



# **Economic and International Affairs Scrutiny Panel**

## **Government Plan**

### **Witness: The Minister for Economic Development, Tourism, Sport and Culture**

Friday, 6th November 2020

**Panel:**

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

Deputy D. Johnson of St. Mary (Vice-Chair)

Senator K.L. Moore

Deputy K.G. Pamplin of St. Saviour

**Witnesses:**

Senator L.J. Farnham, The Minister for Economic Development, Tourism, Sport and Culture

Deputy M. Tadier, Assistant Minister for Economic Development, Tourism, Sport and Culture

Mr. R. Corrigan, Group Director, Financial Services and Digital Economy

Mr. D. Houseago, Group Director, Economy

Mr. C. Kelleher, Strategic Policy Manager

Mr. C. Gibaut, Director, Financial Services and Digital Economy

Mr. J. Vautier, Agricultural and Business Adviser

[13:35]

**Deputy K.F. Morel of St. Lawrence (Chair):**

Good afternoon, Minister and Assistant Minister. I hope you are well on this sunny afternoon. Thank you for joining us for the Government Plan review that we are undertaking into education ... Economic Development, Tourism, Sport and Culture. Just change your job there.

**The Minister for Economic Development, Tourism, Sport and Culture:**

No, that is fine, I will just go and get the Minister for Education. **[Laughter]**

**Deputy K.F. Morel:**

Absolutely, apologies for bringing you in. We will start as always with introductions. So, because we are all in the same room and microphones are difficult, I will just do the introductions. We have myself, Deputy Kirsten Morel, Chair of the panel, Senator Kristina Moore, member of the panel, and Deputy Kevin Pamplin, also a member of the panel. We are hoping the Deputy of St. Mary will join us, and he is Vice-Chair if he does manage to make it in. On your side, Minister?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Thank you. Good afternoon, Senator Lyndon Farnham, Minister for Economic Development, Tourism, Sport and Culture.

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

Hello. I am Deputy Montfort Tadier. I am Assistant Minister with the Department, with responsibility for culture, arts and heritage.

**Deputy K.F. Morel:**

Thank you, and the lead officer?

**Group Director, Financial Services and Digital Economy:**

Richard Corrigan, Group Director for Economy.

**Deputy K.F. Morel:**

Brilliant. We will leave it there for the moment. As other officers come in, if you could introduce yourselves on your first appearance in this hearing, that would be wonderful. Thank you. Minister, we also understand that we have a bit of a problem with attendance of Ministers. I understand that Deputy Tadier and yourself have to leave at 3.00 p.m., is that right?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Deputy Tadier has to, but following the resignation of Senator Pallett I can stay on, as necessary. I have rearranged things because I understood Senator Pallett was going to deal with the last 30 minutes but ...

**Deputy K.F. Morel:**

That is right, yes, and I was not sure if you were able to.

**The Minister for Economic Development, Tourism, Sport and Culture:**

So I will stay for the duration.

**Deputy K.F. Morel:**

Thank you very much. That is really appreciated, thank you. So, Minister, we will get on. You will be delighted to know that I will be asking most of the questions with other members chipping in as they have questions themselves. We will start off by looking at the generality of the Government Plan from your perspective. So, Minister, it would help our understanding if you could run through the processes that you have undertaken in order to develop the Government Plan 2021-24. For instance, how did you decide on the allocation of projects? What consultations did you undertake?

**The Minister for Economic Development, Tourism, Sport and Culture:**

So, the Government Plan process, in my opinion, remains a long, thorough, fairly arduous process. I think observations I would make from moving from the Medium Term Financial Plan process, which was one document like that which saw us through a cycle to producing the Government Plan and then reviewing it every year, so we have a huge amount of work every year. I know the bulk of the work ... first Government Plan so the process was not quite as arduous as that, but I think it has been made slightly more challenging given the circumstances we have all been working in. So, of course, the process from a ministerial point of view ... officers worked on ... on the figures putting the budget together and then worked on making recommendations across the portfolio in line with the targets we were trying to achieve, balancing both growth and savings over the period. We have quite a lot of areas in our portfolio so that required quite a lot of meetings and work to get to the final stage. Basically, a sort of broad overview of ... once the departments submit their figures and we go through ministerial process and then, of course, we have the process that the Council of Ministers go through to make the final agreements on the recommendation. Because this still is only a proposed Government Plan until it is approved by the States Assembly, probably amended.

**Deputy K.F. Morel:**

Absolutely. Were you able to undertake consultation in the first instance with those arm's length organisations that you have responsibility for, but also were you able to go beyond them and perhaps speak to any of their stakeholders?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I think we will have to respond from a ministerial point of view first of all. So, I think we have a fluid relationship with our arm's length organisations. The initial consultation was undertaken by officers. They work closely with our arm's length bodies and I think that worked generally well across the board. I think it worked perhaps better with some arm's length bodies than with others, but that was not by anything on purpose. As I said before, we have all been working in difficult circumstances and that has led to communications challenges at times. If there were areas that were felt were

missed, we have tried to go back to them and cover them, so I am as content as I could be. Although our process might not have been as perfect as we wanted it, I think it has been generally very robust. But I think if any officers wanted to comment? Dan wants to come in. Dan really is the lead officer for the relationship with most of our arm's length organisations.

**Group Director, Economy:**

Yes, thank you, Minister, and afternoon, panel. I think it is worth ... can you hear me?

**Deputy K.F. Morel:**

Yes, apologies, would you mind introducing yourself as we have said at the beginning, just your name and your position? Sorry, thank you.

**Group Director, Economy:**

I beg your pardon, yes. I am Dan Houseago, Group Director for Economy. So, it is just worth noting the point that the Minister has just made, which is that we do have a very strong working relationship with what are effectively our partners in the arm's length organisation stable, as it were. We work to an annual business plan that has a range of K.P.I.s (key performance indicators) in them and our current governance arrangements are such that we have a formal meeting at least 4 times a year. The purpose of that is really to not only make sure that we are delivering against that business plan and the K.P.I.s within them but also to de-snag anything and deal with any problems. I think it is also worth saying that certainly for some there is additional, and quite significant in some cases, informal liaison, particularly over the COVID period with Jersey business that has undertaken quite a significant delivery function and signposting function for a range of small and medium-size enterprises in the economy, and in my view they have done that very well and effectively. But officers also sit ex officio on boards and there is a significant amount of ongoing dialogue, often on a weekly basis, where we are starting to tee up future planning assumptions, Brexit, COVID, et cetera. So there is quite significant engagement across the piece, so just to reiterate that to the panel.

**Deputy K.F. Morel:**

Thank you. One question is about cuts. I know with some of the projects you have reduced the spend in them and that has been highlighted to us. Have there been any projects that you have chosen to just say: "No, we cannot go ahead with this in order to save money following COVID" or: "We will relook at that in 2 years' time", something along those lines? Are there any standout projects?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I like to think we have had to maybe postpone things. There is nothing that we really wanted to cut. We have had to look at some of the financial reality and uncertainty with Brexit. I think the Elizabeth Castle project is an example here where technically we have not made provision for it in the Government Plan but there is a strong support for it from both myself and the Assistant Minister. We have other options. We have fiscal stimulus options that we could apply for. There has been an increase of about £10 million generally in the heritage, arts and culture uplift in funding. That was a result of Deputy Tadier's proposition to provide 1 per cent of revenue expenditure towards that organisation.

[13:45]

Then I have asked officers to make sure they work more closely with Jersey Heritage because I understand the total money which was requested was not required all in one lump sum. So I think, if I understand it rightly, £1.5 million would be required next year to start the project off and then, of course, I know they have submitted their planning application today for part of it. So there is still a lot of planning and process on that stage. That is just an example. I am not sure if you wanted to ask any questions on that one now or just revert back to general questioning.

**Deputy K.F. Morel:**

I was going to say we do have questions about heritage. We will keep them in the order but I am pretty sure they will be done in about half an hour, so I think we could leave them for Deputy Tadier, but thank you for asking.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Yes. So we have generally tried to manage our expenditure rather than cut anything, and things that have been removed from the budget or not catered for in this iteration of the plan, then I think one of the advantages of reflexing the Government Plan every year is you can come back to them and make the case again. Of course, again I say we are all perhaps being as prudent as we could, given the uncertainty about the economy, and, of course, since this Government Plan went to print we have seen significant changes in the COVID situation which could cause us more challenges than we anticipated.

**Deputy K.F. Morel:**

Absolutely. One of the key factors with regard to your department, Minister, is that the resources mapped to your ministerial profile have increased significantly. As a rule of thumb, last year it was £23 million; this year it is £44 million. It stays up at 44, 42, 41 and then down to £28 million for 2024. Are you able to explain to us why there is such a large increase in the resources that are given to your department?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Yes. Before I hand over to Richard Corrigan on that, there are a lot of projects that are in train. Some are starting ... the economic framework, the economic recovery work that is going to be required following the pandemic. So there have been some changes there. It comes down in 2024 because a lot of the money and the investment we have programmed in starts to come to an end, but as we get into 2021, 2022, as we reflex the Government Plans, monies will be requested for 2024 onwards so that is likely to change. If I can hand over to Richard now, who can just deal with the general question of how the uplift is structured.

**Group Director, Financial Services and Digital Economy:**

Thank you, Minister. The uplift is as set out in the 2020-23 Government Plan with ...

**Deputy K.F. Morel:**

Sorry, we cannot hear you very well, Richard. In fact, you are muted at the moment but we could not hear you very well before. It was quite quiet.

**Group Director, Financial Services and Digital Economy:**

Can you hear me okay now?

