

# STATES OF JERSEY

## Corporate Services Scrutiny Panel Economic Stimulus Package

**TUESDAY, 15th DECEMBER 2009**

**Panel:**

Senator S.C. Ferguson (Chairman)  
Connétable D.J. Murphy of Grouville  
Deputy T.A. Vallois of St. Saviour  
Deputy M.R. Higgins of St. Helier

**Witnesses:**

Senator A.J.H. Maclean (Minister for Economic Development)  
Mr. A. Sugden (Deputy Chief Executive, Economic Development)  
Mr. C. Kelleher (Strategic Policy Manager, Economic Development)

**In attendance:**

Mr. M. Robbins (Scrutiny Officer)

**Senator S.C. Ferguson (Chairman):**

Welcome to this meeting of the Corporate Services Scrutiny Panel, talking about the educational aspect of the economic stimulus and the various courses. Yes, you have the health warning there. Have you seen it, Chris? If you could just, please, announce your name and title so the ladies who are transcribing it have an idea who everybody is

**Senator A.J.H. Maclean (Minister for Economic Development):**

Senator Alan Maclean, Minister for Economic Development.

**Mr. A. Sugden (Deputy Chief Executive, Economic Development):**

Andrew Sugden, Deputy Chief Executive from Economic Development.

**Mr. C. Kelleher (Strategic Policy Manager, Economic Development):**

Chris Kelleher from Economic Development.

**Connétable D.J. Murphy of Grouville:**

Dan Murphy, Constable of Grouville.

**Senator S.C. Ferguson:**

Sarah Ferguson, Chairman of the Panel.

**Deputy T.A. Vallois of St. Saviour:**

Tracy Vallois, Deputy of St. Saviour.

**Deputy M.R. Higgins of St. Helier:**  
Mike Higgins, Deputy for St. Helier

**Mr. M. Robbins (Scrutiny Officer):**  
Mick Robbins, Scrutiny Officer.

**Senator S.C. Ferguson:**  
Super, I will begin. How are your bids coming along?

**Senator A.J.H. Maclean:**  
I think they have been coming along very well. You are referring specifically to those relating to apprentices, training and so on?

**Senator S.C. Ferguson:**  
Yes, and the graduates and all these wonderful things that are being done; well, these things that are being done for people.

**Deputy T.A. Vallois:**  
Skills and training.

**Senator S.C. Ferguson:**  
Skills and training, yes.

**Senator A.J.H. Maclean:**  
We have so far 9 apprentices in post. There are 7 trainees in post and there are a further 2 starting in January. There is going to be some re-advertising for 3 additional training posts to be filled.

**Senator S.C. Ferguson:**  
Now, that is interesting. You have not had a great demand for apprenticeships then?

**Senator A.J.H. Maclean:**  
I think there has been a reasonable demand, but perhaps we would hope that there would be additional demand as we move forward.

**Senator S.C. Ferguson:**  
Yes. One of the things about the projects and so on is we have sums of money from E.D.D. (Economic Development Department) and then we have sums of money from Education, and they do not quite all reconcile. Have you done any work on this or worked out whether your department is using money perhaps to administer?

**Senator A.J.H. Maclean:**  
When you say sums of money from different departments, what are you referring to in particular?

**Senator S.C. Ferguson:**  
We start, for instance, with Advance to Work. Now, the Advance to Work from the original programme is something like £2.6 million. At the moment, the Advance to

Work from your department is £1.8 million. Where has the difference gone, or have you tied up all these figures? We cannot audit the figures all the way through.

**Senator A.J.H. Maclean:**

Some of it has been approved. Some of it is on amber light, some of it on green light. I do not know, Andrew, if you can break down...

**Mr. A. Sugden (Deputy Chief Executive, Economic Development):**

The £1.8 million figure I do not understand, because we are not receiving from Advance to Work. Advance to Work is sponsored by E.S.C (Education, Sport and Culture) and we are only involved through our connections through the Skills Executive and Skills Jersey Board.

**Senator S.C. Ferguson:**

But the Minister wrote to ...

**Deputy T.A. Vallois:**

You are receiving monies through for the States apprenticeship scheme though.

**Mr. A. Sugden:**

That is one of our schemes. We are running and managing the scheme. We have received funding for that.

**Deputy T.A. Vallois:**

Does that come directly from Treasury or does that go via Education's budget for skills and training?

**Mr. A. Sugden:**

No, that will come directly to us and then we will engage with Highlands to provide the training for that. The rest is made up then on salaries of the trainees.

**Deputy T.A. Vallois:**

So the amount that is quoted there is for 21 new apprentices?

**Mr. A. Sugden:**

That is correct, when they are all in post. At the moment, we are staging the States trainees, the business administration trainees. There are 21 places altogether, but as I have said, 9 have been filled. I think what you may find is that while the money has been given the green light, so for example, we have been allocated £1.48 million for the Jersey Enterprise Scheme and its activities, we have only physically received £500,000. We go back and ask for the rest when we submit a final report of how we spent the first £500,000 and how effective we have been in spending that money.

**Senator S.C. Ferguson:**

Yes. What I am going from is the update from the fiscal stimulus programme manager and the letter which the Minister wrote, a copy of which was sent to us, but which was written to Alan Breckon's panel in August, which is the only figure we have that we are going on. Anyway, it is something I would appreciate if you could look into it and come back to us with the figures, because it is quite difficult to sort of

say: "Well, this is what is on the programme; this is what you have got in your paperwork." We cannot see how the 2 fit together.

