within the Department Operational Business Plan (DOBP). The Workforce Plan will also look to succession planning and consider where certain skills are in shorter supply and need to be developed in specific teams or individuals.</p> <p>The DOBP aims to consider not only departmental pressures and priorities but also emerging requirements and risks from the wider organisation, economy and the Island / globally.</p> <p>Our ToM was designed, consulted upon and implemented in November 2020. It may be necessary to adapt the initial ToM to ensure that we are 'future proofing' services and continuing to serve our stakeholders in the most appropriate way. It's important to note that organisational change must be a constant that reflects the dynamics of our operating environment rather than something just driven by periodic leadership change.</p>
<p>10. How did you work with Commercial Services to understand your department's procurement needs during the pandemic?</p>	<p>During the pandemic we worked closely with colleagues in Commercial Services to ensure that we were gaining their input into COVID business support schemes in line with the PFM. The interim Head of Commercial was a regular participant in various business support scheme working groups.</p>

	<p>As Director General I ensure that I have a sound understanding of the responsibilities placed on me with regard to adhering to the PFM and the PFL in order to guide regularity and high level principles and requirements for financial management whilst ensuring propriety. My senior team are equally cognisant of my responsibilities and my Head of Business Management and Governance provides an additional layer of internal control to departmental processes.</p> <p>Where appropriate or necessary we also sought exemptions to procurement guidelines where required.</p>
<p>11. How have you measured, monitored, and reported on your performance, financial management (including value for money and cost benefit analyses) and impact on work programmes during the Covid-19 pandemic? What 3 things could be improved?</p>	<p>In its broadest sense, performance and financial management has been reported through the conventional corporate reporting methods of Annual Report & Accounts and Department Operational Business Plan updates. Beyond this public reporting, corporate performance and project management tools are consistently utilised e.g. Perform, My Conversation My Goals etc.</p> <p>The timeliness and effectiveness of business support measures received regular feedback from trade bodies and the business community at large. This has to be considered carefully in a policy development context vs economic advice and obligations to meet economy, efficiency and effectiveness thresholds in what we do.</p> <p>Format of reporting developed as a corporate template to review and assess the budgetary impact of COVID-19 against the COVID-19 business unit, which was tracked each month in terms of actual spend and forecast. Similarly, each business support scheme in my area had a monthly review of expenditure against forecast. Information on business support budgets and uptake of schemes was regularly shared with the Minister. Given the uncertainty of timescales and COVID-19 measures, forecast assumptions were considered in terms of scenarios – e.g. 3 months or 6 months until public protection measures were removed.</p> <p>Scheme reviews are pending and indeed, some schemes are still operational until March 2022. A ‘lessons learned’ summary will be produced upon completion of those reviews.</p>

12. What would you do to improve how your department communicated with the rest of the Government of Jersey and external stakeholders?

Within Government, I ensured that my senior team were available to advise, support and communicate the outcomes of decision-making groups. For example, STAC was attended by the Chief Economic Advisor, SCG was attended by the Group Director, ELT was attended by me and I also attended various Competent Authority Ministers, Emergencies Council and Council of Ministers meetings as needed.

Economy (which at the time was part of the Office of the Chief Executive) collaborated and communicated frequently with colleagues in CLS and T&E to support the Government response to COVID. Internally, my department also communicated to the Corporate Project Management Office on project performance in Perform, progress against Departmental Business Plan targets covered as part of colleague My Conversation My Goals, my monthly 1:1 with the CEO and weekly Ministerial meetings.

The primary focus of departmental communication with external stakeholders was the support packages that were established during the pandemic. There was early engagement, particularly with industry representative bodies, although many of the forums were ad hoc. One way in which communication could have been improved was by holding more formalised and regular engagement forums with business organisations. That, however, would have required greater resource than was available during the pandemic.

Our engagement with industry bodies such as the Chamber of Commerce and Jersey Hospitality Association enabled us to answer and spoke regularly to various sectors to support them in their individual needs during the pandemic, including webinar participation. Subsequently, Safer Jersey briefings became established as a weekly forum for industry organisations to receive updates.

A communications challenge that arose during the period was the breaching of confidence by external agencies. Information on support packages was shared in confidence with representative bodies early in the formulation of the policy. Given the stress that the pandemic caused for businesses, both about COVID-19 itself and about the continuity of their business, it is perhaps understandable that details of those support packages were shared more widely before Government had a chance to announce them publicly. To improve the situation, we would consider ways of reducing the risk of information being

shared widely by external agencies while enabling them to provide feedback on policy which was in formulation.

Access to support packages was delivered via applications which were through the relevant sections of gov.je regarding [government support for businesses](#). This worked effectively, although some applications were necessarily complex and, given more time and resource, could have been simplified from the outset.

The work of the Department was also communicated regularly through the COVID-19 press briefings undertaken by Ministers, and through media releases on support packages. Social media was also used to promote them.