**Deputy K.F. Morel:**

Yes, we can.

**Group Director, Financial Services and Digital Economy:**

Sorry about that. The uplift is largely as described in the 2020-23 Government Plan approved by the States at the back end of last year with substantial growth monies coming in reflecting some of the changes in ministerial responsibilities. Also, there is some money that is ascribed as growth money in the Government Plan, for example, in the cybersecurity and digital space, which was an error from Treasury in the carry-forward from growth monies in the old M.T.F.P.2 (Medium Term Financial Plan 2), which concluded last year, and was money that was for permanent staffing. So really that should have gone into a business as usual budget component rather than in as growth money separately. But there are a whole range of new economic initiatives that were programmed in under the Minister's responsibility from 2020 onwards, and you see a reasonable sort of flattening of that profile through 2020-23 before those are scheduled to run off again. It may well be that there are replacement projects that come in at that later stage in 2024, but at this stage it is quite a long way out to be able to envisage those and put enough detail into a business case to submit into Treasury for further consideration.

**Deputy K.F. Morel:**

Thank you. You mentioned business as usual. One of the aspects that I find interesting about the Government Plan, not just to do with this department but across the whole Government Plan, is that the business as usual aspect does not feature, that base budgeting. From a scrutiny perspective, it makes it hard to challenge that kind of baked-in element. Can you explain to us how you go about ensuring that you are not being inefficient in terms of that business as usual aspect of your spending?

**Group Director, Financial Services and Digital Economy:**

There is a constant challenge internally around delivering efficiencies in base budgets as well as the tailoring of growth bids to ensure that the money being released for growth is absolutely what is needed rather than necessarily what was desired, so there are no luxuries built in there. Efficiencies is at the core of the business as usual budget. It is also important to note in the context of the £40 million-plus that is allocated to the Minister a substantial part of that money is paid away from the department in grants to arm's length organisations, so Jersey Heritage, Visit Jersey, Digital Jersey, and a variety of others, or in grant payments, for example, in the rural economy as well. So in terms of ensuring efficiency there, it is about the effectiveness of those partnership arrangements that we have and our review of the business plans for each of those organisations and ensuring that they are allocating their grants efficiently as well.

**Deputy K.F. Morel:**

Thank you. Minister, another interesting aspect of the Government Plan is that the amounts allocated to your ministerial portfolio are different to those allocated to the departmental portfolio. Taking the next 2 or 3 years is about a roughly £10 million difference. Can you talk us through the ways in which the budget is allocated and explain the differences between the departmental and the ministerial portfolios?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I am not quite sure I fully understand the question. You are talking about how some of my political responsibilities might span across different departments perhaps or ...?

**Deputy K.F. Morel:**

I think that is absolutely ...

**The Minister for Economic Development, Tourism, Sport and Culture:**

I think that is probably the short answer because since the restructuring of the department Ministers' portfolios can be spread across a number of departments, so I think that would account for the ...

**Deputy K.F. Morel:**

This appears to have been further complicated by the fact that you began or your department began this year as part of G.H.E. (Growth, Housing and Environment) and has now moved out of G.H.E.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Yes.

**Deputy K.F. Morel:**

You have taken on other aspects such as digital, which you did not have before.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Yes.

**Deputy K.F. Morel:**

Has there been much spend in regard to that move out of G.H.E.? Has that been a cost in itself?

**The Minister for Economic Development, Tourism, Sport and Culture:**

No, there has been very minimal resource used for that. So it has been agreed in principle politically and, as I understand it, at civil service level that the economy would head towards its own separate department. I am still fully supportive of that and working towards that move, but during the bridging period the economy was taken out of Growth, Housing and Environment and moved into the Office of the Chief Executive as an interim. I think in normal circumstances, had we not had COVID, we would be probably in our own department now and that is still the plan, as I understand it. I am looking to Richard to see if he would like to add anything, or perhaps could just confirm that there has been little or no cost in relation to the transfer.

**Group Director, Financial Services and Digital Economy:**

Yes, thanks, Minister. In terms of costs ... incurred in the actual transfer ... probably the easiest way to describe it in that ...

**Deputy K.F. Morel:**

I am sorry, Richard, we are having trouble hearing you again. It keeps breaking up.

**Group Director, Financial Services and Digital Economy:**

... economy across into the Office of the Chief Executive and the budget moved across with that. As we move into 2021, we will be hiring a number of legacy vacancy components that were in Dan's team. So because that part of the business has moved around a little in terms of its parentage, you may recall, Chair, in the briefing on the target operating model for the new Department for the

Economy there were a number of legacy vacancies there. What we have done is we have redesigned the jobs to make them fit for what the department needs going forward and what the ministerial priorities are and we have started now the process of hiring into those. So that does not affect the headline budget other than to the extent that we should be utilising that better in support of ministerial priorities rather than perhaps being underspent and returning money to the Treasury.

**Deputy K.F. Morel:**

Thank you. Minister, one element of your portfolio that has remained within I.H.E. (Infrastructure, Housing and Environment), as it is now named, is sport. Can you explain why that is the case and how that has affected your development of the Government Plan?

**The Minister for Economic Development, Tourism, Sport and Culture:**

So sport, when you look at the way sport is structured and administered, it seemed sensible to leave it in the I.H.E. Department as it aligns with a lot of other work they do in that department. That is a conversation that Senator Pallett and I had earlier in the year and both agreed that from a practical point of view that just made more sense to do it that way. I am not sure if, Richard, you wanted to add to that or perhaps go to Dan?

**Group Director, Economy:**

Yes, thanks, Minister. So prior to the transfer of the Economic Department into the Office of the Chief Executive, sport sat with what you described as the old E.D.T.S.C. (Economic Development, Tourism, Sport and Culture) and the operation side of running sports centres and effectively a gym business did not really sit that well in a refocused economy team that were looking really at economic development activity and refreshing that and focusing on that. It was a very good fit for the existing operations team that run other facilities on behalf of the States, so that was a very coherent, I think, operational decision to make. Of course, ministerial responsibility stayed the same, it just meant that the actual activity was left where it was likely to be most effective and efficient.

**Deputy K.F. Morel:**

Thank you. I am just going to pass over to Senator Moore, who has a further question about this.

**Senator K.L. Moore:**

Hi and good afternoon. Just to follow up on a previous comment in relation to some vacancies that were existing in the department, it has been noticed by this panel that there are a number of job adverts at the moment for vacant roles in this department. We were hoping to understand a little more about the rationale behind these. Are they simply roles that, as you said, were historically vacant or are some of these new positions that have recently been created?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I will hand over to Richard initially, but as he said before, there are quite a number of legacy vacancies. I am not sure if you remember in the last M.T.F.P., the Economic Development Department made significant reductions and we reduced staff. I cannot remember the exact numbers but it was quite considerable. We had some general reorganisation and staff leave and we did not refill those vacancies. I think that sort of overlapped with the start, from the time the new chief executive started and then the new plans, the new target operating models, the new departmental structures started to be worked upon. That meant our department was severely understaffed for probably 2 years. The team I think worked extremely well to manage ourselves through that. It did not impact upon the work we are doing. But now this is just catching up now and starting to bring those people in, in line with the new targeting operating models. Richard, can I hand over to you?

**Group Director, Financial Services and Digital Economy:**

Thank you, Senator, for the question. The department vacancies that are being filled do not take the department above the previous budgeted headcount figure. So what it means is an implementation of and a redesign of some of those roles so they best align with the ministerial priorities. In essence, what we have created are sector lead and sector officer pairings for what we see as some key economic subsectors. So arts, culture and heritage are combined into one. Agriculture and the marine economy are combined into one.

[14:00]

The retail and visitor economy are combined, and then we have another one called growth and trade, which will wrap up the work that Locate Jersey were undertaking previously. It is not to say that that is all the sectors covered. There are some other elements. There is maybe some manufacturing and so on that goes on in other areas, and those will just be picked up across the team based on work commitments. But fundamentally what it will enable us to do is be better resourced to deliver the priorities within the Government Plan, and it removes the caretaker status that I think that the department has suffered from for several years since the departure of Mike King, who was the former Chief Executive of Economic Development, and there has been a lack of investment in the department. That has not necessarily shown through in poorer quality of work but it has shown through in a slower pace of work and delivery. The colleagues that have been with the department throughout have worked very hard, worked tirelessly through that period, to deliver their best efforts, but they have been hugely constrained by the level of resourcing and investment afforded to them.

**Senator K.L. Moore:**

If I recall correctly, Director General, the cost of these additional roles is in the region of about just under half a million pounds annually. What measures will be in place to ensure that value is derived from those new roles and that expenditure?

**Group Director, Financial Services and Digital Economy:**

So all those roles will carry their own set of personal objectives. The objectives then roll up into the department's operational business plan, which then aligns into the Council of Ministers' Government Plan, hopefully as approved by the States Assembly as amended in December of this year, so that we have that golden thread running all the way through from the ministerial priorities in the Government Plan through departments and down into individual teams and personal objectives. So that is basically how the whole thing comes together to make sure that we align people's individual efforts with the collective output of the organisation and delivery of ministerial priorities.

**Senator K.L. Moore:**

Thank you. So at what level in the target operating model will these additional roles be placed, please?

**Group Director, Financial Services and Digital Economy:**

There are a mixture of posts, principally at tier 3 and tier 4 of the organisation. There will be a new director general post created at tier 1 and, subject to funding from economic stimulus, there may be an additional post created at tier 2 to try and place an ... focus on productivity and innovation.

**Senator K.L. Moore:**

Sorry, just to clarify, if I could, that will be a director general in addition to yourself?