**Mr. A. Sugden:**

I will certainly look into the figures for you, yes.

**Senator S.C. Ferguson:**

There is no audit trail.

**Senator A.J.H. Maclean:**

The differential between the 2 figures, could you just remind me of what you just said then?

**Senator S.C. Ferguson:**

The figures that Anne Homer is producing from the programme as at 7th December, and how you are going to spend it and so on.

**Senator A.J.H. Maclean:**

Yes.

**Senator S.C. Ferguson:**

What involvement do you have with the extra courses being run at Highlands?

**Senator A.J.H. Maclean:**

Well, our involvement is fairly limited. There is the 12-trainee business diploma, administration diploma courses, the places that we were involved in, but that is about the limit to our involvement. Mostly, it falls under E.S.C.

**Senator S.C. Ferguson:**

Yes. That is not a new course?

**Mr. C. Kelleher:**

Yes, it is.

**Senator A.J.H. Maclean:**

Yes, they are.

**Mr. A. Sugden:**

These are the States apprenticeships for the business administration focus, rather than vocational training.

**Deputy M.R. Higgins:**

Does it equate to any particular educational qualification, a B.T.E.C. (Business and Technology Education Council)?

**Mr. C. Kelleher:**

A diploma.

**Deputy M.R. Higgins:**

It is at diploma level, is it?

**Mr. C. Kelleher:**

At diploma level.

**Deputy M.R. Higgins:**

Is it accredited as well?

**Mr. C. Kelleher:**

Yes.

**Deputy M.R. Higgins:**

So this is a new course to Highlands that was not there before?

**Mr. C. Kelleher:**

It was there up until 2000, when the funding was taken away for training. It used to be called States secretarial training course. Funding was stopped from doing that, but we have relaunched it this year.

**Deputy T.A. Vallois:**

How do those courses fit in with the capacity within the workforce in the Island going forward?

**Senator A.J.H. Maclean:**

I think it is fair that there has been an identified shortage of business administrators and so that should fit into a demand within the economy for that particular activity. So we are fairly confident that it is a good course that will have an end result to it in the workplace.

**Deputy T.A. Vallois:**

Comparing that to the amount of people that are currently unemployed under the certain industries that Social Security have managed to take by sector - obviously they do not have everyone - but I would imagine there are already people out there that already have skills in business administration. What I am saying is the capacity, whether you can see that going forward?

**Senator A.J.H. Maclean:**

There seems to be a shortage at the moment, notwithstanding people that may well be losing their jobs and had those necessary skills, but the course was partly designed on the basis that there was a shortage identified.

**Senator S.C. Ferguson:**

What is a business administrator, in half an hour? I am sorry, we should sort of work through ... I should have said before, we do not have a lot of time, if we could be fairly brief. But I am sorry, we talk about business administrators, is that somebody who can do the bookkeeping and run the telephone?

**Mr. C. Kelleher:**

It is a whole host of things because each department can have a different use for a different business administrator, so the idea is to try and have a generic qualification which can cover you from doing administrative roles of minute-taking, of keeping

people's electronic diaries up to speed, to touch-typing. There are positions which will be coming up in the law offices, but then there will be other people who are ... there is somebody who is in position at the moment who is working for the physiotherapy department, so there will be a different type of filing system that they will be wanting to use there.

**Senator S.C. Ferguson:**

So what we are really talking about are the old-fashioned secretaries?

**Mr. C. Kelleher:**

Well, not old-fashioned, because a lot of the actual tasks that people have done in the past, you do not. I mean, there is not as much sort of typing, the specifics for law offices, but generally offices do their own typing, so that is something which is few and far between, but organising people's diaries electronically is something which is important these days anyway, organising meetings.

**Mr. A. Sugden:**

Personal assistant/administrator I think it is called.

**The Connétable of Grouville:**

Because in the real world outside the Law Officers Department, you will find that principals do not really do their own typing very much any more. They still stick to the old game.

**Senator S.C. Ferguson:**

So with regard to this particular course, you are subsidising it financially?

**Mr. C. Kelleher:**

Paying for it all.

**Senator A.J.H. Maclean:**

£2,000 per student, 12 in total.

**Senator S.C. Ferguson:**

How long is the course?

**Mr. C. Kelleher:**

It is 2 years.

**Senator S.C. Ferguson:**

All right. So if we are looking at funding for 2 years and you have a number of people who want to go on this course next year, what will happen when the economic stimulus package runs out?

**Senator A.J.H. Maclean:**

Well, it is fully funded for the period.

**Senator S.C. Ferguson:**

Yes, I know, but if people start...

**Deputy T.A. Vallois:**

Increase in demand.

**Senator S.C. Ferguson:**

Yes, and if there is an increase in demand, if people start the course next September, obviously they are going to have ... well, are you going to run the course on, or is it just for 2 years to look after people?

**Senator A.J.H. Maclean:**

Well, it is 2 years initially to look after people, but obviously, whether it is stimulus funding or any type of activity that E.D. (Economic Development) gets involved with, it needs to be continually assessed if there is demand and if there is a return on the investment put into the particular course being run, then we would look at finding ways to run it again or extend in the future.

**The Connétable of Grouville:**

But surely, if you give somebody a 2 year course, you have already written off 2 years of that particular subsidy, have you not? You are saying: "Right, okay, we are giving you 2 years and we are paying for it." End of story.

**Senator A.J.H. Maclean:**

In line with that subsidy, we have, yes.

