



Brexit Review Panel

Brexit Preparations

Witness: The Minister for External Relations

Friday, 18th January 2019

Panel:

Deputy K.F. Morel of St. Lawrence (Chairman)

Deputy D. Johnson of St. Mary

Deputy R.J. Ward of St. Helier

Connétable M.K. Jackson of St. Brelade

Witnesses:

The Minister for External Relations

Assistant Minister for External Relations

Deputy S.G. Luce of St. Martin

Principal External Relations Officer

Assistant Director, Customs and Immigration

Group Director of External Relations

[14:38]

Deputy K.F. Morel of St. Lawrence (Chairman):

Good afternoon and thank you very much for joining. Thank you for putting up with the delays and the change of venue, which all happened because the microphones were not working properly in the other room, so they work well here. So, we are here to discuss Brexit and Brexit preparations and to look at the work you have been doing. Before we get started, I will just ask everyone to introduce themselves. My name is Deputy Kirsten Morel. I am chairman of the Brexit Review Panel.

Deputy D. Johnson of St. Mary:

David Johnson, Deputy of St. Mary.

Deputy R.J. Ward of St. Helier:

Robert Ward, Deputy of St. Helier No. 2.

Connétable M.K. Jackson of St. Brelade:

Mike Jackson, Constable of St. Brelade.

The Minister for External Relations:

I am Ian Gorst, the Minister for External Relations. I apologise for my Assistant Minister, who is just in court - so will be joining us from next door - with a parochial duty. Can I also, before we get to the officials, introduce the Deputy of St. Martin, who has been supporting some of my work around fisheries and agriculture and supply chain? Then we have ...

Principal External Relations Officer:

Good afternoon, everyone, Neil Watt, Ministry of External Relations. I work in the Brexit unit.

Assistant Director, Customs and Immigration:

Luke Goddard, Acting Director for Jersey Customs and Immigration Service.

Group Director of External Relations:

Kate Nutt, Group Director, External Relations.

Deputy K.F. Morel:

Thank you very much. We will get started. Okay, it has been a tumultuous week or so in Brexit politics and we have seen a lot of work here in Jersey as well. But before we start looking at Jersey, I was just wondering if we could get a general sense of what is your reaction, Minister, to this week's Brexit developments and where does it leave Jersey. So, that is the Brexit developments outside of Jersey.

The Minister for External Relations:

Okay. Thank you for that. You are absolutely right, it has been a tumultuous week. The vote on Tuesday I do not think came as a surprise to anyone. Perhaps the Prime Minister and the Government were hoping that the margin would have been narrower than it proved to be, which is why she delayed the vote from before Christmas. Despite the letter from the Commission giving a little more clarity to the backstop position, it is obvious from all commentators and conversations with Members of Parliament that the Northern Irish border and its place in the backstop position was a step too far and so we saw in that 200 majority a good number of Conservative M.P.s (Members of Parliament) - 118 I think - some of whom were hard-line Brexiteers and some of whom were let

us stay in the European Union, and all of them really felt that that backstop position was inappropriate. So we then went on to Wednesday. We saw the Government winning their vote of no confidence. It is fair to say that I do not think that was a surprise to any commentators either, and it could be argued that we have had a week of high political drama in the United Kingdom and we are no wiser or no nearer to having a Brexit route forward. I think that would be slightly unfair because what we do know is that there is no majority in the House of Commons for the Withdrawal Agreement as negotiated, nor the political declaration, although there was very little discussion of the political declaration. It was focusing on the Withdrawal Agreement. We know the Prime Minister has spent the last 48 hours now meeting with senior Members of Parliament from all political persuasions. If we bear in mind that the biggest stumbling block to the Withdrawal Agreement was the Northern Irish border and the backstop position, I do not think it will be a surprise to anyone if that has been the focus of those conversations over these last couple of days to try and find a way through that particular impasse. Whatever is then agreed or decided post those conversations will be presented to Parliament on Monday in the form of a motion with a statement to the U.K. (United Kingdom) Parliament. That motion, unlike as was expected by the Grieve amendment, will not be voted on by Parliament for another week. That motion, of course, interestingly, is amendable, which means that those in the House of Commons who have a view that their particular version of Brexit might be achievable will be able to amend that motion ... that motion. It has been an emotional time. **[Laughter]** Will be able to amend that motion with the version of Brexit that they have in mind or think can command a majority. That will then, I believe, and I think the hope will be that that will give some clarity for the next steps forward. We also must be mindful that the European Council president said that they would be amenable to extending Article 50. Of course, legally in the U.K. that is what will happen on 29th March. They will leave unless there is another passage of legislation overturning that decision.

Deputy K.F. Morel:

So can I ask ...

The Minister for External Relations:

So even for that, time is getting tight.

Deputy K.F. Morel:

It is. With a transition arrangement ... not transition, sorry, an extension, would that need a new legal ... as in ...?

The Minister for External Relations:

Yes, it would, yes. It would need a new legal instrument through Parliament.

[14:45]

So the U.K. Government's official line remains that they would need unanimity from the 27 member states in order to extend Article 50, but I think it is not an unreasonable assumption ...

Deputy K.F. Morel:

It is probably easier than getting something through Parliament, to be honest.

The Minister for External Relations:

Well, it is not an unreasonable assumption to think that President Tusk has already had those conversations prior to making the statement that he did.

Deputy K.F. Morel:

Can I ask where does this all leave Jersey? Are we in a different position to before this week?

The Minister for External Relations:

No, we remain in exactly the same position. So, in my conversations yesterday, both the Ministers that I met accepted that from the U.K.'s perspective the uncertainty was unhelpful, unhelpful for U.K. businesses, but they equally ... we discussed the ReadyBrex week. They have both been briefed on it. It is fair to say and it is thanks entirely to my officials - some sat round the table and some sat behind - that this week has been such an excellent week. They were impressed with the preparations that we have made and the way that we have been communicating with the public and they have committed themselves to continue to work with us, continue to have open, honest dialogue, continue to give us early sight of what was happening and any changes as we run up to 29th March, and they will continue to take into account our policy objectives in their future decision making as well.

Deputy K.F. Morel:

Before we go any further, I would just like to welcome the Constable of St. Ouen.

Connétable R.A. Buchanan of St. Ouen:

I would just like to apologise for being late because unfortunately I had to appear in front of the Royal Court to pass some contracts for the parish.

Deputy K.F. Morel:

No problem at all. Looking at Jersey and the work that has been done in Jersey, obviously this week we saw, as you said, the ReadyBrex week. Can I ask what were your main aims for this week's programme and how would you gauge the success or otherwise of the programme?

The Minister for External Relations:

It had become apparent from one or 2 conversations that I had had and also the Minister for Economic Development - I am struggling with exactly what his title is - that one or 2 individuals in the business community were asking questions about what work was the Government doing to prepare for Brexit, what were the impacts upon them, and we felt that ... it was a decision we took prior to Christmas that having an intensive week of information sessions, some with Ministers, some with officials who know about the technical detail, ability for public questioning as well as Chatham House events, and the ability for businesses to think about what issues they need to think about ... so we have the business prepared toolkit and various other events and that is what we were trying to do to make sure that everyone knew. Yes, Government can do so much but there will still be uncertainties. But individuals have actions that they can take and businesses very much have actions that they need to be taking and thinking about.

Deputy K.F. Morel:

Do you know how many people kind of passed through or signed up for events and, on top of that, I have a feeling you might ...

The Minister for External Relations:

My very good officials just showed me a note before I came into this room.

Deputy K.F. Morel:

Because I know they had to register online so I knew there would be a number somewhere. Also, have you had any feedback?

