



Government Plan Review Panel

Government Plan

Witness: The Chief Minister

Friday, 20th November 2020

Panel:

Senator K.L. Moore (Chair)
Deputy K.F. Morel of St. Lawrence
Deputy R.J. Ward of St. Helier
Connétable M.K. Jackson of St. Brelade
Deputy M.R. Le Hegarat of St. Helier
Deputy I. Gardiner of St. Helier

Witnesses:

Senator J.A.N. Le Fondré, The Chief Minister
Mr. C. Parker, Chief Executive
Mr. R. Bell, Treasurer of the States
Mr. I. Burns, Director General, Customer and Local Services
Mr. N. Vaughan, Chief Economic Adviser
Mr. T. Walker, Director General, Strategic Policy, Planning and Performance
Mr. C. May, Head of Communications, Office of Chief Executive

[15:02]

Senator K.L. Moore (Chair):

Good afternoon, and welcome to this Government Plan Review Panel public hearing with the Chief Minister and his team. We will start by making the necessary introductions as we are all, unfortunately, remote once again. I will introduce the team from the Scrutiny end and then, Chief Minister, I will ask you to introduce everybody present from your side, if you could, please. I am Senator Kristina Moore and I am chairing this panel. We also have the other members of the panel,

the Constable of St. Brelade, Deputy Rob Ward and Deputy Kirsten Morel, Deputy Mary Le Hegarat and Deputy Inna Gardiner. Chief Minister, if you would like to make your introductions.

The Chief Minister:

Senator John Le Fondré, Chief Minister.

Treasurer of the States:

Richard Bell, treasurer.

Chief Executive:

Charlie Parker, chief executive.

Director General, Customer and Local Services:

Good afternoon. Ian Burns, director general, Customer and Local Services.

Chief Economic Adviser:

Nick Vaughan, chief economic adviser.

Director General, Strategic Policy, Planning and Performance:

Tom Walker, director general for Strategic Policy, Planning and Performance.

Head of Communications, Office of Chief Executive:

Christian May, head of communications to the Office of Chief Executive.

Senator K.L. Moore:

Thank you all. Despite being remote normal hearing standards apply, which I am sure you are all quite familiar with. Could I please ask that when you do speak if you could turn your cameras on? It is particularly important for people who are hard of hearing to be able to see facial expressions and those who might be assisted by lip reading. I do not know if the Chief Minister, the chief executive and whoever else might be in that room might be able to provide us with a closer image of themselves when they are going to speak. It would be really helpful, as I have expressed.

Chief Executive:

I am afraid I can't do that. My machine is not picking up the system so apologies for that. I can get nearer to the camera if that helps.

Senator K.L. Moore:

That would be very kind. We appreciate that. If the witnesses could introduce themselves as they are seen for the first time that would be very helpful. We will get started. This is of course our second hearing in relation to the Government Plan. We do have many questions so if we could all try to be as concise as possible it would be very much appreciated. We wanted to start off with the balanced budget and that global aspiration to reach a balanced budget by 2024. Chief Minister, if you could identify for us the evidence base that you use to take that decision to achieve a balanced budget by 2025, please?

The Chief Minister:

Essentially it is the advice from the Fiscal Policy Panel, which is set out in their annual report and to quote: "It is appropriate for Government to plan to run significant deficits to support the economy this year, and in the initial years of the proposed Government Plan, bringing the budget back into balance by 2024." If you want, their advice also recognises "the uncertain economic outlook, the Government Plan has been prepared at a highly uncertain time for public finances" and although there is a risk but that is still the plan from their advice. I will go to the treasurer to see if he wants to add to that.

Treasurer of the States:

What we have allowed for is, and that is the Fiscal Policy Panel advice as well, that we could in each year of the Government Plan assess the situation with a view to either accelerating that balancing or pushing that balancing further out.

Senator K.L. Moore:

Thank you. How will the prioritisation of such decisions be taken? Will that be based on setting targets and how flexible would those targets be?