**Mr. A. Sugden:**

I think within the 2 year period that the course is initially set up to run, the States, not E.D., has to make a decision as to whether they see a need for the course. If there is a need for it to be ongoing, then they have to look at how they are going to resource that within the normal business plan funding.

**Senator S.C. Ferguson:**

But the need will depend on your actual assessment of the success of the course, surely.

**Senator A.J.H. Maclean:**

Absolutely.

**Senator S.C. Ferguson:**

So how are you going to ...

**Mr. A. Sugden:**

Based on the feedback we get from the departments, because they are not all working in E.D.

**Deputy T.A. Vallois:**

How are you assessing ...

**Senator S.C. Ferguson:**

So this is purely within the States?

**Mr. A. Sugden:**

This is across States-wide. E.D.D. is running this programme on behalf of the whole of the States. These people are being placed in various different States departments, T.T.S. (Transport and Technical Services), Housing, E.D.

**Senator S.C. Ferguson:**

Anywhere they need a P.A. (Personal Assistant) or medical secretary?

**Deputy T.A. Vallois:**

Can I ask how you are assessing the courses?

**Mr. C. Kelleher:**

Well, the course has not started yet.

**Deputy T.A. Vallois:**

No, but how you will be assessing, because you are saying that you are going to assess it, but obviously you must have some kind of plan on how you are going to assess it or measure it.

**Mr. C. Kelleher:**

Well, it is a recognised training course, so it will be assessed on those who start it and those who qualify at the end.

**Deputy T.A. Vallois:**

Keep their jobs, presumably?

**Senator A.J.H. Maclean:**

Placement, yes.

**Mr. C. Kelleher:**

Well, this is a training contract, so there is no guarantee of a job at the end, only an opportunity.

**Deputy T.A. Vallois:**

So you would have to measure that then?

**Senator A.J.H. Maclean:**

You would need to measure if they are successful in getting a job, so it has to be followed right the way through to assess whether or not the investment in running that particular course has showed a return.

**Deputy M.R. Higgins:**

Are you doing any value added assessments; in other words, you are measuring the students when they came in, the standards they get and measuring it when they leave, so even if they do not get a qualification, to see whether they have benefited by the course?

**Mr. C. Kelleher:**

Absolutely. I mean, one aspect we are considering looking at and have not quite finalised is to put in a vocational qualification in customer care which would run alongside the actual diploma.

**Senator S.C. Ferguson:**

So if you decide you want to run it on again and you have the value for money, where do you think you will get the money from?

**Senator A.J.H. Maclean:**

We will have to look closely at the budget to see what we have available, which is what we do at the beginning of each year. We will assess the value of the activities that we undertake and match it to the funding that we have available.

**Senator S.C. Ferguson:**

Yes, because you have said already in the House that quite a lot of the activities you have been doing with regard to the stimulus, you are using existing budgets before you start on using the stimulus money. On the education side, did you not have any money in your normal budget, and are the monies that are being spent your normal budget being spent; where is the dividing line between the economic stimulus money and your normal budget?

**Senator A.J.H. Maclean:**

Well, I think it is safe to say that - and rightly so - the process of releasing the stimulus funding naturally has to go through a robust process and takes time. There were certain activities that we needed to move ahead with. We have, or are in a fortunate position as a department to have a degree of discretionary spend that we can move forward, that we can bring stuff forward and we were able to start some projects from within our existing budgets. We needed the stimulus funding obviously to be able to continue that. As far as the funding for skills-related apprenticeships and what have you, there is some, Andrew, through your area.

**Mr. A. Sugden:**

We have the Jersey apprenticeship scheme, but that has a finite budget, which at the moment is fully stretched in terms of providing trades apprentice training to electricians, local mechanics, building trades, hairdressing and beauty, just setting the key areas. That programme itself is under review by the S.J.B (Skills Jersey Board). This is a totally new programme. This is bringing back a programme that used to exist within the States, which we think there was a demand for it. Therefore at the moment, we went for stimulus funding to try and test the programme again, test the concept and make sure that the indications we were getting that there was a demand for such a scheme were correct. On the basis of that, we would then have to go back to the States and decide whether, for example, the funding needs to come from another department. I mean, E.D.D. should not really be funding the training for other departments' staff, so really, there should be a States-wide scheme. E.D.D. to some extent has ended up running the programme by default, because we bid for the money on behalf of the States.

**Senator S.C. Ferguson:**

Yes, so that the 12 people who are going on this course have come via Social Security?

**Mr. A. Sugden:**

No, they have come through a local application process, in a normal way.

**Senator S.C. Ferguson:**

None of them have jobs at the moment?

**Mr. C. Kelleher:**

No, some of them did have jobs. I mean, there is a distinction between ... we have 21 places, and 12 people who we will be taking on as business administrators. The other 9 will be in apprenticeships in your craft areas, be it engineering or electrical, and we also have 2 positions which have been taken up in parks and gardens to become groundsmen. We have also taken 2 people on in health to become trainee chefs.

**The Connétable of Grouville:**

Have any of those come from existing building companies, for instance, construction or electrical contractors?

**Mr. C. Kelleher:**

No. I mean, we have been aiming at 16 to 19 year-olds. That is the actual area we have been focusing on.

**The Connétable of Grouville:**

So you do not have anybody that is already in a job that is trying to improve themselves?

**Mr. C. Kelleher:**

Yes.

**Senator S.C. Ferguson:**

But as far as your particular course is concerned, it is not just for people who need to acquire skills and they do not have a job in which to acquire them? You are taking people who are already working to upskill them, as opposed to the ordinary craft apprenticeships, where you are taking on people who have no job at the moment?