The Minister for External Relations:

I think the number is ... was it 1,700?

Principal External Relations Officer:

Yes, I think we had 1,700 people engaging with us specifically at the events and something like a 500 per cent increase in engagement in our Brexit work on the website and some of the technical information we provide there.

Deputy K.F. Morel:

Have you had any feedback?

The Minister for External Relations:

I have only had positive feedback. As ever with public questions of Ministers, there is always perhaps one difficult question where a particular businessperson felt that we were not being as open as I think we are being. Some of that I think is about misunderstanding and perhaps not having been to the other events during the course of the week. But from right across the business spectrum some of those that we might have expected to be a bit more critical, like the fishermen, have really valued the engagement and see it as a step that we now need to keep making to keep them informed as they will keep us informed of their plans as well.

Deputy K.F. Morel:

Do you have any more events planned before 29th March?

The Minister for External Relations:

I am pleased to say that this Scrutiny Panel is the culmination **[Laughter]** of ReadyBrex week.

Deputy K.F. Morel:

I prefer the words "grand finale".

The Minister for External Relations:

I think it is important because ultimately it is going to be the decisions of the Jersey Parliament that will need to be ... that we need to make to make sure that we are fully prepared. We will need to have consensus across the Jersey Parliament if there are difficult decisions, and if a hard Brexit does prove in reality to be very difficult we will need parliamentary involvement and consensus.

Deputy K.F. Morel:

Absolutely. Do you have any more events planned between now and 29th March?

The Minister for External Relations:

We do not have them in the diary like we have ReadyBrex week, but as we were waiting in the lobby to attend upon the panel my communications expert and I were saying we needed to do various meetings between now and then and do similar pop-up ... some of the things that the Customs and Immigration team have done, pop-up in the market, is absolutely excellent and we need to be doing more of that.

Deputy K.F. Morel:

I was going to ask, yes. Reaching out to the community beyond business I was going to ask. Do you have plans to reach out to individuals, so to speak, trying to get them to come to you?

Assistant Director, Customs and Immigration:

We started the engagement. Neil and I went up to an engagement with some of the business community, in fact anyone that we could identify that had any trade with France through the systems that we have access to, to input in October. So it started back there to try and get the messages through, and clearly we are much closer and unfortunately not much further forward with certainty as to where we are. But we do not see this as ... if anything, this is really the middle part of where we were hoping to be. We are going to continue with what we are doing all the way through up until Brexit. What it has done this week is given us the groups of which we know now that we are going to be able to work more closely with or want to work more closely with us and how effective some of what we have been doing has been so we can direct it at the right places over the next few weeks.

The Minister for External Relations:

This morning we had some attendees at the opportunities workshop from the Bulgarian community and we have set up a meeting to go and brief that community as well.

Deputy K.F. Morel:

That is what I was trying to get at in the future. Also, from feedback, have you been able to identify any areas which you had not previously considered as areas that need to be covered or need to be looked at more closely from the feedback you have had?

The Minister for External Relations:

I am not sure that we have. One of the questions that we have asked ourselves is ... and this is where it gets into difficulty. There has to be a proportionality to emergency planning and contingency planning, and we have gone back again. We had the excellent table-top exercise and we have gone back again in light of that exercise. We are challenging ourselves about: have we made that proportionality test appropriately? So we will be doing some more work around that: just how extreme could a no-deal be? We have also challenged ourselves about at what point, if there is not an extension of Article 50, if it does look like there is no consensus even after the Parliament has considered the Prime Minister's new motion on the 29th, should we then be taking individuals around the organisation and just putting them on Brexit no-deal day one-focused work and creating a specific team outside of what we are already doing to co-ordinate centrally in that as well. So, it is not that we have not been doing it, it is just we are reassessing those assumptions.

Deputy K.F. Morel:

You are right about the proportionality. It is a difficult one. Two last questions from me before moving on. How was the table-top exercise this week that took place? Have you had any sense of ...? Was it useful and effective?

The Minister for External Relations:

It was extremely useful. One of the questions that some departments, particularly Growth, Housing and Environment, have had is where does their contingency planning work overlap and become emergency planning work and are we making sure that nothing is falling between those 2 particular pieces of work? Neil was there and co-ordinated it. I do not know if you wish to add anything to that.

Principal External Relations Officer:

Yes, just really briefly. Initially, the first impression was it was extraordinarily cold at Mount Bingham but it did heat up with some of the discussion we had later on. We had, as the Minister mentioned, about 50 to 60 officers and other reps from Government departments and utilities, Jersey Water, Jersey Telecom. We had colleagues from U.K. Government there to assist us and the whole purpose was to test our contingency planning assumptions. Again, not in isolation but together and test out some of the command and control structures that we have, the strategic input, the tactical input and the operational input. So we just ran an evolving exercise to test some of that and it was very good, and obviously the learning is perhaps something we can follow up with the panel once this week is ...

Deputy K.F. Morel:

Yes, that would be useful. Were Health involved in that as well?

Principal External Relations Officer:

Absolutely, yes.

Deputy K.F. Morel:

My last question was: obviously this is an enormous amount of effort forced upon us. Are you keeping tabs on how much it is all costing?

The Minister for External Relations:

Me personally, no. [Laughter]

Deputy K.F. Morel:

But is anyone anywhere?

The Minister for External Relations:

I have to say it is a long time since I had the calculator out in my previous profession, but Kate is as the accounting officer, and the finance function officials, but that is not to say she is going to be able to give you a last penny spent before we sat down.

Group Director of External Relations:

No, I cannot. I can tell you how much we have allocated overall to the end of this year, which is around £2 million. I think to date we have spent about two-thirds of that and we are on track not to exceed that.

Deputy K.F. Morel:

I think in the past years, 2017, 2018, there have been underspends on the Brexit preparations.

Group Director, External Relations:

There has, but a large amount of the underspend has come from recruitment, if I am honest, so delays in being able to get people into post. I think now most appointments are fully staffed for their Brexit planning so I do not anticipate that happening this year.

The Connétable of St. Brelade:

Can I take us to fishing as you mentioned earlier on, Minister? What does the Brexit agreement that we presently have on the table mean for the Jersey fishing industry?

The Minister for External Relations:

Well, let us just say it is very difficult to say there is a Brexit agreement on the table in light of the fact that the House of Commons just roundly defeated it, other than if we are being pragmatic the motion that is brought forward on Monday may look similar with some amendments. So if we sort of work on ...

The Connétable of St. Brelade:

Given what we have so far?

The Minister for External Relations:

... that assumption, it is good for fishermen because it creates a transition period. It is clear that we are included in that transition period and it is clear that we are included in the political declaration which will be negotiated in a future economic partnership between the U.K. and the E.U. (European Union). The difficulties, of course, arise if there is no deal.

The Connétable of St. Brelade:

Do you think that what it seems to be focused on at the moment is where our local catch might be landed and there appear to have been, from what one has picked up on the media, developments with regard to landing in St. Malo, but the crux of the matter is the ability to land in Granville, which will affect a lot of the smaller fishermen over here? Do you think there is any ... well, perhaps can I ask you in a different way? What might the timescale be on developing an answer to that question?

The Minister for External Relations:

So, that question has at its base an assumption that there is no deal and that the U.K. leaves the European Union without a deal either March or at some other point. So we have been working closely with our Channel Islands colleagues, closely with our colleagues in the Department for Exiting the European Union and D.E.F.R.A. (Department for Environment, Food and Rural Affairs), and we, of course, have been working closely with our French counterparts as well.