Treasurer of the States:

The intention will be to listen to the advice of the Fiscal Policy Panel each year in terms of where they see their latest estimate on whether the economy will get back into equilibrium. That is the intention from a financial perspective. We have Nick Vaughan on the line. I do not know if he has got anything to add to that.

Chief Economic Adviser:

No, I have nothing to add. Generally the advice of the Fiscal Policy Panel is to consider budget deficits through one of 2 types, either cyclical or structural. I think in the recovery that is expected by the time we get to 2024 any budget deficit that might remain in the view of the Fiscal Policy Panel would be structural and reflect the imbalance between income and expenditure, whereas the current conjuncture, as we know, revenues have been hit very hard by the recession and the extra spending

on COVID. That is the advice of the Fiscal Policy Panel to plan on the basis of balancing the budget in 2024 but, as the treasurer highlights, having the flexibility to revise fiscal consolidation or income and expenditure plans in either direction depending on the strength of the recovery. If I might add, I think that is the strength of the new Government Plan framework, that it does allow a flexibility rather than being stuck with a 4-year plan in the face of such shocks.

The Chief Minister:

Flexibility is really important. I am sure we will cover this later, but we are in very uncertain times around duration and full impact, so that is why the flexibility that we are dealing with, we have got to have a target, which is what the F.P.P. (Fiscal Policy Panel) are suggesting, that is why the plan we believe is good, but the flexibility is there that if we need to adjust it, either bringing it forward or pushing it back, we can. It is very much our best plan we can deal with at this stage, given that we still have uncertainty in the first few months of next year.

Senator K.L. Moore:

What work have you done to identify the debt paying strategies of other jurisdictions with similar budgets to Jersey?

The Chief Minister:

I will hand over to the treasurer. Even comparing ourselves, for example, with our neighbouring Islands we have just had the approval of the principle of P.Y.B. (prior year basis), C.Y.B. (current year basis). Now, Guernsey, as I understand it for example, already pays on a current year basis. We have developed a strategy in accordance with what matches our resources and our particular situation. Richard, do you want to add?

Treasurer of the States:

Yes. The point at this point would be that this plan is proposing to use short-term debt while we see how the coming months unfold so that don't firstly over borrow but secondly under borrow. In terms of longer-term strategy we have been doing work that included some comparison elsewhere with a view to ironing out what the medium to longer-term strategy would be once we get through firstly the uncertainty of the coming months but then further down the line the finance as it would relate to the Our Hospital project.

The Chief Minister:

I assume you have been briefed on the borrowing advice that was taken essentially during the period since May-June?

Senator K.L. Moore:

I am not entirely sure that I recall. Are you talking about borrowing advice in relation to the Our Hospital project or borrowing advice generally in terms of that which is apparent in this Government Plan?

Treasurer of the States:

More borrowing advice that pulls forward the situation after this Government Plan and including the hospital.

Senator K.L. Moore:

At this stage the borrowing for the Our Hospital project does not figure in the Government Plan. Are you saying that many of the decisions taken and the particular rationale behind organising this plan as it is is in preparation for that considerable borrowing that the Island has ahead of it?

The Chief Minister:

No. I will let Richard talk about that in detail. I think what you have got to do when you are putting the Government Plan together is you also have to keep an eye on that is why it rolls out over 4 years. In terms of the defined strategy, as it were, obviously what is in the plan deals with the medium-term debt. That is why the P.Y.B./C.Y.B. was so important, but obviously we are going to have to keep an eye open on what the Assembly decides on the future financing strategy, which will then impact on the next plan for the set strategy overall.

Senator K.L. Moore:

That being said you, as a Government, must have a figure identified in your minds of what you are aiming at in terms of the total level of borrowing that the Island will have once that hospital project is in place as well as the current measures that are proposed in the Government Plan to deal with COVID?

Treasurer of the States:

We have taken into account in our medium to long-term plans the likely borrowing or likely financing as it relates to the cost of the hospital project. Of course the Our Hospital project is months away from delivering the final budget and there is further work to be done now that the Assembly has decided it can proceed, which will narrow down the level of contingency and ultimate advice that is required as further details come into play.