**Group Director, Financial Services and Digital Economy:**

No, there will be a director general post advertised and that will be selected, but technically my post as Group Director, Financial Services and Digital Economy does not exist in the new ...

**Senator K.L. Moore:**

Thank you.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Just to be clear, Richard is acting as interim Director General, if you like, in his current capacity.

**Deputy K.F. Morel:**

Thank you. That is very helpful. Obviously, talking about money, one of the issues that has been around this Government since the election in 2018 is the question of efficiencies. Now, in the annex

of the Government Plan, page 135, it describes the savings programme for Infrastructure, Housing and Environment, which aims to deliver £750,000 of efficiencies in 2021. Obviously, we appreciate that is a different department now but we are talking about sport as being still part of that department. Can you explain what part you have played in this efficiencies programme?

**Group Director, Financial Services and Digital Economy:**

Yes, I think that is probably one for me to pick up given that it is within Infrastructure, Housing and Environment, but in terms of delivering efficiencies across the board Ministers have that ultimate oversight of the Government efficiencies programme and where efficiencies are thought to be possible, and then it is for Ministers to determine if those are deliverable and in line with the wider priorities that Ministers have for their respective areas of responsibility.

**Deputy K.F. Morel:**

I guess I am asking: what aspects of the sports portfolio have you sought efficiencies in?

**Group Director, Economy:**

Perhaps I could answer that, Chairman. I think the challenge with the sports portfolio is that it is, I think, understood that we have underinvested in sports facilities and that was why there was an uplift to address sport and capital. So it was not deemed prudent to look for efficiencies in an already sort of perhaps diminished sports estate. However, one of the significant efficiencies has been the move into a new, better structured department where there is less reliance on contractors and consultants, certainly in my part of the business. So that was a legacy transfer over into Office of the Chief Executive.

**Deputy K.F. Morel:**

Speaking to the Director General, have there been any other areas that you have sought efficiencies within your department itself and are you able to name those areas where you have sought efficiencies?

**Group Director, Financial Services and Digital Economy:**

The efficiencies have just generally come across the board in terms of ensuring effective procurement of contracts, ensuring that formal policies are followed in every case, challenging every request to travel to see if that could be done by alternative means. Obviously, in 2020 we have had our own enforced limitations around travel given COVID. The level of efficiencies that have been subscribed to in terms of the economic area both under Senator Farnham's responsibility and Senator Gorst's are very limited because of the recognition that these are relatively small departments in the first place. The combined staffing of the new department is 36 full-time

employees and there is a fairly limited level of efficiencies you can derive from that. It is unlikely to come from staff costs, albeit there is at a corporate level a desire to see ...

**Deputy K.F. Morel:**

We are having real problems hearing you, I am afraid. I think you were coming through on the Minister's microphone originally. No, you have gone quiet.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Sorry, Deputy, we are just having a few technical issues at our end.

**Deputy K.F. Morel:**

Yes. You will be pleased to know that we can hear you fine and clear. It is Richard Corrigan we are having problems with.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Okay. Did you get that last bit?

**Deputy K.F. Morel:**

I got most of it myself. I do not think my colleagues were able to hear in the room because it is coming through my ... yes, I think it will also be fine for the transcript. I think it will be audible in the transcript.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Okay, thank you.

**Deputy K.F. Morel:**

Moving on now to heritage, arts and culture, this is one area where clearly a proposition brought by Deputy Tadier last year was passed and as such required an increase in spending. Are you able, Minister or Assistant Minister, to explain to us how you have structured the spending in order to meet the States' new requirement for 1 per cent of revenue to be spent on heritage, arts and culture?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Yes, before we go to Deputy Tadier, does one of the officers want to outline the position? We thought it was important to make sure that the commitment was made over the period, so between 2021 and 2024 1 per cent of our revenue expenditure will be matched, but we balance that slightly in the years ... Richard or Dan, did you want to just explain the rationale behind that before we go to ... or, sorry, Chris, we have Chris online. Chris, would you like to come in and do that before we go to Deputy Tadier?

**Strategic Policy Manager:**

Good afternoon, Chris Kelleher, Strategic Policy Manager with responsibility for the culture, arts and heritage portfolio at the moment.

**Deputy K.F. Morel:**

Good afternoon.

**Strategic Policy Manager:**

Good afternoon. I think the point to make here is that obviously the Council of Ministers want to support Deputy Tadier and the States Assembly in terms of achieving the 1 per cent aim of net spend for the States going forward from 2022. Now, for normal circumstances the sums would have been brilliant for this year and going into 2022. Unfortunately, obviously in order to achieve the 2022 milestone monies have been taken out from this year and put forth for 2022, 2023 and 2024. So, therefore, what was originally proposed for 2021 has been reduced to ensure that we can meet those targets in 2022.

**Deputy K.F. Morel:**

That is understandable. As I look across at 2022, 2023 and 2024, they are all about £3 million approximately. If that is meant to be 1 per cent, obviously we have a lot more than £300 million in spend as part of the Government's revenue overall. So do you see this as the whole package for the entire Government Plan delivery is 1 per cent? How are you calculating to 1 per cent?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I think you are looking at the growth?

**Deputy K.F. Morel:**

It is just the growth, yes, you are absolutely correct. I often forget this because the base budget is not involved, is not included.

**The Minister for Economic Development, Tourism, Sport and Culture:**

I know, exactly, I concur, yes.

**Strategic Policy Manager:**

If you are happy for me to continue, what I can say is that the actual - and this is in the Government Plan document anyway - total funding for culture, arts and heritage proposed for 2021 is just under £6 million. It will jump up to £8.3 million in 2022 and just come down slightly. It all depends on the actual net spend for the Government but it will be around the £8.2 million going forward thereafter.

**Deputy K.F. Morel:**

That does make sense, thank you, yes, as 1 per cent. Deputy Tadier?

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

Thank you, Chairman. Is there anything specifically you want me to answer or speak to?

**Deputy K.F. Morel:**

Well, in that sense, yes, a very political question, I suppose. Do you feel that the Government Plan is meeting the proposition you brought to deliver 1 per cent spending in 2022?

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

I think it is now. I do not mind being candid, and it is not because of my Minister, but I think there were attempts which are ... well, I was going to say they are understandable from a point of view that savings wanted to be made, but I did have to be quite forceful in maintaining the 1 per cent for 2022. You could say that it came at the cost of reduced funding in 2021, but I think it is important that the 1 per cent was not reneged on in any sense because that is a States decision and there is nothing that has been done to imply that it should be reversed. I also think the other point is that because next year is uncertain anyway it makes more sense to not necessarily front load in that respect but nonetheless stay in contact with all of the arm's lengths because all of them are going to have different needs through COVID. Some are not going to be operational in the traditional sense of the word. Others are finding perhaps more normality gradually. So this is why it is an opportunity for some other works to be brought forward, like the Opera House is a good example. They are not really doing business as usual but that does afford us other opportunities to perhaps do maintenance, et cetera, that needs to be done.

**Deputy K.F. Morel:**

We have heard that a heritage strategy and an arts strategy will be brought forward. Can we ask how work is progressing on those?

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

I am happy to pass over to Chris but just to say that the heritage strategy is more advanced and the arts strategy is still in the process of going out to tender. I think that is correct but Chris can give more crystallised detail, if that is the word.

**Deputy K.F. Morel:**

A nice pun, I do like that.

**Strategic Policy Manager:**

Thank you, Minister. Yes, as the Deputy said, the heritage strategy is under way. There has been a bit of a delay. It is being led by Historic England and obviously they have had their own issues in the U.K. (United Kingdom) getting themselves back up to some sort of organisation. We have met with them on a number of occasions via Zoom meetings to get updates. In terms of the arts strategy, there was a delay in getting that out, finalising the actual terms of reference, but we are speaking to 2 potential preferred suppliers. Hopefully, we will have a preferred supplier at the end of it on Monday, and after the meeting on Monday we will hopefully be able to make a decision. But there will be a delay and it will take us into 2021.

**Deputy K.F. Morel:**

Brilliant. Deputy Johnson, did you have a question?

[14:15]

**Deputy D. Johnson of St. Mary:**

Yes, thank you. Good afternoon to you all. One point of clarification really: can I assume, please, that the lottery proceeds, which will, if approved, give a certain percentage of proceeds to the heritage situation, that is not brought into the computation for the 1 per cent? Can I just confirm that, please?

**The Minister for Economic Development, Tourism, Sport and Culture:**

That is correct.

**The Deputy of St. Mary:**

Thank you.

**Deputy K.F. Morel:**

Excellent, thank you.

**The Minister for Economic Development, Tourism, Sport and Culture:**

It is a good idea. No, I am just ... it is not a good idea. **[Laughter]** It is not going to happen.

**Deputy K.F. Morel:**

Thank you. You worry me now. It is a good tactic. I wanted to ask, obviously arts and heritage have been hit hard by COVID and it is still not possible for theatres to open as they would like to as normal. They are a long way from that, and other arenas of the arts and heritage. Can I ask about

the support outside of the co-funding scheme? Can I ask about any support you are providing to the arts and heritage sectors to help them through this period?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Did you want to take this, Monty, or would you like me to? I have some details.

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

Yes, if you have the detail. I was just going to add that I do not have the exact detail for what they need at the moment. We know that heritage's situation is very different, just because of the size of their organisation, and they need specific help, which they are being given. As for the others, I think you have highlighted the fact that because they are not necessarily operating in the normal ways they do not necessarily have the same requirements, but I am sure the Minister can fill in.