[15:00]

So, the issue for landing is about European border inspection posts and St. Malo is not currently a European border inspection post. The case has been made. We know that there was a commercial operator on Island earlier this week who gave an indication about that, but it is important that we await the official confirmation from the French authorities because from our perspective it is good news if there is to be a border inspection post there and the signs are positive, but it needs to have the technical capability to be able to land shellfish because that is what currently happens, they go across into St. Malo. So, that continues to be a work in progress, but I expect formal notification in the coming weeks and clarification about what technical capabilities that border inspection post will have.

The Connétable of St. Brelade:

Will that workstream that has been taking place in St. Malo develop towards Granville?

The Minister for External Relations:

There have been meetings between industry in Normandy. It is a more difficult case to make because of the sheer quantum of what is landed or goods that go into St. Malo. We are continuing those conversations, as I say, both bilaterally but also via the United Kingdom. I am mindful that we are slightly constrained in what we can say about this progress because it is a very delicate area, but, Deputy of St. Martin, I do not know if you wish to add to anything.

Deputy S.G. Luce of St. Martin:

Certainly, if there is a no-deal situation there will be a ... we will be in a position where our fishermen who land their catches into French ports off their own boats will be able to continue to do that if they use catch certificates. We are well placed with catch certificates, probably ahead of the U.K. in being ready for that. We have environmental health in place in Jersey already that would help to facilitate that. But those ports that the fishermen could land their lobsters and crabs into would be still somewhat limited but Granville would be a port that we could continue to use for fishermen to unload their own catches off their own boat. The complication with Granville is it is the port that is

used to export all our oysters and mussels. Oysters and mussels unfortunately fall under animal and animal products, lobsters do not, and that is the difficulty at the moment. But industry have had this meeting in Granville with officials there. We would hope they would go back again and continue to talk but, as the Minister says, one of the big issues about border inspection posts is the actual resource cost, the physical cost of setting that up, is millions of euros. For Granville to be able to justify to do that just for a few oysters and mussels is very difficult, but the industry continue to talk and will continue to talk.

The Connétable of St. Brelade:

I would imagine the town of Granville would be very enthusiastic if that continues.

The Deputy of St. Martin:

Indeed, and the Chamber of Commerce in particular has been very helpful over the last 10 or 15 years in building up the trade links between Granville and St. Helier. Oysters particularly have been the backbone of that, but there is a lot of produce and materials that come from Granville on a weekly basis now. That is good for both Jersey and for Granville and for Normandy, and certainly the politicians and members of the chamber who were at that industry-led meeting were very much in favour of Granville being able to continue that business. The difficulty is if the oysters cannot be unloaded in Granville I think it would be unlikely that there would be a justification for the rest of those goods to come back on the boat again because the boat will not go to Granville to unload oysters.

Deputy R.J. Ward:

I think the questions I have seem to have been covered generally, so perhaps I should chip one in now.

Deputy K.F. Morel:

If you want to.

Deputy R.J. Ward:

If I change it slightly, how would you rate the Island's preparedness for a no-deal scenario if a no-deal does happen by 29th March, which ... well, I will ask you something about your confidence in that or not in a moment, but how would you rate our preparedness? It is the \$10 million question, really, I suppose.

The Minister for External Relations:

I am ... I do not want to be ... it is important that we are not complacent. I think it would be very easy to be complacent and say: "That is not going to happen, that is not going to happen." That is not

the approach we are taking. It comes back to the question that the chair just spoke to us about, around assumptions, and I think it is right that we go back and retest those assumptions. I think we are as well prepared as we could be at this point in time but that is not to say that ... that does not mean to say we will not have to continue doing that work and more work between now and March. We will, and that is exactly how it should be. So, by saying I believe we are well prepared, that does not mean to say every business, every Islander, every Government department is exactly where they will need to be by 29th March because they are not and we are not, but we are at the place that we would expect to be at this point in time in preparedness. I do not know if you want to add anything.

The Deputy of St. Martin:

It is amazing because I wrote down here just at the start: "Brexit week has gone well but no complacency, still work to do." We are talking about meetings and I know the meetings you referred to, chairman, were internal, but I have written down here that we need to meet again with the fishing industry. That is overdue. We are going to continue to meet with logistics and freight companies and retailers in Jersey. We will be meeting or the industry will be meeting in St. Malo in February to discuss the border inspection post issues. I hope they will go back to Granville again. Certainly, we need internally to talk, have meetings around business continuity and how we blend that into semi-emergency planning. Finally, we need more meetings with people about storage of goods and the access to goods once they are in Jersey. So there is plenty to do but, as the Minister says, I think at the moment we are as best placed as we could be, but there is still a lot to get through between now and the end of March.

The Minister for External Relations:

There is some of the legislative changes that we cannot yet make because we do not know what they are going to be, but we have the laws ...

Deputy K.F. Morel:

Yes, we will be asking you about them in a minute.

The Minister for External Relations:

Yes, okay, fine. I wonder, though, if you have had the political line on whether we are ready or not, could I just ask Kate to give from an official's perspective how they are feeling about where we are?

Group Director of External Relations:

I think I would echo what you have said, Minister, and I think we are prepared as we can be. That is by virtue of a huge amount of work going on across Government. I can give you an assurance that departments have looked at the risks of a day one no-deal in quite considerable detail and they

have looked at how they mitigate those risks, so how we can be as prepared as we can to prevent those risks from occurring. The Minister and External Relations colleagues have been meeting weekly now with departments to run through those plans, to test those plans, to make sure they are as strong and they are as robust as they can be. So I think it is fair to say that we are in a good place as far as you can be in these uncertain times and we will continue meeting. The departments will continue testing those plans as we move forward to 29th March, should an agreement not be able to be reached.

Deputy K.F. Morel:

Could I just quickly add; when I asked you the question earlier about the costs so far, I take it that did not include individual department costs that have been involved here?

Group Director of External Relations:

Yes, it is, yes.

Deputy K.F. Morel:

It does?

Group Director of External Relations:

That is the full cost.

Deputy K.F. Morel:

So that includes if the Health Department had to do X or Y, that would include that?

Group Director of External Relations:

That includes the cost for across Government costs that have been anticipated so far. What we have asked departments to do is to look at any extraordinary costs that might come out of a day 1 no-deal scenario. Some of those have been worked up and some of those are in train. But the figure I quoted earlier does not include that data.

Deputy R.J. Ward:

Can I ask ...

Deputy K.F. Morel:

Yes, carry on, Rob, sorry.

Deputy R.J. Ward:

Sorry, just on that theme, I was going to ask you what is your confidence of Article 50 not being rescinded, but that may be unanswerable at the moment so let us just say what can we expect if Article 50 is rescinded or extended and the U.K. does not leave on 29th March for us? Because there is a lot of preparation going on so if that does not happen and it is put back where does that leave us? What is your opinion on ...

The Minister for External Relations:

It alleviates the pressure for legislative change by order running up to March, so it gives us more time to do that, it gives us more time for scrutiny, so it is positive in that regard. The downside, of course, might be that there is just an extension and all that does is add uncertainty. So the U.K. Government view is that the E.U. would not extend Article 50 without the U.K. understanding where it wanted to go and what it wanted to do with that extension time. So, yes, we have agreed a withdrawal type of agreement, the U.K. knows roughly what sort of Brexit it is going for, but do not forget, as I said on Tuesday, even you have had that meaningful vote - so you are basically trying to get to another meaningful vote on 29th of January - you still have to have the legislative change to bring that agreement into effect. So you can see time is running out pretty much and that is the U.K. Government's view. There is quite a lot of conversation about is that really the case or would the European Commission extend even if the U.K. did not know what sort of Brexit it was looking for. My personal view is that they probably would extend even if there was not that much clarity on what type of Brexit the U.K. were going to look for. Of course, on top of all of that we have the Nick Boles motion which has put Article 50 until December, and we know that it is not just in Jersey where Ministers disagree, we know that there has been quite a robust conversation about whether Conservative Party Ministers even are going to be whipped into opposing that particular position. So my personal view is we will probably see some extension, but for how long and on what basis, that is not possible to say. You are going to add something?