[15:15]

We have borne in mind that likely borrowing in the overall plan. Of course what Ministers have set out in the Government Plan is they want to be sure that we minimise the borrowing associated with

the cost of COVID-19 with a great deal of uncertainty in the coming months but, for example, if the underspend is reduced, that borrowing and reviewing the position as we come through next year before we commit to a longer-term position.

Senator K.L. Moore:

Thank you. Could I remind you all again about using your own camera so that you are visible? It is quite hard to hear all of you as it is and it would help myself as well as members of the public in understanding you, if we could see you as well. At the moment we have just got the parade wide shot. I do not know why. Okay, so if we keep going and hopefully the individual shots will appear eventually. Taking that on board, at the moment the budget is based on a central scenario in terms of revenue planning. What consideration has been given to the uncertainties that have already been identified today and the potential for only the downside scenario being reached in terms of revenue going forward?

The Chief Minister:

I think I will hand that one straight to the treasurer but there has been some consideration within the Income Forecasting Group, for example.

Treasurer of the States:

Within the income forecast we have brought forward the downside scenario from the previous forecast and I am sure if need be the chief economist will talk more to that. In terms of therefore what we would do beyond that, we would clearly be in a position if we were in the downside scenario where we would be looking to balance the books by 2024, which would then inform me that we would be into a scenario of having to borrow more as we proceed or, at that point, draw on reserves. That is fundamental to the strategy within this plan, that we borrow first and any significant increases in funding requirements could therefore fall upon reserves as we move further out into the future. The longer that that took place we would have to reconsider spending and income flow.

Senator K.L. Moore:

Thank you, Treasurer. You have not previously explained to us the decision to focus on borrowing rather than using the reserves was mostly motivated by the ease and the cost of borrowing being relatively or very low at the present time. What evidence or information is there in relation to the longer-term view of borrowing as opposed to using the reserves or indeed accessing other assets that the Island has at its disposal?

The Chief Minister:

If I can give the high level one, which is that obviously the F.P.P. advice is quite clear that they did not think it appropriate to tap into the reserves at this stage. If Richard and perhaps Nick want to talk about the longer-term issues about predictions on future interest rates and things.

Treasurer of the States:

Interest rates are low at this point in time. We have had to balance between proposing to go out for medium to long-term debt now against the need to be more certain as to the level of debt we have. We have to be careful here. Expectations are that rates will stay low for a while and the proposal is that therefore we would start to take on medium-term debt next year, after the hospital project decision is taken. We are seeing that in the short to medium-term horizon we will be starting to commit or propose to commit to longer-term borrowing facilities and that will be post the debate of the hospital. The further out to the future you go the higher interest rates will go but as the plan will be to lock into the interest rates in the coming year or so then we are locking into the interest rates that should be low still on that horizon.

Senator K.L. Moore:

Given the failure to meet the efficiencies that were set last year for this year what focus will there be on making savings moving into the future?

The Chief Minister:

It depends how you want to express the comment that you have just made, Senator. We would suggest that we have made the £40 million because although we have not achieved all of the recurring savings we have found alternative measures that achieved that £40 million and the ones that we have not achieved, which from memory is around the £12 million of the £40 million in a non-recurring way, we have every expectation that they will be implemented basically when we come out of COVID. They will be on a recurring basis. That £40 million will be achieved in terms of sustainable and going forward, and for this year we have achieved £40 million and got over the line, £28 million of which is recurring, roughly. In terms of going ahead, we still continue the efficiency programme. We think that is part of the prudent approach that we have been trying to take and part of those efficiencies are then funding, effectively, some of the investment we still have to do in the underlying issues that we have been facing for quite a while, in terms of under-investment in certain key areas. Richard, do you want to add?