**The Minister for Economic Development, Tourism, Sport and Culture:**

We have provided for Jersey Heritage, as I understand it - and officers can correct me or fine tune my figures after if I am slightly out - but approximately £1.3 million of additional funding has been provided to Jersey Heritage to help them through COVID-19 because there was a significant impact on their revenue because of it. We have the following bids for fiscal stimulus lined up: refurbishment to the Opera House £1.5 million; refurbishment to the Arts Centre £1.5 million; new agriculture museum and learning centre at Hampton £1.6 million; National Trust project, a refurbishment of Morel Farm £2.5 million; National Trust project ... sorry, that is Morel Farm. That is 2 parts of the £2.5 million, and of course the Elizabeth Castle refurbishment. So outside of the £1.3 million over and above the budget that they have had this year we are planning those fiscal stimulus funding and programmes but we have some more discussions to have around those. This is, of course, subject to the States approving the fiscal stimulus.

**Deputy K.F. Morel:**

Absolutely, and then there is a process behind fiscal stimulus so they have to go through those processes as well. I did not catch the amount for Elizabeth Castle?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Well, at the moment we have £1.5 million for 2021 as that is the amount of money we understand they need to get the project up and running, because the fiscal stimulus funding, as you know, has to be out next year, and then the plan is then to revisit the balance of that in next year's Government Plan for 2022 onwards.

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

I can add a little bit more detail, Chairman, if that helps.

**Deputy K.F. Morel:**

Yes, please.

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

One way forward is that we could provide, like the Minister said, £1.5 million for next year to get the work started on Elizabeth Castle. So the total budget for what they would like to do there with the officers' quarters and the old hospital block is £6 million. So we think that the officers' quarters would cost £2.6 million for that whole project and then £3.4 million for the hospital block.

**Deputy K.F. Morel:**

Are you tempted to ask the Fiscal Stimulus Fund for all of those monies?

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

I think this is perhaps where the politics comes in, and the unfortunate expression is: "More than one way to skin a cat." We probably do not like using that nowadays. In French, they whip cats, of course, as we know, with the same expression. I think the trouble I have, purely being protective of my patch for heritage, if you like ...

**Deputy K.F. Morel:**

That is your job.

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

Indeed, so I think the problem is the fiscal stimulus is not guaranteed. I think the Minister for Treasury and Resources is trying to encourage everyone to put bids in, and it is for a £50 million pot, I understand, roughly, but I suspect it is going to be oversubscribed. When you have these decisions which are at the base longstanding political commitments from many years ago, there is a question to be had as to whether that should just be ordinary revenue or capital expenditure that remains in the Government Plan. It seems strange to take something out and then put it back in as a fiscal stimulus bid. If it is ultimately something we want to do and that gets supported it seems a very long-winded and long way of doing it. That is just a personal opinion, not necessarily a departmental one.

**Deputy K.F. Morel:**

That is fair enough. Could I ask the Minister or Assistant Minister: one of the advantages of undertaking capital work, refurbishment work, now is that there are not any businesses, there are not any users of the Opera House, there are no users of the Arts Centre, or not many users of the Arts Centre at the moment, and the same goes with Elizabeth Castle. You have mentioned the

timely and temporary aspect of the Fiscal Stimulus Fund, but are you working with a sense that this is a very opportune moment to undertake such works because if, let us say, 2022 everything returns back to normal, any work that is going on will affect the operations of those businesses, whereas the sooner you can do these things the better?

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

Yes, I think that is a very valid question. Sorry if I interrupted you, it got cut off there at this point. I think it is a judgment call about the timing but I think you are right. The point is if there was no COVID anyway and we were just having normal successful years of tourism year upon year, there would have to be some disruption anyway. I think even if COVID stops tomorrow, a cure is found tomorrow, the numbers are not going to come back immediately. The good thing about this is that it provides a product that is ready at the end of it. The heritage lets are really popular for local families and for tourists. They are unique. You cannot always stay in a castle to have your wedding or to have friends around, so I think the attractive thing for me, with a business hat on, is if these things are ready in one or 2 years' time that is when we want to be straight out of the starting blocks, so I think there is a good case for it.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Nothing to add. I think that as Deputy Tadier said there is no good time to do it because we are still uncertain and I think we are going to be into the first or second quarter of next year before we start to see a return to normal economic activity, hopefully, being optimistic. The Fiscal Policy Panel is suggesting and our economic advice suggests that we are going to be in recession for 2 to 3, possibly 4, years so we want to make sure that the stimulus we are providing makes sure our crucial economic assets remain in place and are there to take advantage of the recovery when it comes. I think the same applies to the Opera House. I think for theatres, cinemas and the arts there is going to be a strong, pent-up demand, because they have been closed and restricted and I think when they do get up and running I very much hope they are going to be extremely well utilised, so it is best that they are well prepared for that.

**Deputy K.F. Morel:**

Before moving on to economic recovery, which we will get to in a minute, we will just have a quick look at the Jersey Competition Regulatory Authority and the reconstruction funding. The business case seeks to secure £150,000 of additional funding in each year of the Government Plan. Can you explain how this differs from the previous projects on competition policy in the J.C.R.A. (Jersey Competition Regulatory Authority)? Is there a doubling up of funding going on there?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Yes, a very valid question. Can I introduce Colin Gibaut, our lead officer on J.C.R.A? Colin?

**Director, Financial Services and Digital Economy:**

Hi, good afternoon, panel. It is Colin Gibaut, Financial Services and Digital Economy. The 2020-23 bid was to increase the capacity and the capability of the J.C.R.A. to extend its work into areas that were outside the strict enforcement of the competition law. That would be things like market studies, for example. It also allows for things like a loss in merger filing fees when we refocus the merger activity of the J.C.R.A. with law changes coming forward and it included a small amount for additional capacity in the market studies area as well. The reconstruction funding is purely based on information from the Competition Regulatory Authority but that is what they needed to re-establish the J.C.R.A. as an insular focus body in Jersey. So that will cover things like their board costs and putting in Jersey the capability that exists in Guernsey, such as potentially a legal director of competition, a new chief executive, all of those kinds of things. We do not believe that there is any duplication and the J.C.R.A. is clearly stating in its letter to us that the £277,000 was for no incremental activity, so we still need to deliver that incremental activity that was requested in the 2020-23 original Government Plan round.

**Deputy K.F. Morel:**

Different market studies will cost different amounts, but are you able to give us an understanding of the indicative amounts that are being asked for in order to do a single market study? What are you using for your estimations there?

**Director, Financial Services and Digital Economy:**

It would be very speculative, but we do know that if you need to go to external economics advice, for example, that can be quite an expensive thing to do. The range of figures that we have discussed with the J.C.R.A. have been of the order of £60,000 to £100,000 potentially for a single market study, but that would be presumably quite an in-depth, complicated one, perhaps involving external advice. Equally, they may well do some bits and pieces that are much smaller than that, that they can do within their internal resources.

**Deputy K.F. Morel:**

I think it was mentioned to us that 50 market studies were initially on the list and that was cut down to 20 and now there is a final short-listing going on within the J.C.R.A. for those areas that they will launch market studies into in the coming year. How many market studies do you think they will do in 2021?

**Director, Financial Services and Digital Economy:**

Again, I would not want to speculate, Chair. We are expecting a business plan from the J.C.R.A. this month. In fact, we were supposed to be getting it in the next week or so but it is just waiting for

a meeting for us to sort out with the chair of the J.C.R.A. I guess it depends on what they decide to go for, but they have been through that process of speaking to stakeholders, identifying the figure of around 50 and filtering that down to 20 and then down to a handful. I would not want to speculate on what comes out in their business plan but they were talking about 4.

**Deputy K.F. Morel:**

Are you able to give us an entire figure for the amount of funding that the J.C.R.A. will receive from the Government in 2022?

**Director, Financial Services and Digital Economy:**

I would probably want to revisit these figures but if they get everything including their ... are we talking about the base funding as well, Chair?

**Deputy K.F. Morel:**

Yes.

**Director, Financial Services and Digital Economy:**

If they get that and we are able to find the £127,000 that we are short of, so they asked for £277,000 in the 2021-24 plan, and if approved allocates £150,000 which leaves £127,000 short, if they get everything including that £127,000 plus the base funding it will be around £747,000.

**Deputy K.F. Morel:**

Per year?

**Director, Financial Services and Digital Economy:**

Yes.

**Deputy K.F. Morel:**

That is really helpful. Thank you, Colin. We are going to move on to economic recovery. In total the business case seeks to secure £15.5 million next year and then £12 million for each year 2022-23 and then somewhat of a sudden drop-off in 2024 to zero, so clearly, Minister, there is a view that in 2024 everything will be back to normal. May I ask how you have come to that conclusion?

**The Minister for Economic Development, Tourism, Sport and Culture:**

The Government Plan takes into account the run-off of the existing project and the planned projects for 2024, but I very much expect and hope there will be new projects that are to be run through the recession and out the other end. It is hard to say what those are now, because we do not know the full nature and extent of the challenge, because we are not through the pandemic yet and, of course,

we have forgotten about it but we are watching very closely what the economic impact will be on Brexit depending on the very delicate stage of the negotiations now. Of course, if there was not to be a deal and tariffs were to be applied to trade then that could have quite a significant impact. There are a lot of uncertainties there but I can hand over to Richard now, who will explain the current plans. Of course, those have changed somewhat. The Economic Council that we have established to look at some forward-thinking proposals and advice are just about to report, so that will also be due in the next couple of weeks. Richard, over to you.