Group Director of External Relations:

Not to that; I could not possibly. But I would just say in terms of preparations and where we end up with Brexit, I mean, who knows, but when you think about the investment into External Relations, of course, a good deal of that has been to enable us to prepare, for example, negotiating a new customs arrangement, getting some legislation in place, all of those things that will be necessary if the U.K. leaves; but also a lot of that investment has gone into the global markets team. Now, that is something I think that we would need regardless of what is happening over the water because that is about Jersey's ability to do more business, to trade more, to support the economy and jobs. That is a really important thing that has come out of the Brexit process and we would need that anyway, and I would make a very strong case to continue to invest in that anyway, regardless of what happens in the Brexit process.

The Deputy of St. Mary:

Thanks for that. Before asking follow-up questions on certain things you mentioned, can I refer to the financial services industry which has not had a mention as yet? Can you briefly expand on the level of engagement you have with the industry and keeping them up to date with developments, and as to their general attitude maybe?

The Minister for External Relations:

Well, because we are already outside of the E.U. for services they have been, I think it is fair to say, largely quite relaxed because we already have a number of tax information exchange agreements in place, we are already developing our ability to agree a bilateral investment treaty, we are already increasing our double taxation treaty agreements. So it is fair to say that during this wave financial services have been looking much more about our bilateral engagement with Europe and the code of conduct work around taxation. Of course, some of the local firms that have parents in the City are looking at what is happening in the City, but it is worth bearing in mind that while the City were largely disappointed with the referendum result, and we started off with proposals around services that the Government were going to fight for, they got dropped until we got to the Withdrawal Agreement where services are not included. So they have already got themselves into a position of acknowledging that it is unlikely that in a new relationship and in a Withdrawal Agreement services will not be involved in that and, therefore, they are going to have to - like we do - be treated as a third country and show equivalency in other ways.

[15:15]

The Deputy of St. Mary:

Presumably with or without Brexit they are already looking on a global basis rather than the E.U. basis?

The Minister for External Relations:

Yes, and they already ... are you talking about the City or Jersey?

The Deputy of St. Mary:

Jersey-based firms.

The Minister for External Relations:

Well, if you look at the numbers - and I do not have the numbers in front of me, I do not think my good Assistant Minister has them - but we have already seen a moving away from Europe-focussed funds to much more global in nature. Jersey Finance have been part of the ReadyBrex week, giving presentations to the public and businesses at lunch time. We are seeing greater and greater flows

from around the globe into Jersey; so less dependent on Europe, less dependent on upstreaming to and from the City than we ever have been. This is, of course, in line with the strategic direction that McKinsey said we should go in 3 or 4 years ago, but what we need to do is accelerate that pace of change and encourage ... which is why yesterday morning - or was it this morning - we were talking about exporters and encouraging exporters and importers to look more globally in their reach; not just financial services but right across our economy. So they have been on that road, as it were, and that direction and strategy for a long time.

The Deputy of St. Mary:

Okay, thanks.

Assistant Minister for External Relations:

Sorry, can I just add I was at the Jersey Finance presentation and we had a report back from the country reps that they have and there is definitely a lot of work being done outside of Europe, particularly in Hong Kong and Dubai, to increase our presence and our net worth market. So the finance industry is very clearly focussed ... I mean, obviously they have a focus on European business but they have a much greater focus on business outside of Europe, particularly Africa and the U.S. (United States) are their new target markets. There is a lot of work going on through Jersey Finance to do that with the industry.

The Deputy of St. Mary:

Yes, and their focus has been in that direction for a long time, even before Brexit?

Assistant Minister for External Relations:

It has, and we are going up a gear on that. We are talking about looking at an office in New York now.

The Deputy of St. Mary:

Thanks for confirming that.

Deputy K.F. Morel:

Just on the financial services, is there any concern among the industry that you know of about data sharing, and particularly by the U.K.? Because our new data laws I believe have equivalence with the E.U. so they should not themselves pose a problem, but obviously U.K. firms I imagine send data from Jersey to the U.K. where equivalence may not be in place.

The Minister for External Relations:

It is a very good question in that we have an equivalence certificate already. The last time I was in Brussels we went to see the Commission senior officials. They confirmed that we would be maintaining that adequacy certificate. So then the challenge for us is we as a third country have an adequate certificate; was there a potential by sending information to the U.K. in the case of no-deal on day one they become a third country? That is not automatic, of course, the E.U. have to designate you as a third country, which is another issue that we do not hear much about ...

Deputy K.F. Morel:

We all assume they will become a third country.

The Minister for External Relations:

Well, that is the working assumption but the E.U. have to ... it is an ironic part of all this, they have to make that decision, and then they would have to go through an adequacy test, which is why I am amending the Jersey legislation, which is what my colleagues in Guernsey are doing - and I think the Isle of Man as well - to enable under law Jersey companies and individuals to be able to transfer data into the U.K. as if they were adequate. Now, we talked quite a lot about how we were going to manage that particular issue. There was another route possible which larger companies could have dealt with more easily, and that is do their own process to make sure that the companies they are sending information to, all their parent companies, are handling data appropriately along the lines of G.D.P.R. (General Data Protection Regulation). That is fine for big companies but there are a lot of small companies in Jersey that just do not have the resource to be able to do that and, therefore, we took the view that to make sure everybody was prepared for no-deal on day one, if we made a legislative change that would mean that while they would still have good practice and all of those things and comply where they comply, there would be legal certainty to them that they were okay to transfer that data on day one. I as a Minister took comfort from the fact that that is an approach that the Swiss are taking as well with the U.K.; so they are a third country taking the same legal approach.

Deputy K.F. Morel:

Could there be a backlash perhaps over time if the E.U. disagreed with the idea of the U.K. having adequacy in the sense that then that may create a problem for our adequacy with the E.U.?

The Minister for External Relations:

That was the concern when we were trying to find a solution to the issue that I had. We will need to keep in contact with the E.U. and some of that will depend on whether the E.U. find it a straightforward thing to give the U.K. an adequacy certificate or they cause an issue about it. If then they cause an issue will they come looking at other third countries who have been sharing data. But, as I say, because it was a model that has been followed by Switzerland that gave me a lot of comfort to say we could take the same approach.

The Deputy of St. Mary:

Going back to the prospect of a no-deal Brexit, are there contingency plans as regards stockpiling essential supplies, particularly food and even water and medicine, as various members of the panel have had representations made to us?

The Minister for External Relations:

We will deal with medicines first. So you are aware that the United Kingdom is asking the drugs companies - if I use that American term - to themselves stockpile. So they have listed out usage - they know and they have gone around the health authorities to get uses of drugs and medicines - then they have gone back to the manufacturers and producers and said: "Okay, you need to stockpile these amounts." So Jersey Health Department has been working extremely closely with the N.H.S. (National Health Service) and have had confirmation many times verbally but also in writing that all of our medical requirements are included in that stockpiling process in the U.K. On top of that, of course, let us just remember what time of year we are. We currently carry extra supplies in the run-up to Christmas and we always carry extra supplies at this time of year because of winter and preparing for those as well, and we continue to work very closely with the N.H.S. to understand, again testing assumptions, if there is more that we need to be doing here around those supply levels.