Treasurer of the States:

In terms of the additional rebalancing plan out to 2024 we could add a fairly modest £20 million to that for 2024. While the number in total looks large it is not that large compared to the total spending over that period. I think it is important also to recognise that as and when there is a need to spend normally there is also a need to review whether spending that currently happens is effective in

delivering the outcomes it wants and replacing that spend that is not effective with other spending plans that are more effective is a natural part of the cycle, as opposed to simply looking for efficiencies.

Chief Executive:

Can we just be clear? We have met the target. The target has been met in terms of the bottom line balancing provisions for the accounts. We are confident going forward that will be continued, and therefore in the context of COVID we have managed to achieve significant savings still within what has been a unique period facing the Government and indeed the Island.

The Chief Minister:

I have just seen a note in the chat. There is a suggestion about trying to get the individual cameras to work, which is to mute the main speaker and then try individually. I will do that, just as you are asking the next question.

Senator K.L. Moore:

Thank you. There has been discussion or there have been a number of statements about potential revenue raising measures that might or might not occur in the near future. One of those we have heard you, Chief Minister, say that social security contributions could be increased in 2023 and in relation to a potential failure of the move to the current year basis as proposed there was mention of an increase in G.S.T. (Goods and Services Tax). Could you define for us what measures you are considering and perhaps give us some firmer view of what is and is not under discussion at the moment with regard to such measures?

The Chief Minister:

The point I made around G.S.T. was very much illustrative because the issue was we had a debt, we know, and we had to make sure that we had a measure of paying for it. The argument I was floating at that point is that if we did not go down the P.Y.B. route you still had to find some measure to repay that and usually there are only one of 2 ways, which was you either raise revenue, which is some form of taxation, and I gave the illustration of what that might look like, or you cut expenditure and that means seriously cutting expenditure as another methodology. The fact that we have gone down the P.Y.B. route is for me a good outcome because I do consider, although there will be a cash flow impact on people, it resolves a whole lot of problems when people retire; it will help out people this year who have suffered an impact. As you know, we are looking at very extensive periods of time in which this can all be repaid. Looking ahead the very clear advice from the F.P.P. is not to introduce other significant revenue-raising measures in the time of an economic shock. That means at this stage nothing is, as we say, off the table. Everything is on the table but we are not going to say that we are not intending to be looking at an increase in G.S.T. We do know that

we have other areas that we have to consider. One is going to be the impact of the discussions at the O.E.C.D. (Organisation for Economic Co-operation and Development) level on what is referred to as digital taxation, or the pillars. That will determine what happens going forward. There are other measures that we know where there is an imbalance, as I have said in previous hearings, on the Social Security Fund where because of the structure of the balance between employer and employee and what was termed the taxpayer but obviously included quite a lot of corporate tax in there, hasn't changed for well over a decade and certainly before Zero/Ten came in when obviously the balance on corporate taxation shifted quite significantly towards personal taxation. Essentially at this stage, there are still some factors that will have to be taken into account basically during the course of next year, which will then influence the potential outcomes that we need to look at and one of those will include whether we need to, and we have identified it as a piece of work, look at whether the taxpayer is overly subsidising the Social Security Reserve Fund in favour of corporate entities. That is a discussion and no decision has yet been made on that front. There will be a variety of views around that as to where we go. I think the point at this stage is that the example of G.S.T. that I used was purely illustrative to indicate that if we did not go down the P.Y.B. route there had to be alternatives and that would have been one of the potential alternatives. Richard, do you want to add to that?

Senator K.L. Moore:

That is helpful. In the interests of time we do need to crack on. Before I hand over to Deputy Gardiner, just one further question in relation to that point, Chief Minister, and I thank you for the answer. Could you describe for me how this lack of certainty now and the open discussion about how the situation in relation to revenue-raising might change, how that uncertainty that is generated by that conversation balances against the need to have financial stability in the Island?

The Chief Minister:

I think the point is, and this is where the benefit of the Government Plan comes through, in terms of financial stability Jersey has always prided itself on its financial stability. As far as I am concerned we should still continue to do so. That talks about long-term thinking, planning ahead and also consulting with the major industries if they are affected by that, and that continues to be the case.