[14:30]

**Group Director, Financial Services and Digital Economy:**

To answer your question, the funding was ... and 2023 there was a degree of uncertainty over specifically how those funds may be committed. Working with Treasury those really are placeholders in terms of funding, pending the debate of the Government Plan, pending any further developments around COVID-19, as to whether that money can indeed go towards long-term economic recovery or whether it needs to be used for short-term business support packages that are as yet unidentified or undecided. It is really a placeholder that we will be able to draw down with business cases submitted to Treasury on a case-by-case basis and it really is just the headline allocation.

**Senator K.L. Moore:**

Thank you for that answer. We are going to move on now to look at some specific areas. Minister, the Government Plan also mentioned the hospitality sector, which is of course a key priority for yourself. Specifically, what types of things are you looking at and can you describe what you hope to deliver?

**The Minister for Economic Development, Tourism, Sport and Culture:**

As you know, Keith Beecham has retired, a great loss to the organisation, but we have a new chief executive and she is now working with her team on what could look like a very different tourism business plan and marketing strategy for 2021. That is a little bit of detail on that. I am also asking officers to do a longer-term tourism ... it is important that we get through this while retaining as much of our tourism infrastructure as possible. We all know the pressure there is in Jersey for housing and tourism assets are a popular target for housing developers. It is important that we keep our tourism infrastructure in place so we can resume our tourism industry and pick up hopefully as quickly as possible the types of figures we were when we left off. The plan is to retain ...

**Senator K.L. Moore:**

Minister, can I just stop you there one moment? I do appreciate it is rather difficult to have a discourse like this remotely, but you talked there about the ease with which some hospitality businesses might be able to cross over into housing and other sectors, for example. What are you going to offer them to maintain that hospitality infrastructure? As we saw with the figures that were published earlier today, already a huge number of staff have gone from that sector, so that shows a slight indication of the pressure that they are under.

**The Minister for Economic Development, Tourism, Sport and Culture:**

I am pleased you asked that question, because it demonstrates there is a huge problem or huge challenges facing especially the accommodation sector as we run through the winter. The announcement by the British Prime Minister on Sunday has led to practically all of the few remaining bookings that were left being cancelled. We literally have very little or absolutely nothing; some valuable and important local Islanders are supporting the sector as best they can but it is not enough to sustain it. Subject to Minister for Treasury and Resources sign-off the Council of Ministers have approved 2 further schemes of additional financial support to the hotel accommodation sector and the events and tourism attraction sectors and other businesses that have been severely impacted due to Government guidelines. Details of those schemes are due to be released imminently. Those schemes are important because it will enable, we hope, if not all, the vast majority of the tourism asset base to remain in place throughout the winter and be ready to take advantage of the uptake when it comes. That is what we are doing to ensure we keep as much hotel assets as possible.

**Senator K.L. Moore:**

We look forward to receiving the finer detail on that. Could you talk us through how that decision making took place and how you came to the conclusions and the package that you are now going to be offering shortly?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Certainly. I will hand you over to Richard for that, who was leading the officers.

**Group Director, Financial Services and Digital Economy:**

Thanks, Minister. Yes, to pick up on that final point, there will be a briefing to the panel before the schemes go live just to bring you fully up to speed on the scheme design, the intended purpose and an indication of costs. The design of the scheme to support the hotel sector, the principle objective is to preserve bed stock as part of our long-term tourism infrastructure. What we would not wish to see is hoteliers making decisions on the back of reduced bookings from the COVID-19 pandemic to decide to sell that site into the hands of developers and, therefore, we lose the recovery potential in the tourism sector for the long term. What we have done is we have worked with the Jersey Hospitality Association, with Visit Jersey and also we used Grant Thornton to open a portal through

which hoteliers could share financial information on their businesses that would allow us to make an assessment of the level of fixed costs that they carry. That then helped us design a scheme that would help to cover a degree of their fixed costs through what was originally seen to be a 3-winter scenario, i.e., the winter that we had 2019-20, the fact that this summer translated more into a winter period in terms of the level of bookings, and then forecasting another normal winter in this period now through until next February or March. Of course, that winter that we are now coming into sadly will be more of a nuclear winter for the sector, given the impact of travel in the U.K. and, as the Senator referred to, the diminished level of bookings that we are seeing almost week on week at the moment. Getting these schemes is critical. They will help hoteliers cover a substantial proportion of fixed costs. The scheme support will be capped at around 80 per cent of fixed costs and that will be formulated to hoteliers on the basis of a fixed amount of support per room per night throughout the winter period, and then on top of that the hotels will also continue to benefit from the co-funded payroll scheme as well to help with staff costs. Of course, the primary driver for the co-funded payroll scheme when it was created was to help hotels and households and Islanders' livelihoods.

**Senator K.L. Moore:**

Thank you. Unfortunately, you are breaking up somewhat again there. If I could just ask what modelling the department has done? Next year is extremely uncertain and could go in several different directions. What modelling has been done and if you could describe it so that we have a sense of the planning that you have put in place and the amount of time that these offerings could continue for?

**Group Director, Financial Services and Digital Economy:**

Yes. The expectation is that these schemes will run through until March next year by which point we hope collectively as an Island to have a much better sighting of how our proximate markets of the U.K. and continental Europe have got on with the COVID pandemic. We hope to see a return to more amber and green, for example, on the U.K. map in the coming months and that will lead to an improvement in the travel outlook and, of course, then coinciding with what should be a pick-up in forward bookings in the hotel sector in the turn of the New Year for bookings then through spring and into summer. We will continue to work with Visit Jersey and with the Hospitality Association to understand that picture on forward bookings, but what we are trying to do is put a scheme in place for 6 months that at least gives hoteliers some short-term certainty around Government support for their sector, both in the near term but also as part of our long-term tourism infrastructure.

**Senator K.L. Moore:**

Thank you. Could you confirm that some communication has been given to that sector, although these measures have not yet been announced, so that they have some reassurance and they know that measures are coming forward so they do not make alternative arrangements?

**Group Director, Financial Services and Digital Economy:**

Yes. We have communicated extensively with the Hospitality Association as ... and the representatives of hoteliers that we have met with on a number of occasions. We have also had additional involvement there with the Chamber of Commerce, Jersey Business and also with Visit Jersey.

**The Minister for Economic Development, Tourism, Sport and Culture:**

I wanted to add that we are urging officers to conclude this work as soon as possible. You have to understand there has been a lot of research and fact-finding to make sure the schemes are appropriate, but as we get into the winter now there are examples of not quite panic, as such, but there is a lot of concern now, not just in the hotel sector but in other parts of the economy. The U.K. announcement of the closing down of the U.K. economy as such again does have a knock-on effect to our economy. Officers are aware that announcing details of the schemes and getting them implemented is now a matter of urgency.

**Senator K.L. Moore:**

Thank you. if we could move on to talk about the co-funded payroll scheme, which is now entering its third phase, we are, of course, aware that this project does sit within the Minister for Social Security's portfolio; however, it directly impacts upon businesses so we felt that it was wise to ask you some questions as well, Senator. We can see that £11.3 million has been allocated for 2021 for the phase 3 part of this scheme. Have you had any feedback from stakeholders as yet?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Coincidentally, we have been having a series of meetings on payroll, culminating in one with Ministers today to give a continued steer. As we said all along when the scheme was announced, we would not allow a cliff-edge to happen and, of course, we announced towards the end of the summer we were going to extend the scheme until the end of March and it would be on a gradually reducing basis. For example, it went from a 30 per cent detriment test providing an 80 per cent wage subsidy at the end of August to a 20 per cent detriment test providing a 60 per cent subsidy for September and October. The scheme as it stands at the moment is due to remain at a 20 per cent reduction test for a 40 per cent subsidy dropping to 30 per cent January and February and 20 per cent in March. Given that the circumstances facing us are now a lot more challenging through the winter than we anticipated, officers are working on a further revision of that scheme as well that will aim to continue to support all businesses across the economy but be more linked to the detriment so we can provide additional support through the winter to those businesses that are suffering more detriment. Again, officers have been charged today to build up all the ... on the back of the research they brought us around that and again are coming to speak at the appropriate time to share those

details. I have urged officers to move as quickly as they can because we cannot allow events to overtake us. We know that we have got a very tough winter ahead of us. Although we are in a better position here in Jersey than most of the U.K., we are watching our figures very carefully.

**Senator K.L. Moore:**

No doubt. There is a fine balance I guess, particularly in the winter months in Jersey, between the incoming economy and the internal economy. What modelling and sense do you have or have you worked out the necessity to maintain an incoming boost to the economy versus taking actions to purely focus on boosting the internal economy?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I am not sure boosting is the right word if we are looking at the economic and business support plans. These are really helping businesses to survive rather than to boost anything.

[14:45]

We are really driven by the need to protect jobs and livelihood through the winter and make sure that as we start to recover in the New Year the economic infrastructure is in place to do that. I think our payroll scheme and our support mechanisms were carefully considered to ensure that businesses could remain viable and we are also very careful not to sustain businesses that were perhaps unviable before we went into the COVID-19 challenge. I am not sure if Richard would like to add anything. I will hand over to Richard. He can add to that.

**Group Director, Financial Services and Digital Economy:**

In putting schemes in place we are trying to recognise the challenge of the tourism economy, which would generally go quiet at this time of year, but it really has just petered out altogether. We are keeping air links open. We stand by ready to support air routes with start-up funding and growth funding as appropriate and that has been done very well through Visit Jersey and Ports of Jersey. Of course, when people are confined to barracks in the U.K. it creates considerable problems. We will look to supplement areas if we need to through the Blue Islands relationship. You will recall the air bridge service that we provided for in our own lockdown period to cover emergency travel. If it became necessary we would look to reinvigorate that. Importantly for the hotel sector that is most impacted by reduced visitor numbers, we are providing this fixed cost support scheme. Some other sectors in our internal economy are trading reasonably well, so those doing minor construction, estate agents, so we are told, if we believe the *Jersey Evening Post* headlines, and levels of property sales are doing rather well. Some sectors are doing well because people have some additional income to spend where they have had lockdown and they have not been on holidays and so on, and they have decided to spend money perhaps in a different way in 2020 than they would ordinarily do,

but we do recognise there are some very acute pressures on other business sectors and we stand ready to support those as appropriate through these schemes.