The Deputy of St. Mary:

There was this morning, which you will not have seen, a major BBC news feature on supply of medicines, which the President of the Royal Pharmaceutical Society appeared saying there is already a shortage of some 80 medicines in certain areas. My concern is how can that be addressed if the U.K. themselves are already short and we get a portion of nothing then? Are there plans for Jersey to operate outside the present N.H.S. system to go direct to suppliers?

The Minister for External Relations:

We would not be ... when you say "operate outside of the" do not forget ...

The Deputy of St. Mary:

Seek other sources.

The Minister for External Relations:

We are getting into a delicate area again. We have agreements with the United Kingdom and with health authorities about provision of certain medicines and medical provision. So I have seen the headlines of that piece of work; I have no doubt that the first class officials at the Health Department will be doing further work on the back of that. But at the same time I would just remind you of the

other thing that I said, that we are already holding increased supplies for the Christmas period and for winter conditions here.

The Deputy of St. Mary:

I raised the question partly because a G.P. (general practitioner) raised it of me, that he was concerned.

Deputy R.J. Ward:

Can I ask, the stockpiling in the U.K., do we have a link with a particular N.H.S. authority and area, or is this something centrally in the U.K.? Because they are separated up into trusts, which do seem to sort of have a level of independence, do they not?

The Minister for External Relations:

They do, but we are working centrally with the Department for Health in the U.K. and we have direct correspondence from the Health Minister confirming what has happened and how we are being taken into consideration.

Deputy R.J. Ward:

But we would not be competing with other N.H.S. trusts for a central stockpile?

The Minister for External Relations:

They have been doing the same piece of work with the N.H.S. trusts in the U.K. to understand their needs and to stockpile those as well. It was quite a big piece of work to make sure that we were accurately recording what we would need, because at one point earlier - a couple of months ago probably, or a month ago - the message was coming back: "Look, you have to have listed what you are going to need and what you want us to stock otherwise it will not be there." So they have done a very thorough job in making sure all of that is notified and then communicated, and then communicated back that they have it.

The Deputy of St. Mary:

So we are not competing with N.H.S. authorities for the same products then? We have our allocation?

The Minister for External Relations:

Well, do we have our allocation, yes, that we said that we would require, yes, we are very clear that that is what we needed to do.

The Connétable of St. Brelade:

Taking you on to the ...

The Minister for External Relations:

But equally I have to be a little bit pragmatic and say if there is a national shortage of a particular drug and there is an outbreak of something in Scotland, is there going to be a conversation with us about: "How much of this do you need, or can we reposition it to the outbreak of a condition somewhere else across the United Kingdom?" It would be immoral of us not to have that conversation, would it not?

The Deputy of St. Mary:

As I said, the concern I was expressing was not so much about certain outbreaks but routine stuff, antidepressants which are really in short supply, I am told.

The Minister for External Relations:

That falls into the other category that we have just been discussing.

The Connétable of St. Brelade:

Taking you to the new customs union between the Channel Islands and the U.K., what would the effect of that be on a day one no-deal scenario? We have a new customs union, we do not really know what is going to happen; has any further work been done into a greater depth on that in contingency terms?

The Minister for External Relations:

No, I mean, that is a contingency measure to make sure that the freedoms that we currently enjoy in trading and travelling between the U.K., free of friction and tariff, is maintained if there is a no-deal.

The Connétable of St. Brelade:

So with regard to shipping and freight, do you think there would be any effect on that and transport generally of freight from the U.K. to here?

Deputy K.F. Morel:

France as well.

The Minister for External Relations:

Well, this is a slight difficulty we have and it comes back to assumptions again. So if you listen to the - I usually call them hard-line Brexiteers - or the E.R.G. (European Research Group), that sort of individual, they will say until they are blue in the face: "It is all rubbish, there is going to be no

change whatsoever.” But if you listen to what they would call the project fear merchants, there is going to be motorway snarl-ups, there is not going to be sufficient storage, ferries are going to be stopped and it is going to be the end of the world as we currently know it. These are political arguments and trying to persuade the U.K. public that they should support one particular outcome. We have tried to look beyond those political narratives and arguments and look at how does our supply chain work now.

[15:30]

So the Deputy of St. Martin has been over to not quite physically walk the supply chain but more or less look at the storage, speak to the people on the ground that day in, day out are recording their systems, and follow it through to the harbour and the amount of storage trucks that you can get between the ferry and the motorway in Portsmouth - not very many, by the way, I think between 12 and 14 - and testing the contingency plans. So now we are in the process of ... once I have shut up you might want to say a little bit more about that. Now we are in the process of saying: “Okay, we have done that, now we are going to test the ferry companies’ contingency plans as well.” So we are getting them provided to us, we will review them for reasonableness and then we will look to see what is the next step if their contingency plan does not work. This is why earlier this week we were saying - perhaps for the first time publically - that we are looking at other southern ports as well. There is other work ongoing as well looking at a contingency, which you might think was a bit more extreme, of not having a northern route and having to think about a southern route, the provision of vessels and all of that sort of thing. But you are moving across that continuum from “project fear” to “there is going to be no change at all”, and we are just trying to manage all of that.

The Connétable of St. Brelade:

I imagine there is flexibility. I mean, we have very few ships coming in here in terms of operators. Have they got the flexibility to deal with these contingencies, do you think?

The Minister for External Relations:

Steve, do you want to say something about that?

The Deputy of St. Martin:

Well, there is some flexibility and I think it is fair to say that the 2 main ferries that come backwards and forwards do not always travel full. But we always have the flexibility of a lift-on, lift-off service which at the moment is not running as much as it could do. There are other boats that could be brought into that service very quickly and they would be available at very short notice that would help out there. Certainly, the largest freight company that operates between the Channel Islands and the U.K. are well known to everybody. Ferryspeed have indicated already that it would not be

a great problem for them to move from roll-on, roll-off to containerised. Yes, there would be some physical difficulties that would take some time, but having a boat available in Portsmouth or Southampton and lifting stuff on and off would be an option. But certainly at the moment - as I am sure everybody realises - there is a level of freight moving between the E.U. and the U.K. on a certain number of lorries and on a certain number of ferries and that works very well. Those lorries will still be there, the ferries will still be there, the freight will still be there. It is just a question of making sure that the circular movement of trucks in and out of the U.K. continues to happen, and the problem that the Minister has referred to will occur if there is a breakdown with the paperwork. It is that that could be an issue. We know that only a 10 per cent movement from Dover to Portsmouth would put Portsmouth over the top of their capacity. We know also that Portsmouth at the moment serves some of these ports on the northern coast of France which are border inspection posts; that may add to the complexity. But also we know that we have Southampton next door to Portsmouth, very close, and of course Cornwall Ferries use Poole as a port for their passengers, and Poole also services the north coast of France with larger ferries and boats which have roll-on, roll-off capacity. So I think when you put all those things into the mix, provided we are asking the right questions and people have the right answers, there is a lot of flexibility in the way we get to and from the U.K.

The Connétable of St. Brelade:

Have we still got the linkage with Rotterdam?

The Deputy of St. Martin:

No, we do not have any of those linkages anymore. But a good example of the flexibility would be fuel, and people may well ask questions about fuel but Jersey at the moment is very well placed. Our fuel comes in bulk tankers which are pumped straight into the fuel farm. It also comes in I.S.O. (International Organisation for Standardisation) containers these days, which is then taken to the airport. So the I.S.O. containers come on a lift-on, lift-off and the tanker vessels come separately into the harbour. So we have different ways of getting fuel on to the Island from different ports, and of course RUBiS are our main supplier. They are a French company and they have indicated that there is also the opportunity for looking outside of the U.K. to access fuel should we need it. So from a liquid fuel perspective we are in a very good position and it is because of that flexibility.

The Connétable of St. Brelade:

Would you see any disruption to the bulk cement import service that we have at present?