[15:30]

Senator K.L. Moore:

So are you now consulting with industry? You have mentioned previously that you are considering changing corporate tax. Has that consultation begun?

The Chief Minister:

I do not think I said we are considering changing corporate tax. I said what we need to know is what the outcome is of certain discussions I have been having at international level. We always engage and consult with the significant industries on a whole variety of measures and discussions as we go through, not only through the challenges of COVID but also the various external, political and financial pressures that the Island faces. That has been going on for decades. Of course we do consult with industry, particularly financial services if that is the one that gets impacted because that again is about Government engagement and about stability of our finances and stability of our industry.

Senator K.L. Moore:

Thank you. I will hand over now to Deputy Gardiner.

Deputy I. Gardiner of St. Helier:

Good afternoon, Chief Minister. I would like to ask a couple of questions around jobs. The latest labour report in June showed an increase in the people out of work in the private sector and continuous disruption to businesses. What are your plans to mitigate this?

The Chief Minister:

What we have been doing since March is supporting as many businesses and jobs as you can possibly think of. I think from memory - and either the chief executive or the treasurer can feed in, or the chief economist - we have been supporting about 16,000 jobs as a result of the co-funded payroll scheme. I think we need to know that in terms of context the fact that at the moment the actively seeking work is at 1,470, the latest figure I have got, but has been falling quite a lot, in the context of, for example, the financial crisis that we had that came out of 2008; in 2011 it was 1,400; in 2012 it was just under 1,750; and in 2013 it was just under 1,900. It took until 2015 to come back down to the level that we are presently at. I think what it is demonstrating is that it has been a very short, sharp shock that has come through but we continue with all the various schemes that are in place and particularly we have what they call the automatic stabilisers, I guess, which includes the income support measures, which would be one of those things that we use and the whole Back to Work programmes, which have been in existence and still continue to be, as well as the other measures of support that we have done to basically try to keep as many people in employment as possible.

Deputy I. Gardiner:

Thank you for the figures, because these are exactly the figures that I have in front of me, the 1,470 actively seeking work, which is 540 higher than last year, which is 30 per cent higher than the last year. What plans, if any, are there to retrain and reskill the over-18 workforce? This is where we

have areas where we are lacking and we do not have enough people to work and we have almost 1,500 people out of work.

The Chief Minister:

I will give you a high level and if you are happy I think Ian Burns might be the one to comment on that. Things like Skills Jersey are operating the Trackers apprentice scheme, Highlands College has fired up, there is a fiscal stimulus bid we understand being prepared by Skills Jersey to enhance their offer in 2021 and, as I said, income support does provide financial support for Islanders who qualify for critical skills courses, and that includes people like nurses training on-Island. We are also doing, as you will be aware and it will be launched at some point in the next few weeks, the whole piece of work that is coming out of the Economic Council although that is a longer-term piece. Ian, do you want to comment specifically on the measures we are doing to help those people who unfortunately have lost their jobs as a result of the COVID crisis?

Deputy I. Gardiner:

Specifically about reskilling and new training.

Director General, Customer and Local Services:

Thank you, Chief Minister. The Back to Work programme definitely supports people into employment. Many employers would prefer to train people themselves and so therefore we do offer employment incentives to cover the wages of those out of work who have been out of work for 6 months or more, so that is something that we had not had to use very much pre-COVID. But as we perhaps look ahead to next year, that will be an incentive that I think will be very helpful in getting people into employment but also supporting businesses in having the capacity to train those individuals in the way that they want them to operate within their own business. In addition to that, we have been running some short courses with our colleagues in Skills Jersey and using that to give people the skills. A good example of that, and indeed a course we have run successfully over the last 8 years, has been to supply people to care homes with a combination of training and also placement to get people in as healthcare assistants into care homes. That is something that we are running right now with Skills Jersey, for example. We also have programmes that offer up support for people who are more distanced from the labour market to give them skills and retrain. For example, we run a foundations programme that offers up people the opportunity for 6 months to work in the environment or with our partners such as the National Trust but also to work painting and decorating and learning those skills, so they have more up-to-date experience on their C.V. (curriculum vitae), which employers are keen of course always to recruit people who are in work or people who have had a recent experience of work. There are still over 200 jobs available on the Government website, so there are still opportunities in the labour market and we are working really hard to get those 1,400 people into employment as fast as we can.