**Senator K.L. Moore:**

Thank you. If I could go back to the travel and transport issues that you just raised there, Mr. Corrigan, and particularly the Blue Islands scheme that the Government entered into, what data and how regularly are you reviewing that situation with Blue Islands now?

**Group Director, Financial Services and Digital Economy:**

There is a constant dialogue with the team at Ports of Jersey around understanding the incoming visitor numbers, the number of flight rotations and what level of yield and excess capacity there is. We would typically expect airlines to shed capacity with reducing demand. I think we saw a quick start-up of some air routes after our own lockdown, but with a reduced level of frequency, for example, on the Gatwick route by easyJet and on the Heathrow route with BA. They will switch on their capacity as demand exists, but should we get to a particularly acute scenario where those operators pulled out altogether we would have to look at some restoration of the air bridge service with Blue Islands and looking for that to work ideally on a commercial basis rather than on the pure emergency basis that we had to do back in March of this year.

**Senator K.L. Moore:**

Could you describe what negotiations or discussions were conducted with - and I presume your department was the key point of contact - the Ports of Jersey prior to them taking the decision to make the staff redundant, the decision they have recently taken?

**Group Director, Financial Services and Digital Economy:**

The decision from Ports of Jersey around staff ... rather than with the departments, so I am not able to answer that.

**Senator K.L. Moore:**

Thank you. That is helpful. Sticking with travel and transport, what about the sea links? Are there any discussions under way to maintain sea links?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Yes, there are discussions at the moment. The Chief Minister, the Minister for External Relations and myself together with relevant officers have met with the owners of Condor Ferries, who as you can imagine have suffered severe financial stress as a result of this. We are currently in discussions with them at officer director level with various options we might have moving forward. This is not so much about providing financial support but deciding on new operating agreements and how they

might be best reconstructed to ensure we have long-term viability. Important for Jersey is a reconfiguration of the fleet to ensure we are not only safeguarding our lifeline freight link and, in addition, 95 per cent of what we consume is imported, but also to ensure that we have really robust links with France. Of course, I think the fact that Brittany Ferries are a part-owner of the new company could present some important opportunities for us moving forward, but those talks are ongoing and I cannot report on the detail at this stage. Dan would like to say something.

**Group Director, Economy:**

Yes, thank you, Minister. I think in the broader sort of connectivity space, I think it is important to say that there is some significant contingency planning going on behind the scenes around the supply chain in particular and, of course, Condor is central to that. We do have a stood up sort of supply chain reliance and security team that meet once a week and report in to Ministers to make sure that we are working to a consolidated contingency plan and risk assessment that takes into account the impact of COVID as well as the impact at the end of the transition period. At the moment, those risks to the supply chain are low and we have also very good engagement with organisations in, for example, the food retail sector to make sure that we are not just looking at what is happening in the U.K. and the contingency planning that is going on with the 2 key U.K. ports, i.e. Portsmouth and Poole. Also that they have contingency plans in place around traffic management but also the infrastructure and their relationship with Condor itself and linking back into our local supply chain as well. So that team has been stood up for a couple of months now and is sitting in the background making sure that we are managing risks in that space.

**Senator K.L. Moore:**

Thank you. Could you just identify when you expect the new operating agreements to be reached, please? Sorry, we cannot hear you so I just want to check ...

**The Minister for Economic Development, Tourism, Sport and Culture:**

We are expecting the operating agreements to be in place by the end of the first quarter of next year.

**Senator K.L. Moore:**

All right, so they will not be in response to the COVID situation or they will be as a result of COVID and part of the recovery. Is that what you are looking at doing?

**The Minister for Economic Development, Tourism, Sport and Culture:**

It is really all of the above. We had an inherited situation with the current operating agreement that Condor ran with since 2015. That is due to expire in 2025 and there are break clauses in the current agreement, of course, and a new agreement can be put in place with the agreement of both parties

and I think that is the territory we are in. Of course, that is very much because these talks have been expedited by the onset of COVID and Brexit so there is really urgency on a number of fronts to get these talks completed and give some certainty over the direction of travel and some certainty to our economy and our tourism and freight sectors and, of course, some certainty to the new owners of Condor which gives them the ability to invest in their fleet and provide the services we require.

**Senator K.L. Moore:**

Thank you. I am going to hand back to the Chair now. Thank you.

**Deputy K.F. Morel:**

Hello again and thank you, Minister.

**The Minister for Economic Development, Tourism, Sport and Culture:**

You are welcome.

**Deputy K.F. Morel:**

Just picking up on one last question about our sea links, you did mention that the work you have been doing is not focussing on monies and funds, but do you foresee the possibility that it may be necessary to provide funding to support the sea links between Jersey, France and England?

**The Minister for Economic Development, Tourism, Sport and Culture:**

I am happy to brief you privately but given the confidential nature of the discussions, I am not sure I am ready to discuss anything at this stage, but happy to brief Scrutiny privately on that.

**Deputy K.F. Morel:**

Wonderful. We will take you up on that. Thank you, Minister. Minister, just moving ahead quickly to Digital Jersey, one of the business cases is for the Digital Jersey grant shortfall, but it does not really go into much detail about how that will be used and what it is used for. Are you able to describe this project and how the £303,000 of funding will be used? I am sorry, Mr. Corrigan, we cannot hear you very well again. That is not working. I am sorry, Richard. Would you mind starting again? We are really not hearing you at all. It is not coming through.

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

Mr. Chairman, can I just butt in while there is a pause for the transcript?

**Deputy K.F. Morel:**

Yes.

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

If you have no further questions, I will leave and get ready for my next meeting.

**Deputy K.F. Morel:**

Understood.

**Assistant Minister for Economic Development, Tourism, Sport and Culture:**

Sorry that I cannot stay longer. Thank you.

**Deputy K.F. Morel:**

Thank you.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Thank you, Deputy Tadier.

**Deputy K.F. Morel:**

Shall we try again with the Director General?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Yes, let us try again. We are just going to try to put the Director General on another computer.

**Deputy K.F. Morel:**

That is okay.

**Group Director, Financial Services and Digital Economy:**

Are you able to hear me now, Chair?

**Deputy K.F. Morel:**

Yes, I am, thank you.

**Group Director, Financial Services and Digital Economy:**

Excellent, okay. The £303,000 relates to a budget line for income that the department used to receive from Ofcom in respect of Jersey's share of some regulatory income. Typically, that money would not come in until around the end of quarter 3/beginning of quarter 4 each year and it was also unpredictable in its value. Invariably, it was higher than £303,000 but, some reason, £303,000 was the legacy budget figure that was in there. What we have done with Treasury is have that £303,000 guaranteed into the base budget of the department and instead the unpredictability, both in a timing

and value sense, is carried in the much bigger shock absorbers that the Treasury has than those of the department, so that is the rationale.

**Deputy K.F. Morel:**

I see. Thank you very much. I am going to move on to sports facilities and, in the Government Plan, it talks about COVID-19 support for sports infrastructure: £2.1 million next year, £1 million the year after and £720,000 the year after that in 2023. The business case explains that the pandemic has meant that income for Government-owned sports facilities is down, and that is quite understandable, and that this additional budget will ensure that the long-term impact on sports facilities due to the pandemic will be minimal. Can you tell us where the additional funding has come from and what will happen if the funding is not secured for this project?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Thank you, Deputy. If you just bear with us, we are just switching our computers back.

**Deputy K.F. Morel:**

Yes, I appreciate that.

**The Minister for Economic Development, Tourism, Sport and Culture:**

I will move over to Dan in the first instance.

**Deputy K.F. Morel:**

Thank you.

**Group Director, Economy:**

Apologies, Chairman. Our sports chap cannot dial in at the moment but could you repeat your question?

**Deputy K.F. Morel:**

Yes.

**Group Director, Economy:**

I will just see if he is on the line. Barclay, are you on the line?

**Operations Director, Sports Division:**

Yes, Dan. I am here. Can you hear me?

**Deputy K.F. Morel:**

We can hear you at this end.

[15:00]

**Group Director, Economy:**

Chairman, perhaps I can suggest that we come back to the sports infrastructure question and try to get Barclay back online. He seems to be showing on the link but he is not coming through.

**Deputy K.F. Morel:**

Okay, that is no problem.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Can I apologise? I have just taken over the brief back from Sam. I am not as briefed as I might have been because I have not had time to pick this up since the Senator's resignation.

**Deputy K.F. Morel:**

I do appreciate it is 24 hours or something like that so I fully understand.

**Group Director, Economy:**

I beg your pardon, Chairman. Would you like me to try and field some of these questions myself as an interim measure?

**Deputy K.F. Morel:**

If you would like to. I do not think they are too in-depth. It was just in the Government Plan, it talks about COVID-19 support for sports infrastructure. Are you able to talk about that? If not, it is not a problem. We can always send these as written questions. That is absolutely fine.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Could you send them as written questions, please?

**Deputy K.F. Morel:**

Yes.

**The Minister for Economic Development, Tourism, Sport and Culture:**

I would rather get them right and to answer them in the whole, if that is okay.

**Deputy K.F. Morel:**

Definitely. No, do not worry about it. That is fine. Are you able, Minister, to speak about Fort Regent?