**Mr. C. Kelleher:**

No, that is not quite right. Within the actual Jersey apprenticeship scheme, there are people who may have moved from one job and then want to upskill themselves as well, and the actual apprentices who have been taken on, for instance, in Transport and Technical Services, their age range is between 16 and 18. Some of them will have been doing some work, but not necessarily in the areas they have moved into, likewise for the business administrators. I certainly know of one person who was working in retail at a fairly low level of skills and wanted to upskill themselves.

**Deputy M.R. Higgins:**

How many new people have you taken on board? You have those who have come from some other area to learn new skills or whatever. How many people do you have from scratch, unemployed or whatever?

**Mr. C. Kelleher:**

Eight. That is on the business administrators' side.

**Deputy M.R. Higgins:**

You started off by saying the take-up was low compared to what you had provision for. Why do you think there has been a low take-up?

**Mr. C. Kelleher:**

It is not a case of low take-up. If I break it down and you look at the actual craft areas, T.T.S. took on 2 apprentices this summer and they had 70 applicants. For the business administrators, for the 12 positions we were offering, there was 50 people who applied; 12 positions were offered, subject to checks and we found that we are going to have to readvertise, because 3 were not suitable, due to their references.

**Deputy M.R. Higgins:**

So what criteria are you using to select people for this?

**Mr. C. Kelleher:**

It is academic ability and then we also doing some psychometric testing, looking at their numeracy and skills and literacy skills as well.

**Deputy M.R. Higgins:**

So for the ones who applied and were not successful, what are you offering them? Are there any courses that they can go on?

**Mr. C. Kelleher:**

Well, there are part-time courses that they can apply to, depending on their age. If they are between the age of 16 and 19, then they can apply for Advance to Work.

**Deputy M.R. Higgins:**

Are these covered by the economic stimulus package?

**Mr. C. Kelleher:**

Well, not within our area, no. We just purely bid for the actual States apprenticeship scheme, but if they wanted to then there may be some of those individuals who may be on the Advance to Work programme anyway.

**Senator S.C. Ferguson:**

Because I thought that the apprenticeship scheme was meant to mop up youngsters who did not have a job.

**Mr. C. Kelleher:** Indeed, but they have to have a certain level of entry criteria, academic ability. A to C in Maths and English is a prerequisite for coming on to the course.

**Senator S.C. Ferguson:**

This is the business course?

**Mr. C. Kelleher:**

Yes, and likewise for the actual apprenticeships. The trade areas have certain academic entry requirements as well, but not as high as A to C.

**Senator S.C. Ferguson:**

But they are not necessarily people who are unemployed?

**Mr. C. Kelleher:**

Well, certainly in the craft areas, they would not come straight from school and may have been doing some sort of low-level skilled work, nothing permanent.

**Senator S.C. Ferguson:**

How is Jersey Enterprise connected with Highlands and the progress of the students?

**Mr. A. Sugden:**

Jersey Enterprise really has no direct relationship with Highlands and the students funded by the stimulus, other than through the States apprenticeships, which Chris is running. Jersey Enterprise is involved through myself with the Skills Jersey Board to put the programme together. That is the only direct link that we have with the extra stimulus education going on at Highlands.

**Senator S.C. Ferguson:**

Yes. So what sort of input have you had? Obviously you are the E.D.D. so what sort of input have you had on the sort of skills that perhaps the Skills Executive should be pushing?

**Mr. A. Sugden:**

Well, we have been involved through the development of the programme with the Skills Jersey Board, and the Skills Jersey Board have given input and advice as to what they think the key priorities are for the employers at the end, and it is through them that they came up with the main areas, like Advance to Work, the career strengthening, extra places at Highlands. They were thought to be the areas of priority in terms of supporting individuals, but also then developing the skills base of the Island at the same time.

**Senator A.J.H. Maclean:**

We sit, both myself and Andrew and/or Mike King, as part of the Skills Executive, which effectively sets the policy, together with E.S.C. and Social Security, the relevant Ministers from both of those of departments and supporting officers. We effectively set the policy which the board then delivers on. They obviously advise on areas where there is need and we feed in from our side where we can see from the business community where there are opportunities, but it is the executive that sits and decides the policy that the board then delivers upon.

**Senator S.C. Ferguson:**

Yes, but you obviously have an important input ...

**Senator A.J.H. Maclean:**

Absolutely, which is why the ...

**Senator S.C. Ferguson:**

... because you have your finger in the parts of the actual industry, or the various industries.

**Senator A.J.H. Maclean:**

That is where, because of that connection, we have been able to pick up, for example, through industry the need for business administrators at the moment, the short supply that exists. That is one example.

**Deputy T.A. Vallois:**

How is the construction industry faring up?

**Senator A.J.H. Maclean:**

In what respect?

**Deputy T.A. Vallois:**

Well, there was talk about it in May and then in recent hearings, how future employment and how the lower workload, like a few weeks rather than a few months, and they were worried about the future. Just wondering what the feel with Skills Jersey Board is for the construction? Obviously that also will feed into vocational courses et cetera at the college as well.

**Senator A.J.H. Maclean:**

Absolutely. I think there are similar levels of concern in the construction industry, particular the large construction firms, looking at their forward order books, which are weak. That is an area that at the beginning of the year they were particularly concerned about. Smaller and medium-sized firms seemed to be seeing a lower level of activity, but they are doing acceptably at the moment. There has obviously been some casualties, which have been well documented during the course of 2009.