Chief Executive:

For the Deputy's information, the other thing that we are doing is Team Jersey have been working with all the major employers over the last year to develop an Island-wide workforce plan. We have been talking to key sectors about where and what we can do to share a whole range of training needs, look at investment in basic training, skills, transfer training, apprenticeships and also offering opportunities for broader skill swaps where people can do secondments into different organisations. In our convening role as the Government, we have been working to facilitate that response. Even during COVID those networks that were established through that have been working actively and we expect there to be a workforce development plan for businesses across the Island to emerge from that. In the light of COVID, again I think the Government has used its civic leadership powers in the right way facilitating through one of its key drivers for change that has been established through the modernisation programme Team Jersey.

Deputy I. Gardiner:

Thank you very much. I was not aware about this workstream. Would you please confirm if the funding for this workstream is coming from the Team Jersey funds or is it included in the Government Plan to develop this workforce Island-wide strategy?

Chief Executive:

We have done that through our own resources that form part of the investment that we are putting into People Services and we have used the Team Jersey brand and colleagues to help facilitate that. A lot of that work is happening out of hours, so it is not diminishing the work that we are doing on behalf of the normal development and training of our workforce, but I was using it to make the point that we are not just looking inward here; we are looking outward as a Government.

Deputy I. Gardiner:

Yes, I absolutely understood the point and I think it is a really good initiative. I would like also to ask how appropriate is it to use the fiscal stimulus package to fund the work of Skills Jersey? Should this not be within the general spending plan of the Government?

The Chief Minister:

I think the short answer, but I will again defer to the Treasurer, is extra money. So it is an extra programme on top of what is being proposed.

Treasurer of the States:

The Fiscal Stimulus Fund is the opportunity to put plans in place ahead of the Government Plan being agreed. It also gives arm's-length organisations as well as other Government departments

and other non-profit organisations the opportunity to start thinking about what programmes they would like to see put in place. It is primarily intended to be programmes that are delivered in a short, sharp shock way to maximise the stimulus into the economy but provides the opportunity to also improve long-term skills base. If indeed we get to the end of the programme and it looks as though there is something to be taken on then that would obviously be borne in mind in future Government Plans.

Deputy I. Gardiner:

Thank you. I understand. When we spoke about the private sector where there was disruption and people out of work at the same time the public sector saw an annual increase of 530 jobs, 6.8 per cent. It is the largest recorded change, including the increase of 480 government co-employees. How is this justified and how does it fit with your post-COVID budget and efficiencies plan?

The Chief Minister:

I am glad you asked that question because I do have some data for you, which I am sure you will be delighted to receive. I think it is also worth making the point, going back to the actively seeking work numbers and so on, where we are is far better than where we feared we might be. Although the figures you can compare to last year are obviously far worse with all the measures that we put in place, it means that we have avoided a far worse scenario than we originally feared in March. We have got to look at the positives as well, that what has been done has supported, as I said, over 16,000 Islanders and about 3,000 businesses. The consequence of a lot of stuff we have been doing, I cannot give you the full breakdown of the 530, but I can tell you that about 230 are front line workers. For example, because you are covering part of COVID in there, the fact that we brought I think it is 99 G.P.s (general practitioners) in, they will have been counted as public sector employees for that time. That includes 23 nurses, 22 healthcare assistants. Obviously the Government Plan agreed the recruitment of an extra 19 police officers, for example, so those numbers are in there. There are 18 doctors, 10 teachers, 9 social workers and 30 teaching assistants, and that is the front line breakdown. As has also been alluded to by members of this panel, we have got the issue around - I will not call it back office - in the administration area. For example the whole H.R. (Human Resources) and People Services side, and also within Treasury and I believe Tax, but Treasury can talk to those if you want them to, where obviously we have been backfilling a lot of the underinvestment, if you like, that they have been grappling with for a long time. That includes things like, and I think we might cover it elsewhere in the section, proper risk management, things like proper commercial teams, which served us very well during COVID. There are a whole range of measures in there where some of it has been COVID response, some of it has been around investment that we had outlined in the previous plan, which was to bring people in. Part of that we can allude to as well and although we have got quite a way to go we also previously talked about the difference between agency workers, for example, in certain areas who are more expensive,