The Deputy of St. Martin:

Certainly, cement comes from a bit further away, that may be more complicated, but I would not see great disruptions. I cannot say it is one I have thought about very greatly. Our main consideration

is the goods that come out of Portsmouth, and obviously an awful lot of the Island's requirements leave Portsmouth and come on those 2 Condor vessels and the Ferryspeed boat from that port. But cement is something we need to consider; it would have a great effect on our construction industry if it came to be in short supply.

Deputy K.F. Morel:

Moving on to immigration and the settled status scheme, obviously the States has passed the settled status scheme, but do you foresee or can we expect any further changes to the immigration system in the coming months?

The Minister for External Relations:

I thought you were going to ask me if you were to expect any change to the cost of it, and I should be asking you gentlemen that after our conversation on Tuesday.

Deputy K.F. Morel:

We will get there.

The Minister for External Relations:

Not that I am encouraging it; I think it is the wrong thing to do. Neil, do you want to ...

Principal External Relations Officer:

I will respond to that. So the U.K. issued a White Paper prior to Christmas indicating what their future immigration system is expected to be. But this is something that they indicate would not be in probably until the end of next year, or more likely 2021. So there is an immigration system we will have to put into place to patch between Brexit day and when this new immigration system comes through. We are working very closely with the Home Office and expect to be able to have some information to give clarity to those people who wish to come after Brexit day very soon, but I can confirm that there will be a route for E.U. nationals to come to Jersey post-Brexit, as they will be able to go to the U.K. in the same way.

Deputy R.J. Ward:

The U.K. is talking about a £30,000 salary threshold for skilled workers moving to the U.K. Is the Government of Jersey looking to implement anything that is similar in terms of a threshold?

Assistant Director, Customs and Immigration:

Could you repeat the question?

Deputy R.J. Ward:

The U.K. are looking at a £30,000 salary threshold for skilled workers moving to the U.K. in the immigration of U.K. nationals, I believe, in their control of immigration. I just wonder if there will be anything similar from the Government of Jersey.

The Minister for External Relations:

Luke, if you answer how we work with the system as the U.K. and then I will answer the political bit.

Assistant Director, Customs and Immigration:

The existence of the common travel area in effect means that we have agreed and will have an aligned immigration policy and procedures to that of the U.K. and so it is likely that if there are such requirements to fulfil certain immigration routes ... as there are today, there is a similar threshold at the moment for workers that come in at the moment from outside of the E.U., I think slightly higher than that. That is something that we mirror from the U.K. I would imagine we would examine whatever was presented by the U.K. and consider our options within that, but they would be similar I am sure.

Deputy R.J. Ward:

Because given the difference in size ...

The Minister for External Relations:

But we might make a political case to U.K. Ministers that ... this is one of the issues that we thought about right at the start when the U.K. was talking about it was going to let a quota of people in. We said very clearly that would not work for us, because you could not say to us: "You are just going to have a percentage of what the U.K. quota is" so they have moved away from that. Just to be clear, there is an argument yet to be had in the U.K. about how they will manage immigration post-Brexit. You have the Prime Minister, who seems to have quite a hard-line approach to that, outlining what the Home Secretary recently said corresponding with that, and then you have lots of other Cabinet members and parliamentarians that disagree with that and want a much more welcoming, free-flowing approach, certainly for E.U. citizens. They would even be looking to a continuation of some type of 2-tier scheme for E.U. citizens being freer than non-E.U. citizens. I know it is not a satisfactory answer, but there is a lot of discussion and agreement to be had before they decide what that would be. My personal preference is that such a system does not work for us. As we see, the Minister for Home Affairs has had to make a decision a fortnight ago to allow visas for 130 non-E.U. nationals to come and work. They do not meet that sort of criteria and never could. Just to also say I think that you will find that there are a lot of industries in the U.K. that would be decimated if that type of criteria was introduced.

Deputy R.J. Ward:

Do you envisage any temporary immigration measures then during the period of uncertainty during Brexit and the transition period?

The Minister for External Relations:

So if there is no deal ...

Deputy R.J. Ward:

In any scenario, really. Well, not in any scenario, not if there is a Remain.

The Minister for External Relations:

No, because in the transition period everything just remains as it is until you have negotiated the future economic relationship and you deal with those sorts of issues. If there was a no-deal on day one, there would have to be some decision about how you were going to treat E.U. citizens and movement of them into the U.K. pretty sharpish. I was saying at lunchtime, all you need to have happen is for a train to be caught up - where does the train go, to Calais - and to be stopped, full of people, for Ministers to get on and make a temporary decision about how they are going to allow the flow of people in that short period of time. I do not know, Luke, if you want to ...

Assistant Director, Customs and Immigration:

The only thing I can add to that is the majority of the immigration control is managed by the immigration rules, which are something that can be changed very quickly, as you know. That is how we have introduced the management of the settlement scheme. That took a bit of work to get to, but the actual practical part legally was relatively quick, so we have that flexibility to be able to do the same when we get clarity on how the U.K. are going to do it and how we will respond to that.

The Connétable of St. Brelade:

Going to basic things, how will Islanders looking to travel to France or other European countries be affected by Brexit, do you think?

The Minister for External Relations:

Basically it is the same question Rob just asked. We do not know, do we, because the U.K., that part of the negotiation has not been agreed, which again comes back to the point which I have been making ever since the Withdrawal Agreement was publicised: it is good for us, because it extends the clarity of the current position for another 2 years and gives you time to work out all of those issues.

The Connétable of St. Brelade:

It is quite fundamental to a lot of people perhaps booking holidays, which are quite often done 12 months ahead, as you will be aware. One little thing that rides on the back of that, of course, is animals going to France. People have homes over there and so on. Has any work been done with the ... I suppose it would be for the States to act with regard to how that might be dealt with.

The Minister for External Relations:

It has, has it not? I am not sure. I am not the best person to answer that question. Neil, I think, maybe.

Principal External Relations Officer:

Yes. We have published I think 101 technical notices which go into detail on some of the impacts for pets or other animal movements and other checks. That is probably the best place to go to. Part of the readiness week was also about communicating some of these impacts, not just the traders who are moving animals or animal products, but some of the practical impacts you are probably thinking about, just going on holiday with your dog or your ferret. There is advice out there, but we have probably not ...

Assistant Minister for External Relations:

That is not the first time that ferrets have been mentioned. It is really quite worrying.

The Deputy of St. Martin:

I might add, I think, as we all know, we are currently subject to the European pet passport scheme and the idea would be, of course, that the U.K. will come up with something equivalent so that both European and U.K. pets can move as freely as they do now. But I think that the States vet has also indicated if we found ourselves quickly in a no-deal situation that the time that you would need to allow to get your vaccinations and vet inspections in place would be considerably lengthened, to the point if you want to travel in April, I think you should already have started to talk to your vet about how you do that. But the hope would be in the future, of course, as with so many other schemes, that we have an equivalent scheme so that we can continue as we have done in the past, but we need the time to do that.

The Minister for External Relations:

This is why I have been saying quite openly that if there is no deal on day one, it leads to quite a lot of bureaucracy and uncertainty. If I was a member of the E.R.G. I would be saying: "Constable, do not worry. There is going to be no change whatsoever."

The Connétable of St. Brelade:

Just to pick up on our links with France once again, you were alluding to potentially developing extra shipping with France and closer ties with the French economy.

[15:45]

Could there be a higher consumption on the Island of French goods? Where do we lie with the labelling scenario, not only with medicines, of course, but particularly with food, which has been a problem with Trading Standards in the past?