**Mr. A. Sugden:**

As part of our stimulus bid, recently we put on an event at the Radisson Hotel where we publicised with the Housing Department, T.T.S. and Property Holdings the contract that will come out with stimulus funding over the next 3 months. We had over 300 people attending that event, so there was a considerable level of interest.

**Senator A.J.H. Maclean:**

Bearing in mind from a stimulus point of view, those are contracts of £20 million to £30 million or so.

**Mr. A. Sugden:**

Between £20 million and £30 million, yes.

**The Connétable of Grouville:**

Is it E.D.D that is responsible for the tender website?

**Senator A.J.H. Maclean:**

No, that is corporate procurement.

**The Connétable of Grouville:**

Oh, right.

**Deputy M.R. Higgins:**

In terms of some of the bids for the construction industry, some of the bids were to do with the breakwaters, I think it was St. Ouen, it was Gorey and so on.

**Senator A.J.H. Maclean:**

That was one of them.

**Deputy M.R. Higgins:**

Now, those particular ones, I noticed in some paper recently it mentioned that specialist skills were being brought in from outside. How many people are working on that, and what proportion of the money is staying in the Island and what proportion is going out of the Island?

**Senator A.J.H. Maclean:**

When you say specialist skills, I think you are probably referring to the consulting engineers that needed to come in and have a look at the breakwater and give a view on what sort of remedial work was going to be necessary. That was expertise that was not available locally. It is a consulting firm called Arabs. They have experience particularly with breakwaters and failures of breakwaters, so it is fairly specialist stuff. I mean, when the job proceeds ahead, and obviously it is going through the planning process at the moment, it will go out to tender and the feeling is that the bulk of the work will remain in the Island, which is obviously what the basis of all these stimulus funding bids are.

**Deputy M.R. Higgins:**

Do you have any idea of the numbers of people who are likely to be employed on that?

**Senator A.J.H. Maclean:**

I could not tell you. I mean, that will depend on the company, I suppose, that is successful in the bid and what they sub-contract and so on. So I could not give you exact numbers of individuals. It is the value of the contract, I guess, which is the important thing. If it goes to a local business, those hundreds of thousands of pounds, millions of pounds are going to remain within the local economy.

**The Connétable of Grouville:**

But sub-sea engineering is highly specialised and it is global. In other words, it never stays in one place, it goes from job to job, so we would not be expected to be able to cope with it.

**Deputy T.A. Vallois:**

On the construction industry, would you say that last year it was above capacity?

**Senator A.J.H. Maclean:**

Are you talking about this year or 2008?

**Deputy T.A. Vallois:**

2008. It was working above capacity?

**Senator A.J.H. Maclean:**

The market, I think, was very buoyant, and I think businesses were certainly running at capacity.

**Deputy T.A. Vallois:**

So is that a yes or a no?

**Senator A.J.H. Maclean:**

I think the majority of businesses were probably running at capacity, yes. I mean, you will find different businesses will run at different levels and be more successful than others, but yes, there was a lot of work in the construction industry.

**Deputy T.A. Vallois:**

But it can make a difference when you are a time of recession whether they are running above capacity or below capacity, because that depends on supply and demand, does it not?

**Senator A.J.H. Maclean:**

Indeed, it certainly does.

**Deputy T.A. Vallois:**

That makes a difference when you are looking at numbers in a stimulus package.

**Senator A.J.H. Maclean:**

There are lots of indicators with regard to construction. For example, you could look at freight that has come in, you know, the aggregate and all the rest of it that has come in through the port, most of which is, not surprisingly, down this year percentage-wise, and that gives you an indication of the lower level of activity in the construction industry.

**Senator S.C. Ferguson:**

Now, moving on. With your skills hat on, and that part of your work, how would you like to see the Advance to Work course develop?

**Senator A.J.H. Maclean:**

I think the Advance to Work course is an excellent initiative. Obviously it is filling the gap with people that have not reached the necessary academic qualification and giving them the necessary training to allow them to get on to the training apprenticeship courses and so on. I think there is a lot of potential there, and there is clearly a gap to be filled. I am particularly enthusiastic about the opportunity, for example, in the hospitality area and there has been quite a lot of discussion with the Jersey Hospitality Association about trying to feed the advanced work through into ensuring that people are trained up and utilised within hospitality in the Island, rather than obviously bringing in people externally.

**Senator S.C. Ferguson:**

Yes. At the moment though, there is only funding for 2 years. What is the position if it is necessary to run it longer than 2 years? How are you going to approach that?

**Senator A.J.H. Maclean:**

Well, I think it is going to be a similar position to the previous one we discussed, insofar as if it is proven to be successful - and I have a personal belief that it has a considerable amount of merit - but if it does work over the 2 year period, then we are going to have to look at ensuring that we have the budget available to be able to

allocate into this area, possibly in conjunction with the private sector, because we have worked closely with the hospitality association. They are enthusiastic about it. There may be a joint funding solution down the track that we would need to consider.

**Deputy M.R. Higgins:**

You are already funding hospitality association training at the present time. What sort of figure are you putting into that at the moment?

**Mr. A. Sugden:**

The government training, I think this year we put about £40,000 into that. But I think at the moment, they are projecting a surplus through fee income.

**Deputy M.R. Higgins:**

Is any of that money being used for any locals to do it, rather than sort of people they have brought in and they are doing language training and so on?