**The Minister for Economic Development, Tourism, Sport and Culture:**

In a limited sense, not a high level, but yes.

**Deputy K.F. Morel:**

Yes, we will give it a go. The development of Fort Regent sets out funding for 2022 of £8 million, the same in 2023 and £10 million in 2024. It totals £26 million over those 3 years. We already have £4.8 million for the early phase. I am just wondering how they fit together. We have this £4.8 million in operation at the beginning and then £26 million following that. What is the work that we are expecting to see as a result of this?

**The Minister for Economic Development, Tourism, Sport and Culture:**

So subject to the Council of Ministers' approval, the options for Fort Regent are being discussed next week, I believe, subject of course to circumstances, and that is in relation to the proposal for Fort Regent. This is aligned with the Sport Facilities Strategy that Senator Pallett was working on so the decision to be made is whether we are going to proceed with the redevelopment of Fort Regent and how the stages of that will work. We have to align the movement of sport from the Fort into our current sporting infrastructure of Les Quennevais, Springfield, Oakfield and Langford sport centres, et cetera. We would have to move the sport out to the Fort and then create a temporary holding position for Fort Regent, so then Fort Regent would go into a preliminary and create new spaces and new uses for Fort Regent while the master plan was finalised and then approved ultimately by the States. The funding, as I understand it, that is proposed in the Government Plan allows that process to proceed so that is a high-level review. Of course, again, I have just taken over from Senator Pallett on the sports facilities work but I would be happy to provide answers in writing to those specific questions just to make sure they are accurate.

**Deputy K.F. Morel:**

No problem. I do have one very high-level question which is very political as well, so I am sure you will be adept at answering it.

**The Minister for Economic Development, Tourism, Sport and Culture:**

It is my favourite type of question.

**Deputy K.F. Morel:**

Exactly. There is a lot of capital to spend in the Government Plan overall across many different departments and ministries. I think all Islanders know that Fort Regent has been crying out for

investment for a long time. Given it is competing with, let us say, the rebuilding of schools and obviously there is the hospital and so on, is Fort Regent not one of those projects which, while it is a shame, it could be moved further down the line and money could be saved by not starting this work now and perhaps pushing it back 3 years?

**The Minister for Economic Development, Tourism, Sport and Culture:**

That is a very realistic position that we might find ourselves in. I think, between all States Members, there is an understanding alongside the very essential expenditure we need including ... we do have ... well-being, sports facilities leisure investment, and that is I think ultimately a decision that the States are going to have to make. It is nothing short I think of an embarrassment for the Island ... that we have neglected or discouraged or we have just been prudent in terms of our fiscal responsibilities that we have not progressed with it. I think the work that we have done now before it goes to the next stage with our expenditure, we have a decision-making process to follow which will need to answer those questions. I would say that, depending on how long the pandemic goes on and the cost, Fort Regent could be a longer-term project that is part of a fiscal stimulus or long-term economic recovery piece of work that will provide ongoing benefits long after that work is completed, so these are the discussions we are going to have. Ultimately, the States Assembly will decide but there are some very exciting plans have been put together for the Fort and it would be very good to do something with that asset we have up there because it is an asset and we should utilise it as such.

**Deputy K.F. Morel:**

Absolutely, and by asking that question I am in no way suggesting we should use it. You are absolutely right. It does need to be ... it is just a matter of prioritisation I think now following COVID.

**The Minister for Economic Development, Tourism, Sport and Culture:**

There are opportunities with the States property portfolio and that is not directly part of my political responsibility, but we have, when you look at the unutilised and underutilised tranches of land and development opportunities we have, there are innovative and very good ways I think we can look to raise funding for such projects. So I think there is work to be done there as well.

**Deputy K.F. Morel:**

Interesting. Thank you. Minister, moving away from those large capital projects, I have noticed as we have flicked around the computers at your end that John Vautier is with you.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Excellent, yes. He likes really tough questions.

**Deputy K.F. Morel:**

Well, I have just spent yesterday at the farming conference and so I think it would be remiss of me not to ask a few questions about funding for the Rural Economy Strategy. So, Minister, obviously there is growth funding for the Rural Economy Strategy. It started this year and it increases next year to £272,000 and then year after to £473,000, rising to £680,000. Can you explain what that growth funding is for and also put it in the context of the base budget as well as the Rural Economy Strategy?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Okay, well, a lot of this is in relation to the fact that the current Rural Economy Strategy is coming to an end and now we are planning a rise in the future for the sector. There are new opportunities when we are looking at the development of high-value crops and so forth, and I am now very pleased to hand over to John to take it through those figures of the additional £2.1 million of funding we have put into the proposed Government Plan for that period.

**Agricultural and Business Adviser:**

Thank you, Minister. So just to put it in context of the base budget, the extra support or the extra budget is going to be delivered as rural support as part of our Rural Support Scheme. The baseline budget for 2019 was £579,000 with an extra £65,000 that was put in this year, plus some departmental savings which were re-routed into the support scheme for 2020, and that has brought the support budget for 2020 to £670,000. That will then be increased by £200,000 each year for 2022 and 2023 and then remaining static then thereafter currently. The way that is delivered for 2020 is that we have increased the baseline payments on the Rural Support Scheme for qualifying businesses from £1,000 per business to £3,500 per business and that allows them effectively to pay for some of the costs associated with compliance with L.E.A.F. (Linking Environment and Farming) Marque accreditation or organic certification for their businesses. So that is delivering sort of real environmental improvements and we are joining that up across the Island so that effectively over 70 per cent of our land is now managed under those schemes and we are looking to increase that. At the same time this year, we have seen an increase in the amount of businesses that are eligible for support and there are 3 more businesses come into the scheme this year and there is probably another half a dozen that we are working alongside to bring them back into the scheme next year. Hence, the increase in next year's budget. Again, that has all been delivered as support and a lot of this is based on the analysis we have done in terms of neighbouring jurisdictions and the fact that, as an Island, we have fallen a little bit behind in terms of the levels of support that we were offering that sector. That has put the sector under pressure and we recognise that we had fewer businesses and it was quite fragile, so it was necessary for government to have stepped up a little bit and provided more financial support which is comparable with what is happening elsewhere. So the manner in which that support will be delivered in 2022 onwards will be determined by the sort of

rewriting of the Rural Economy Strategy but, as you will be aware, we are under way with that process and, in fact, it started a year ago with industry consultation. That process has been ongoing. We undertook quite a large project in July/August this year through an independent third party to get some engagement with the community and look at community views, so we received that report in August. It was facilitated from Farm Jersey for insight. That has given us a lot of good information in terms of what our community expectations are with our countryside, farming and food system but, again, that has really underpinned and underlined the fact that our community expects us to be delivering this extra support and it is something that they are keen to see. So we will now spend the next sort of 12 months or so - and I am sure we will have the opportunity to engage with Scrutiny further in the process - to finalise exactly how, from 2021, that budget will be delivered. The expectation is that by 2023 and 2024 we will have about £1.2 million a year as the budget for rural support in place. As I say, 2 years ago, it was less than £600,000.

**Deputy K.F. Morel:**

So in terms of per head of population in terms of support, at the moment we are providing approximately how much per head of population in terms of support to the rural economy and how much will it be by 2023/24?

**Agricultural and Business Adviser:**

So approximately per head of population, it will be about £12.50 per head of population currently and we will double that in the period and then that has gone up slightly. So it was £10.72 in 2018 so it has gone up a little bit and we are looking to double that. At the same time, I would say that the direction of travel in other jurisdictions, particularly in the U.K. which is where our food system is closely allied to and very integrated with, it is likely that their support will be reducing over the period. So I think we are likely to see, certainly in 4 or 5 years' time, a greater degree of parity, but we think that is important because if we do not achieve some sort of parity, then it puts our industry at a significant disadvantage which we need to act upon.

**Deputy K.F. Morel:**

Thank you. One small question which I have not quite understood is in the Government Plan or in the information provided to us about the Government Plan. It says that the Rural Economy Strategy aspect has been reduced. To me, the figures look exactly the same as they were in the 2020 Government Plan. Has there been any reduction? Can you explain why that has been labelled as reduced?

**Agricultural and Business Adviser:**

I think that is just a function of our reporting system whereby we are forecasting an under spend on our budget of £16,783 currently out of the £670,000, so that is the level of reduction. That is just

because of the way that the scheme works insofar as we are very cautious not to go over budget so we have to, at the start of the year, determine the value of payment per area, but we are not sure of the area that is going to be claimed until the applications are made. So we just sort of err on the side of caution slightly but get as close as we can, but that is the level of underspend.

**Deputy K.F. Morel:**

How many businesses are currently supported by the scheme come the end of this as well as increasing the amount per business? Do you expect the scheme to encompass more businesses?

**Agricultural and Business Adviser:**

So currently on the scheme we have just 38 businesses that have received support so far. There is another 3 or 4 subject to the last review who may qualify for this year but more likely will be next year.

[15:15]

We are looking to increase the amount of businesses and when the new Rural Economy Strategy gets put in place, for example, the indoor growing sector, which has fallen outside of the scheme for various reasons in recent years, will be re-included because they do deliver an important component of security for the Island in producing local goods so they will be re-included.

**Deputy K.F. Morel:**

You mentioned the indoor growing sector. Obviously, one new sector that I know the Minister has been keen to push is the medicinal cannabis industry. That is an indoor growing sector, at least in part. Will that industry sit under the Rural Economy Strategy or does that sit aside in its own separate place?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Thank you. I will go to Dan for that.

**Deputy K.F. Morel:**

Thank you.