The Minister for External Relations:

Yes, this is the work that the Growth, Housing and Environment Department have been working on in their emergency planning and contingency planning. The issues that you have raised are exactly the issues. Steve has been looking at the supply chain issue, then you have the language issue. Probably it is fair to say, because we also looked at this around medicines, it is easier to deal with a contingency or an emergency provision from the southern route with language on food than it is on medicines.

The Deputy of St. Mary:

Just if I may, going back to the settled status scheme, I envisage that employers who value their employees who will qualify might well finance the cost of their application. Is it envisaged that Government would do the same for what they might term essential employees, such as in the health service?

The Minister for External Relations:

I think Deputy Ward asked me this question in the States Assembly on Tuesday.

The Deputy of St. Mary:

You might have a wider audience there.

The Minister for External Relations:

I have no change to the answer that I gave then, which is that I am not aware of any department considering that, but I certainly undertook to relay it to them to consider it. Interestingly, and I only realised this yesterday, the Scottish Government and the S.N.P. (Scottish National Party) in Parliament have been making similar points to that which you gentlemen were making about the cost, but they are only going to pay for the cost of Scottish Government employees, they are not going to pay for the cost of anybody else.

The Deputy of St. Mary:

The Scottish have a reputation for ... strictness. **[Laughter]**

The Minister for External Relations:

You might need to choose your words carefully.

Deputy R.J. Ward:

There are some N.H.S. trusts that have said they will pay for their staff. There are a couple of questions that come from this. It may well be that companies here who value their workers will say: "We will pay for you" and that could leave a section of society that are perhaps the least able to pay being left with the bill and really being the only ones paying. What do we have in place for those who cannot afford the application fee? If you are living week to week, day to day, it is a significant cost. Do we have any contingency plans in place for them?

The Minister for External Relations:

I make the point that I made on Tuesday, which is we considered these issues at length. We took appropriate advice about whether there were particular carve-outs or categorisations of support that we could provide. In the end, we felt that a uniform cost recovery basis was the appropriate one. If a broad number of companies decide to pay for their employees, I would say 2 things about it. Cheekily and politically I would say that would mean we should maintain the cost, because those companies will be helping Government on its cost recovery. Secondly, I would say that if that is the case and we become aware of particular hardship, I have no doubt that we would look at that again.

Deputy K.F. Morel:

I think it has been stated that there will be some sort of plan in place for people experiencing hardship because of this. Has that plan been taken any further forward?

The Minister for External Relations:

I am not aware of where they have got to on the details of that. Are you ...?

Assistant Director, Customs and Immigration:

No, but I could only add one thing, that we have been making the point that it does not reduce the cost by any means, but it is worth bearing in mind that people have the ability to not apply until the end of next year, so there is a lot of time to save. I understand that £25 for some families is still significant, but it is not as if it is something we are requiring day one no-deal.

Deputy K.F. Morel:

£25 per person, that is the thing. It mounts up.

Assistant Director, Customs and Immigration:

Absolutely, but nevertheless, there is a 2-year period in which to prepare for those kind of payments. That is one of the considerations that I think should be taken into account as well.

Deputy R.J. Ward:

When the scheme starts and the payments are available to be made, which it is not at the moment because I believe the final law has not been signed off, if during that time there is a change and there is no Brexit, will there be a refund to those people? Because there is so much uncertainty.

Assistant Director, Customs and Immigration:

No, I can say without doubt we are not going to take money off people for a status that they are not going to require in the future. We would refund if there was a change in that.

Deputy R.J. Ward:

What about those who do not apply, if it is required and they simply choose not to apply?

Deputy K.F. Morel:

Or somehow are missed.

Deputy R.J. Ward:

Or somehow are missed or just simply think: "No, that does not really apply to me"?

The Minister for External Relations:

They are treated differently, are they not? I will let you deal with that, Luke, because you will be dealing with it.

Assistant Director, Customs and Immigration:

We are going to take a pragmatic view to this and certainly deal with that on a case by case basis. This is not being introduced in a way to provide us with an enforcement badge to make life difficult for people. We are trying to offer people an opportunity to regularise their immigration status. Those that forget or have difficulty understanding it, we will assist them. We do not expect to be enforcing this to people who have forgotten about it. They will be given plenty of opportunity if it has been something that is just outside of the communities they are living in. For whatever reason, if they have not received the message, there will be opportunities to make amends and do that. Those people who on principle decide not to apply, this is a more difficult situation to deal with. At the end of the day, they will be in a position where they have no immigration permission to be in the jurisdiction. Currently, it would mean that they would have to be removed if we have that certain circumstance. An illegal immigrant today would be in a situation where they need to be removed.

Clearly, we would do all we could to avoid that sort of circumstance for those people who play a large part in our community. We are hoping that things like Brexit week will provide an opportunity to get this message across and for people to understand that. Unfortunately for a lot of people, it is a new environment we are going to be in and it is part of something that has been put upon us, if you like.

Assistant Minister for External Relations:

It is also worth making the comment that I was at the Constable lunch. We are engaging with the Constables and there is a high degree of goodwill to work with us to ensure that everyone is given the help and advice to do this so that they can, because obviously some people are not English speakers and they will be talking to the honorary Constables to get their permits done. We are engaging with the honorary Constables to make sure that they are aware of what is going on and how we can help them get people on and get them through the system.

Deputy R.J. Ward:

Can I ask one more question, if that is okay?

Deputy K.F. Morel:

Yes. No, help yourself.

The Minister for External Relations:

Can I just come back to talk about hardship once you have ... because it is slightly unconnected with the scheme, but just generally the work that we are doing.

Deputy R.J. Ward:

Yes. There are a couple of things to confirm, but one of them is that the cost recovery includes the possible cost of deportation of those who do not apply, so those who are applying could effectively be paying to deport those who do not within that cost recovery envelope. Am I right in thinking that is the case?

Assistant Director, Customs and Immigration:

You could look at it in that way, but that is not how it is envisaged. What we have done is we have put aside a potential cost for those that may end up in that position of deportation.

Deputy R.J. Ward:

Is that within the cost recovery envelope that you want to take back in the charging?

Assistant Director, Customs and Immigration:

It is, but I can tell you now it is less than 1 per cent of the cost, I think, considering it.

Deputy R.J. Ward:

Sorry, this is a question I think you answered earlier, but I cannot remember. If you take Jersey's settlement status, it is different from the U.K.'s settlement status. It is not a backdoor to the U.K.'s settlement status, it just gives you settlement so you can live and work in Jersey with the protection of the U.K. link.

Assistant Director, Customs and Immigration:

I think I understand your question. The bottom line is that we ...

Deputy R.J. Ward:

I am not sure I do, if I am honest. [Laughter]

Assistant Director, Customs and Immigration:

... want clarity from the Home Office that the statuses that are issued in the Channel Islands - Guernsey, Jersey and in the Isle of Man - will be recognised across the C.T.A. (Common Travel Area). Someone who receives a settled status here will be able to move to the U.K. and not have to reapply.

Deputy R.J. Ward:

But you have to have certain criteria to be here to get that settlement status, so that makes sense.

Assistant Director, Customs and Immigration:

It is the same criteria as the U.K.

The Minister for External Relations:

But that was quite important, because it means that people with the settled status regime certificate in the U.K. can move here. We might find that that is something that we wish to encourage in due course. If the years were not spent, we had to argue that they would be treated on a reciprocal nature as well, so you would have 3 years in Jersey, 2 in the U.K., for example. Could I just then say something? You asked about hardship cases, so customer and local services - known to us all as Social Security - they are doing a piece of contingency planning around any hardship that might be created as a result of Brexit, so that might be if there are food issues, access to that, to those products. If there is high food inflation, thinking about what does that mean for income support and increasing components and thinking about budgets, so that bit of work is being done, just to reassure you.