**Mr. A. Sugden:**

Historically, no, the focus has not been on local people. I think the conversations we have been having with J.H.A. (Jersey Hospitality Association) is that we need to concentrate on the young people in particular in the Island to give them an opportunity and a chance. We would see that as primarily starting off with some stimulus funding, but hopefully again over a period of time, we can get to a situation where the employers are benefiting by using local people, locally-qualified people, rather than bringing people in from outside to do this kind of work. They then may feed back some of those cost savings back into the scheme so it has long-term sustainability.

**Senator A.J.H. Maclean:**

Hence the interaction between private and public sector to deliver a solution that obviously is attractive to both.

**Deputy M.R. Higgins:**

I am looking forward to your next paper, version 7, which we are getting on Friday.

**Senator A.J.H. Maclean:**

It is ready. Final touches.

**Deputy T.A. Vallois:**

Based on what you just said about the Advance to Work, would you see it coming from your budget or would you see it continuing from Education or from Social Security? How would it work if it was to carry on?

**Senator A.J.H. Maclean:**

The natural fit - and I would say this, would I not - would be that it would come from education, but I think there is some responsibility when you consider a particular use like the Hospitality Association and industry where it could be of benefit, and perhaps Economic Development working with the industry could be a facilitator to help justify the longer-term funding.

**Deputy T.A. Vallois:**

It could be something that is led by the Skills Board then, really, rather than one individual department.

**Mr. A. Sugden:**

I think if Advance to Work has a future, then it will have to be funded from the Skills Executive funding, which itself is mainly at the moment funded ... ring-fenced by the 3 departments for that area of skill development activity. Where then individually within the budget that comes from will have to be debated around the Skills Executive table.

**Senator A.J.H. Maclean:**

That is the obvious route and that is the benefit of having 3 departments working collaboratively together in this area.

**Senator S.C. Ferguson:**

Getting out of your silos.

**Senator A.J.H. Maclean:**

Well, one always lives in hope.

**Senator S.C. Ferguson:**

Yes, because one of the things we found a little difficult is how the money spent on the bids going into college filtered through to the local business economy. I wondered about your thoughts on that.

**Senator A.J.H. Maclean:**

Sorry, could you elaborate on the question?

**Senator S.C. Ferguson:**

We have, for instance, the business administration course. We cannot quite see any sort of multiplier effect of that. It is just going through the college and into the local economy.

**Senator A.J.H. Maclean:**

You are increasing the skill base, clearly ensuring you get people into employment and potentially off support by the state. I mean, that would be the most obvious, I would have thought, benefit.

**Senator S.C. Ferguson:**

Moving swiftly on. Yes ...

**Senator A.J.H. Maclean:**

Upskilling of course is the other area, so you obviously improve the ability for an individual not only to get a job, but those that are in work to get better skills and better jobs, improve the productivity of the individual businesses and consequently the tax take.

**Senator S.C. Ferguson:**

Yes, but moving on, are most of the people that you are taking on, particularly on the business administration course, they are all locally qualified, are they?

**Mr. C. Kelleher:**

Oh yes. Yes.

**Senator S.C. Ferguson:**

So the money is not necessarily leaving the Island?

**Senator A.J.H. Maclean:**

No.

**Mr. C. Kelleher:**

No.

**Mr. A. Sugden:**

A part of the reason for coming back to the business administration scheme was that the States itself was finding it difficult getting the right kind of skills for these people among the locally qualified population, and so part of the ...

**Senator S.C. Ferguson:**

Well, they killed the secretarial qualifications some years ago, did they not, said: "We do not need it"?

**Mr. A. Sugden:**

So a part of ethos of bringing this back through stimulus funding was to try and address that, or potentially was to address that.

**Senator S.C. Ferguson:**

So what they are really doing is bringing back a course because it was cut in one of the money-saving exercises about...

**Mr. C. Kelleher:**

Nine years ago.

**Senator S.C. Ferguson:**

I was going to say about 10 years ago.

**Senator A.J.H. Maclean:**

The secretarial course you are talking about.

**Senator S.C. Ferguson:**

Yes. I mean, it is the secretarial course under another name.

**Senator A.J.H. Maclean:**

It is a better version.

**Mr. C. Kelleher:**

At least this time, we cannot blame it on Ministerial Government either, because...

**Senator A.J.H. Maclean:**

No, it is somebody else. Quite right.

**Deputy T.A. Vallois:**

Can I just ask, with regards to E.D. working with the unemployment figures, the licences, leakage, how are you measuring and looking at that and working together on that basis for the stimulus package: E.D with Social Security and the Skills Executive? Because obviously you are going to need Social Security for the unemployment figures, the Population Office for the licences, and obviously you have the licences as well, so how does that work?

**Senator A.J.H. Maclean:**

Well, it is quite useful to have the Skills Executive and have the 3 departments represented there, because that obviously is an opportune area for these issues to be discussed. In terms of collating better data, if that is an area that you are alluding to, it is something that we have been driving. In fact, Andrew has been putting together a scoresheet so that we can assess all the different indicators of where people are going, how they are moving through the economy - and the state of the economy, for that matter - so that we can better react. I think I have mentioned that previously.

**Deputy T.A. Vallois:**

What I am just saying as well is looking at the balance between giving licences out to people having to come in and do certain specialised jobs or anything like that, and also the unemployed, I mean, how do we know exactly those unemployed that might have the specialist skills who are unaware of the opportunities?

**Senator A.J.H. Maclean:**

We ensure that businesses making applications for staff go through a robust process to prove that they cannot find the local expertise, and that has become tougher recently.