**Group Director, Economy:**

Thank you, Chairman. Broadly speaking, the policy levers and hooks for the medicinal cannabis sector sit within the current Rural Economy Strategy and these policy hooks are really around promoting innovation through R. and D. (Research and Development) but also based on a previous assessment of non-food crops, effectively alternative crops that have high value and no footprint.

So that is where the policy was born. The more we move through the gears in terms of creating a framework for people to invest in this area, it becomes much more of a cross-governmental piece, to be honest, and you have considerations around Home Affairs and you have considerations around health licensing for the cultivation. You have potential legislative changes in other areas of the economy that will be needed to allow a full suite of investment in this space. So while it sits and was born, if you like, in the Rural Economy Strategy, I suspect that, in terms of the crops and the glasshouse use for cultivation, that will very much sit there. Moving forward into licensing and what kind of investment framework we might require, that may be a broader government piece, so I see 3 kind of key areas here. One is the ability to licence people to cultivate, the second is to create a framework to allow people to invest beyond cultivation and the third is to allow people to effectively work with industry to look at what type of R. and D. we require to be market leaders. So that is the kind of batting order in a sense that we are working towards, and we are looking to create additional capability at Howard Davis Farm for R. and D., a bit like we have done previously with things like tomatoes and flowers and so on and so forth. In a sense, it has quite a lot of similarities between other types of agricultural crops but it is a broader governmental piece in its entirety.

**Deputy K.F. Morel:**

Thank you. We do not see any particular funding for that in this Government Plan. Am I right there or have I just missed that?

**Group Director, Economy:**

Exactly the opposite. There are fiscal receipts built into the Government Plan.

**Deputy K.F. Morel:**

But nothing going out to the industry is what I mean, sorry. I am talking about the spend side here.

**Group Director, Economy:**

So, no, we have not. This is us creating the conditions for private enterprise to thrive.

**Deputy K.F. Morel:**

Yes, thank you. Just going on to the last few, Minister, moving back to travel, one thing I just wanted to ask is there is money for air route marketing and that absolutely follows on from last year where it was very much focussed on short breaks and the shoulder months. I remember commenting that that has been the strategy for the last 10 or 20 years. Minister, obviously COVID has changed things in that respect. How do you see that affecting the amounts? We were spending £250,000 this year on route marketing. How is that going to change in the years ahead?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Again, that will have to work with Ports of Jersey. I think we have probably developed our previously good relationship because of our border testing regime, which enabled the airlines to operate to Jersey and put together, in fact, some fairly innovative packages to work together to make sure we could capitalise on that aspect of the industry. I think we would have to talk to Ports of Jersey because I know they are in continued conversations, not just with our existing airlines but with new airlines. Recently, a new partnership was announced with Jet2, who are going to be flying in; those discussions are ongoing. Whereas before we might have focused purely on short-break marketing, I cannot answer how exactly we are going to point this Visit Jersey, this real marketing, this £1 million of real marketing that we have got. It is very much part of the work Visit Jersey are doing now in this ever-changing sort of travel landscape that they are working in. The aim is to use it in the most productive manner to make sure that we are targeting the transport links at the times when we have the capacity to do so. Funnily enough, the industry will become more productive because the way it works out the less employees you have in the ... how we work out our productivity figures and our G.V.A. (gross value added) figures. I think with the innovation, the technology now being embraced by the different sectors, we are going to see ourselves becoming more productive in the winter months. I think we are going to see an increase in spend and we will achieve that with the requirement for less resource, especially less - I do not like to use this phrase - human capital. That has partly been because the hospitality sector has been forced to work on lower staff levels because we have seen from yesterday's figures so many workers in those sectors left the Island at the beginning of the pandemic.

**Deputy K.F. Morel:**

Yes, that is understandable, thank you, Minister. Moving on to an area that we have spoken about a few times before, the economic framework and productivity support scheme, both of these projects are receiving reduced funding in the years ahead, reducing by £500,000 per year for the economic framework and reducing by £2 million for the productivity support scheme. A number of States Members have mentioned the importance of these pieces of work. Why are they being reduced by so much and will that affect the delivery of these important pieces of work?

**The Minister for Economic Development, Tourism, Sport and Culture:**

To answer the second part of your question, no, I do not think it will. The first part is I think these figures are reduced but they are more realistic. I think perhaps we overestimated them slightly in the previous year because we wanted to do some big pieces of work around that, but we have had a chance to understand more what we might need to do. Then I can hand over to Richard now.

**Group Director, Financial Services and Digital Economy:**

Yes, thank you, Minister. Those figures that you quote were, I think, the estimated figures that we might require for both the productivity support scheme and, effectively, to build some capacity and

capability within our team to deliver work through a strategic client partner relationship. Those figures were prior to those sort of contractual negotiations and I will refer you back to the answers to the questions that we gave in another answer to reflect that it is quite good news that we could bring that cost down.

**Deputy K.F. Morel:**

It is good news, I agree with that.

**Group Director, Financial Services and Digital Economy:**

I think the delivery of work package 1, which is due to report back at the end of this month, has shown that we have got good value for money and there was certainly enough money to deliver work package 1. The reality in the real numbers is that we had £500,000 to do that this year. We took a combined approach, so we split what was economic framework and productivity and gave some additional support to Jersey business to, effectively, continue and develop specific productivity support work streams in their business development special projects, effectively, that have demonstrated quite usefully that there are low-hanging fruits in the productivity space, perhaps as a result of 50 years of good economic growth. As belts tighten a bit, we have been able to kind of reflect with S.M.E.s (small and medium-sized enterprises) where we can make some good improvements in productivity. However, next year we are looking to launch a new productivity scheme. We are doing the work around that this year in partnership with PwC in the contracts relating to the strategic partner, and we will have that, assuming the Government Plan is endorsed, ready to go for next year. We have got part 2, work package 2, relating to the kind of necessary policy development that is required where we see that there are policy vacuums or gaps or new policy pieces that are required as a consequence of either the end of the transition period or COVID. We are identifying those for action early next year. Work package 1 has been quite useful because it has done several things that are sort of precursors to that policy development piece, which are quite a significant evidence review. We have also created a few more tools that allow us to look at the interconnected nature of the economy and, talking a little bit back to the previous subject matter on hospitality, we are starting to use that to look at the interconnected nature of investment by Government. If you put £1 million into hospitality, the supply use tables are telling us you could generate 16 jobs, for example. That kind of approach to looking at an ecosystem is now being developed quite well, I think. We have also focused a bit on the key sectors that have suffered key detriment, not least hospitality and retail. We have done some deep diving into those in the context of COVID and we are moving into looking at what a sort of an interim industry strategy going into next year would look like. I think the final point I would like to make, Chair, perhaps, is in terms of the timeline. Even though we have a reduced budget the timeline for delivery of the economic framework still stays at the end of next year. But, of course, things are running in parallel, so this is not a linear piece of work; there is quite a lot of work streams that are running all at the same time.

From my perspective I think the funding is correct and the project is moving on time and on budget. I think the other thing is we do have £15 million worth of recovery funding sitting in the Government Plan for next year, that if we find that we need to draw down against additional money for productivity support that there is an option within that.

**Deputy K.F. Morel:**

Thank you. I do apologise, something just clicked up. I will just check you are still there because I was suddenly interrupted at my end. Yes. One question I had just on the productivity framework, Minister, a very simple one: we passed a proposition in the States recently asking for that to be delivered by April, I believe 2021. Are you still on track for delivering it by that time?

**The Minister for Economic Development, Tourism, Sport and Culture:**

Can you hear me?

**Deputy K.F. Morel:**

Yes, I can, yes.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Yes, we are. My latest intelligence is that we are still on track for that. I hope Dan is now going to confirm that is the case.

**Group Director, Economy:**

Yes, that is the case. Again, part of work package 1 is the scheme design and the importance of that is that we are ready to go early doors in Q1.

**Deputy K.F. Morel:**

Brilliant, thank you. Last area of questioning; we have got 60 seconds. Minister, at the election 2018 an important issue that came up, which I know Senator Pallett was championing, was the skate park that does appear in the Government Plan still. Are you able to give us, or one of your officers, a quick update? Is it still going to be built? Will it be built on schedule or when will it be built by? I say on schedule; we are already behind schedule on the skate park front.

[15:30]

**The Minister for Economic Development, Tourism, Sport and Culture:**

Can I provide the answer to that in writing? The short answer is I very much hope so. It is certainly the intention of our department to proceed with the good work that Senator Pallett has done. We

can provide the update of where we are with planning applications and so forth. Dan, did you want to come in there?

**Group Director, Economy:**

Yes, thank you, Chair. Anything that you need to add to the responses that we gave prior to the hearing, please let us know.

**Deputy K.F. Morel:**

Absolutely, no problem at all. I will just ask Deputy Pamplin and Senator Moore: any questions?

**Deputy K.G. Pamplin of St. Saviour:**

No, thank you.

**Deputy K.F. Morel:**

The Deputy of St. Mary, are you still with us?

**The Deputy of St. Mary:**

I am still with you just; thank you, no.

**Deputy K.F. Morel:**

Brilliant, thank you, and thank you for staying with us, Deputy of St. Mary, it was very good. With that, I will bring this hearing to a close. Thank you all and thank you for your time and for getting through that. I am looking at the screen. Deputy Pamplin looks like he is in despair; he just froze.

**Deputy K.G. Pamplin:**

The story of my life.

**Deputy K.F. Morel:**

Thank you, and we will bring that to an end. Thank you.

**The Minister for Economic Development, Tourism, Sport and Culture:**

Thank you, Chairman, and have a good weekend everybody. Thank you.

[15:31]