Deputy R.J. Ward:

You mean the general effects of Brexit and the supply chain costs and so on?

The Minister for External Relations:

Yes.

The Deputy of St. Martin:

I think we were just aware the advice may come that: "You might need to think about 2 tins of beans in your shopping basket instead of one" but we are very aware that some people would struggle to do that. It is all very well giving the advice to do some small amount of stockpiling, but you just need to be aware that there are people out there who may not be able to afford to cope in that way. As the Minister says, we are quite conscious of making sure that any effect of Brexit is looked at.

Deputy K.F. Morel:

Moving on to the legislative programme just for the last few minutes, how have you progressed in relation to the Brexit legislative programme so far? Are you satisfied with the progress?

The Minister for External Relations:

I am not easily satisfied. That is not true. **[Laughter]** I am getting unfortunate looks from all my officials. No, they have done a fantastic job. It is fair to say that the only blockage of bringing forward legislation is outside of the control of Jersey officials. Everything that they could have done they have done from a legislative perspective. They have pushed their U.K. counterparts, sometimes to distraction, to make sure that we had early sight of pieces of legislation, that we knew what policy - where we could - in various areas that they were going to do and therefore do the law drafting. But everything now that has not been ... again, it would be right, unless there is something still in the pipeline. I think virtually everything now that has not been brought forward currently is because we are still awaiting the technical decisions about what the U.K. is doing. The law draftsmen are sat, almost pen poised, ready to do it. They have done quite a lot of the other legwork, but they have not been able to do that.

Deputy K.F. Morel:

Are you able to enlighten us as to which areas these kind of blocked parts are in?

Group Director of External Relations:

I think there are still some to come forward on financial services, on animal health, on income tax, but in a large part the changes are minor. It is things like just adding "U.K." in when you have a reference to the E.U. There are not major changes to consider, it is tweaks to existing legislation.

Deputy K.F. Morel:

So from the perspective of legislation before the Assembly, has the Assembly seen all the legislation relating to Brexit that it needs to see or is already proposed in the pipeline?

Group Director of External Relations:

In terms of the main regulations, the big areas, yes. As I said, it is just tweaking the areas that are affected by the fact that critically the U.K. ...

Deputy K.F. Morel:

That is what I mean, it is the big areas, but from the main areas, whether is the Vienna Convention or anything else, that has all come before us and you are not expecting any more?

Group Director of External Relations:

No, I do not believe we are expecting any major areas before the end of March.

The Minister for External Relations:

That is my understanding currently.

Principal External Relations Officer:

Just to add that we have been sharing the updates on the legislative progress that the Minister and Chief Minister get with the panel. I hope they are helpful and we will continue to do that. I think there is a briefing arranged for next week on some of the Orders that we are expecting to come through as well.

Deputy K.F. Morel:

I was going to ask about Orders, yes.

The Minister for External Relations:

Lots and lots of Orders. I do not know the quantum.

Deputy K.F. Morel:

Is that an official European standard, Ian?

The Minister for External Relations:

No, it is an imperial measure. [Laughter]

Assistant Minister for External Relations:

We can give a letter to you of European standards, if you like.

Deputy K.F. Morel:

When do you think you will start seeing those Orders coming through? Because we have not seen many so far.

Group Director of External Relations:

Very soon, within the next few weeks. What we will undertake to do on the back of this session is come back to you with some more detail on timing, because as Neil said, we have been able to do it with the regulations, but not yet in detail with the Orders, so we will take that away.

[16:00]

Deputy K.F. Morel:

We have seen or we will be seeing coming up miscellaneous amendments. Is this the sort of legislation you now see coming forward? Can we expect more miscellaneous amendments coming forward as well?

The Minister for External Relations:

Yes.

Deputy K.F. Morel:

No timelines on them particularly, are there?

Group Director of External Relations:

No. I do not think much more over and above that which we have already submitted to you in the full plan for the States. I think you have most of the headline legislation now.

Deputy K.F. Morel:

Yes, thank you. Anything else?

The Deputy of St. Mary:

Finally, if we can get away from Brexit for a moment, our international obligations might suggest there are other areas we should be looking at. Only last week we had a proposition relating to non-smacking, which is outside Brexit. Are we able to look at other areas outside Brexit where we think we need to be fulfilling our international obligations through U.N. (United Nations) ...

Deputy K.F. Morel:

In a sense, though, that smacking one was related to the U.N.

The Deputy of St. Mary:

Fine, okay.

The Minister for External Relations:

We would generally only be involved in those sorts of areas if a department specifically had come and said: "Look, we are struggling with this particular issue and we want you to seek the U.K. to have it extended to us or you want to speak to the international body to do it" so things like the rights of the child work, all of that is being undertaken now by the Minister for Housing and Minister for Children. There are officials supporting them. Those officials are, like mine, first-class officials and have quite a lot of experience in those particular areas. I am not aware of anything that comes to the top of my head in particular in that regard. I do not know if ...

Group Director of External Relations:

No. As you say, we undertake the role. The formal process is to request the extension and make sure that there is compliance when that request takes place. But the actual policy drivers for those sorts of treaties sit within departments.

The Deputy of St. Mary:

Okay. I did not want Brexit to dominate even more, that was all.

Deputy K.F. Morel:

Yes. I guess the E.U. has given us a lot of cover on the international scene. This is where the thinking comes from behind this question, so are there any areas where joining an international convention or something can help solidify Jersey's international reputation and international standing? That is where the idea for that question was, if it seemed a bit random.

The Connétable of St. Brelade:

Do you see more bilateral arrangements with the Continent in any way coming, looking to the future now?

The Minister for External Relations:

No, because largely the whole ... well, I say no and then I am going to say yes, but largely the whole premise of the E.U. is that they cede these competencies up to the Commission and they are done at that level rather than bilaterally at member state levels. But of course we remain open and we continue to make the case for double taxation agreements with member states, so there is an area there where we perhaps would like to see it, but it has historically been difficult, so it is not going to suddenly become easier post-Brexit.

The Connétable of St. Brelade:

I suppose a single-word answer: how do you view the E.U.'s perception of Jersey? Is it largely positive, negative or neutral?

Deputy K.F. Morel:

Or unknown?

The Minister for External Relations:

Nuanced.

Deputy K.F. Morel:

Depending on which part of Jersey they are looking at, I think.

The Minister for External Relations:

Yes. Let us be honest, centres like ours are not well understood around the world, despite all the work that we do. It is why, I think as Kate said earlier in this session, the work of Global Markets, the work of the Caen office, the work of C.I.B.O. (Channel Islands Brussels Office) is critically important to keep communicating and keep informing people about what we do, the standards that we meet and how we can work in a mutually beneficial way, but it is difficult work.

The Deputy of St. Mary:

Can I just lead on from that? The Brussels Office for the Channel Islands, which has been an ongoing situation, you may perhaps see as more important.

The Minister for External Relations:

It will become more important and we will have to think about its budget and its resourcing post-Brexit.

Deputy K.F. Morel:

I was going to say we will leave it there.

The Minister for External Relations:

So you are a Leaver, Chairman? **[Laughter]**

Deputy K.F. Morel:

In this instance, yes - ordinarily not - but thank you very much. Please continue your hard work. There are 3 months left, or 2 and a half months left, but it could be a lot longer than that as well.

The Minister for External Relations:

That is right. We are very grateful, Chairman, that you set up this hearing for the culmination of ReadyBrex week. I think that it is really important that there is a connection between the parliamentary process and everything else that is happening right across our community, so thank you for that.

Deputy K.F. Morel:

Thank you. Thank you all.

[16:05]