**Mr. A. Sugden:**

Also I think Jersey Enterprise now is providing some challenge in that area. At the moment, we are challenging one or 2 decisions recently where we feel there was an opportunity for local companies to do some of the work, but it might have gone elsewhere. So we are now having conversations with both Social Security and the Population Office to make sure that the process that was agreed to the stimulus-funded activity is being really rigorously reinforced.

**Senator A.J.H. Maclean:**

It is also important to ensure that the local businesses deliver not only quality but competitive pricing. That was the whole basis, although it was lost by many on the Think Twice Buy Local campaign. We were encouraging and driving local businesses to be as competitive as possible to be able to compete with external contractors.

**Deputy M.R. Higgins:**

Going back to employment and (j) cats, am I right in saying that firms are getting a figure that they can work within, and if people leave, that figure does not drop, they are just allowed to recruit up to that figure again? So in terms of if people have been leaving, and let us say their (j) cat allocation has fallen, are you now reigning those back and then scrutinising their requirements by looking to see whether there are alternative people in the Island or are you still allowing them to recruit on the outside?

**Senator A.J.H. Maclean:**

Not within an agreed licence. Businesses could, for example, apply for a 3 year agreement on staffing. One thing a business needs is certainty and if as a business you have a 3 year agreement and you have a business case and that was delivered just prior to the downturn, for example, we would not be in a position to obviously vary those licences. However, when they come forward to re-apply for a further 3 years in a different economic climate, they will have to justify it and it will be assessed at that time.

**Senator S.C. Ferguson:**

How are you going to measure the success of your part of the stimulus package, particularly relating to courses at Highlands?

**Senator A.J.H. Maclean:**

I think the important thing is that we want to see less individuals becoming a burden on the States, in other words, claiming off States departments and more people getting into permanent positions.

**Senator S.C. Ferguson:**

But the people that you are going to have on your business diploma course, 4 of them are already working in the States, is that correct? There are 12 people ...

**Mr. C. Kelleher:** There are 12 people who have secured places; 9 of them, we are having to re-advertise because 3 of the actual candidates were not suitable, depending on their actual references. So therefore we have to re-advertise for these 3 positions. We have 7 people in place as of now. We have 2 further ones which will be starting in January, and we hope to have the others in position either in the same month or the following month.

**Senator S.C. Ferguson:**

So forgive me for going through again. You have 7 going through at the moment?

**Mr. C. Kelleher:**

Of the business administrators, we have 7 in position at the moment, yes.

**Senator S.C. Ferguson:**

They are in fact already working for the States?

**Mr. C. Kelleher:**

Yes, as trainees, but their training does not start until next February.

**Senator S.C. Ferguson:**

So how are you going to measure the success of the initiatives?

**Mr. C. Kelleher:**

Well, as I said before, the fact is you start with 12 and finish with 12 and we get 12 who qualify at the end, and if we can find positions for them, either in the States due to natural number of people retiring or if they can find positions thereafter with that qualification; their qualification is very much a starting point rather than an end point,

so once they have their qualification and if positions come in the States they will be free to apply, or likewise, if they see a position in the private sector, then they have qualifications and experience going forward.

**Senator S.C. Ferguson:**

As far as the Skills Executive goes, are you going to measure the success of the overall picture?

**Mr. C. Kelleher:**

Well, it is measured. The Skills Executive sets a policy for the board for the coming year, the aims and objectives of what we want them to deliver and there is a close correlation between those aims that are set and the delivery at the end of the year. What we are effectively wanting to see is a falling or a maintenance of the unemployment level, so that we do not see a rise; we want to see people coming out of colleges and education getting jobs and being better skilled.

**Mr. A. Sugden:**

I think in addition to that there are 2 other levels of evaluation that need to take place. One is through the Treasury evaluating the programme, which they are doing and doing fairly rigorously; the other one with the Jersey Enterprise programme that we are running at the moment, proposing we have a formal external evaluation of the programme and contents of the programme, which will hopefully provide some learning that can be fed back into the process should the States ever have to go back to the stabilisation fund.

**Senator S.C. Ferguson:**

So Jersey Enterprise is doing the formal external evaluation?

**Mr. A. Sugden:**

I propose we would commission an external evaluation of how we have done and delivered against the programme.

**Senator S.C. Ferguson:**

Well, who would you use?

**Senator A.J.H. Maclean:**

That is very important.

**Senator S.C. Ferguson:**

Well, what sort of company?

**Mr. A. Sugden:**

Maybe one of the accountancy companies maybe, maybe an external consultant. But we would have strict terms of reference to evaluate what we said we were going to do, how we done it, what have been the end results and what has been the learning experience for the States in terms of future use of stimulus funding.

**Senator A.J.H. Maclean:**

Investment return. But it has to be an external assessment.

**Mr. A. Sugden:**

It has to be jobs plus, it has to be the wider aspects of the programme.

**Senator A.J.H. Maclean:**

We cannot assess ourselves, as much as we would like to in certain respects, but it would not be the appropriate way to do it. This is what we are keen to do.

**Senator S.C. Ferguson:**

Has the Skills Executive had any meetings with Highlands?

**Senator A.J.H. Maclean:**

The Skills Board have had discussions with Highlands.

**Senator S.C. Ferguson:**

But the executive have not?

**Senator A.J.H. Maclean:**

No, the executive is there for setting policy. The board would deal with meetings.

**Mr. A. Sugden:**

I think the principal came to the meeting before last.

**Senator A.J.H. Maclean:**

Yes.

**Mr. A. Sugden:**

He tends to make himself well-known to the Skills Jersey Board.

**Senator A.J.H. Maclean:**

As a member of the executive, I personally have not met him.

**Senator S.C. Ferguson:**

Tracey?

**Deputy T.A. Vallois:**

Can I just ask, I believe back in our first review that we did, there was mention of a financial services bid coming forward, something to do with financial services, because obviously they were going to be seeing more banking and trust, et cetera, the financial services side being unemployed. Has that come to fruition? We have not seen anything so I was wondering whether that would be coming from yourselves, seeing as you are Economic Development.

**Mr. A. Sugden:**

I believe a bid is being worked up.

**Senator A.J.H. Maclean:**

Yes, it is being put together at the moment.

**Deputy T.A. Vallois:**

Put together at the moment?

**Mr. A. Sugden:**

Mike has personally been putting ...

**Deputy T.A. Vallois:**

Do you know when that will be going to the steering group?

**Mr. A. Sugden:**

I have no idea of the timetables.

**Senator A.J.H. Maclean:**

In January, I would imagine.

**Deputy T.A. Vallois:**

That will be coming from yourselves?

**Mr. A. Sugden:**

E.D.D. will be the sponsoring department, because in turn we work with organisations like J.F.L. (Jersey Finance Limited).

**Deputy T.A. Vallois:**

Can you give a ballpark figure on how much that will be?

**Mr. A. Sugden:**

I cannot, because I personally have not been involved in formulating the plans.

**Deputy T.A. Vallois:**

Is it a bit late for that, do you think?

**Mr. A. Sugden:**

No, not necessarily, because I think a lot of major financial institutions now work on a global basis. What we have seen so far is probably only the initial displacement of people. I think what you will see in 2010 and beyond will be the structural changes within finance companies on a global basis, and then they will decide where they are going to take people from and put people, so it will be more of a consolidation exercise. Obviously we are hopeful that we get the timing right and we get the right measures and the right messages out there that we can have the consolidation in Jersey rather than elsewhere.

**Senator S.C. Ferguson:**

What is the package aimed at doing?

**Mr. A. Sugden:**

Again, I have not had personal involvement in the package.

**Senator S.C. Ferguson:**

Who is working on it then?

**Mr. A. Sugden:**

Mike King and, I think, Martin de Forest-Brown.

**Senator A.J.H. Maclean:**

It is basically looking at a high level at the potential for additional representation, looking particularly at the East representative offices, possibly in places like India, and ways in which we can market more effectively to develop the consolidation argument and inward investment.

**Senator S.C. Ferguson:**

So it is somewhere under the support for business, provisional amber light?

**Senator A.J.H. Maclean:**

No. There are 2 separate things here that we are talking about.

**Senator S.C. Ferguson:**

Yes, but Mike King is working on it?

**Senator A.J.H. Maclean:**

Mike King is involved, together with Martin de Forest-Brown. Obviously the 2 of them have been working on this together.

**Deputy M.R. Higgins:**

But in terms of this, there are 2 different things here. There is growing business for the Island from the Far East that you alluded to, but equally we know that existing head offices, whether it be New York or wherever they may be, they are the ones who are making the decisions that are going to affect the Island here. Are you working to try and encourage them to stay here? How are you doing that, for example?

**Senator A.J.H. Maclean:**

Yes, very much so. I mean, you are right, there are 2 angles. Consolidation, where you have existing businesses or parents located locally and perhaps other branches and other jurisdictions, the consolidation argument is quite strong. So there is work going on locally to a degree, but that is really just the conduit to take you through to the decision-makers at head office, whether it be in London or elsewhere.

**Deputy M.R. Higgins:**

So you are working through the local branches to do this. You are not going direct to them?

**Senator A.J.H. Maclean:**

Both.

**Mr. A. Sugden:**

Both.

**Senator A.J.H. Maclean:**

It is important to go through the local branch. You cannot disenfranchise the local representatives and you do tend to find, because of the flows of business that run through Jersey, the local managing director or chair has a disproportionately high say back at head office. So it is important to go through the local branch, but we are

doing it at both ends, and that has been another reason for the support and early success of the office that was opened in London.

**Deputy T.A. Vallois:**

Can I just ask, you mentioned that it was for marketing out East. Do Jersey Finance Limited not do marketing on behalf of the finance industry?

**Senator A.J.H. Maclean:**

They do, yes.

**Deputy T.A. Vallois:**

This is completely separate, this is from the States entity side of things? I mean, is it going to come from them?

**Senator A.J.H. Maclean:**

It would be directed through Jersey Finance probably, yes. I mean, there is no point in reinventing the wheel.

**Deputy T.A. Vallois:**

No. I just was a little bit confused.

**Senator A.J.H. Maclean:**

Yes, yes. No, that is the intention.

**Senator S.C. Ferguson:**

Anything else? Tracey, Mike?

**Deputy T.A. Vallois:**

No, thank you.

**Senator S.C. Ferguson:**

Anything else you would like to tell us about?

**Senator A.J.H. Maclean:**

No. I am sure you have had a long day.

**Deputy M.R. Higgins:**

Sorry, there is one last thing, it is just a question. Andrew, could you provide us - or at least provide me - with figures showing the breakdown of your existing Jersey Enterprise apprenticeship scheme, the numbers and what sort of things they are doing?

**Mr. A. Sugden:**

Yes.

**Deputy M.R. Higgins:**

Thank you.

**Senator S.C. Ferguson:**

Super. Thank you very much indeed, Minister.