versus permanent employees. The intention is if you are going to reduce your costs, and I do not have the breakdown on those, I hasten to add, it would mean that you are going to have more permanent employees but the overall cost should be falling. That is the overall principle but I hope that has given you a rough idea of some of the reasons behind the increase. Richard or Charlie, do you want to add anything? I think they feel I have answered the question.

Deputy I. Gardiner:

I would like to ask how do you monitor and what monitors are in place to understand the needs of the job market? For example, COVID-related recruitment, do they work 100 per cent? Do we really need them in place? Basically what monitors are in place to ensure that we are on top of the jobs that have been created?

[15:45]

Chief Executive:

I am not totally sure I understand, Deputy. We monitor our jobs in relation to public service jobs on a regular basis looking at vacancies, profile of requests for filling a post through a number of means. We have got a panel that looks at every single job. That panel makes a recommendation that then allows whether that job is due to be filled, having got that we seek the approval of the States Employment Board and we follow the normal arrangements for that. Every department goes through a huge amount of monthly review, every month of its expenditure of which vacancies and filling a post forms part of. We have got a range of views in the current Government Plan about how we deal with vacancy management numbers, et cetera. Following that, the People Strategy that we are developing looks at workforce planning and we also have a contingent workforce that we have been able to stand up and stand down, depending on where we are in relation to the pandemic. By way of example, where we have had to recruit additional staff for test, track and trace we have been able to do that. Where we have had to go and get additional healthcare workers we have been able to do that. We have people on-Island who want to come in for flexible working and we use that pool accordingly. We can turn that up or turn that down, depending on where that need is. For example, at the moment we are turning it up to increase our test, track and trace to keep the Island safe and looking forward at our vaccination programme for when the vaccine comes out for COVID. Those staff are not long-term and permanent. They arrive and leave according to the demands placed on us. As far as private sector jobs, we go through and look at all the analysis figures that we would look for actively seeking work statistics, and I am sure Ian can do that and provide that information. We look at things like the C.R.E.S.S. (COVID-19 Related Emergency Support Scheme) and the co-payroll scheme on a regular basis to understand the numbers and to see where businesses are. From a Government perspective we have a regular set of monitoring of data that feeds into our

decision-making, whether it is our staff and our operational requirements or where we think that our programmes of investment and support for jobs across the Island are best-targeted.

Deputy I. Gardiner:

I would like to make one observation or comment and I would like to leave it without answer and would be grateful if you would come back with the data. Me personally, I do not have the data. It was in anecdotal evidence that some people who were recruited for testing were basically sitting there without doing anything in several places for days. I am not sure how much work is needed and is required and if we are using them effectively. Again, it is anecdotal evidence but I would like to know the real answer.

Chief Executive:

We are seeing with the test, track and trace team who we have a very clear analysis of where the headroom is in their work programmes, the amount of testing they do, the amount of follow-up trace work that we have got going on, those statistics are pretty robust. I can assure you at the moment those colleagues are working fairly fully on an ongoing basis in order to protect the Island.

Deputy I. Gardiner:

Okay. I would be grateful if we can receive the statistics for testing daily in various places during the week so that we can see the statistics and the amount of workforce that was employed there. Thank you.

Deputy K.F. Morel of St. Lawrence:

Chief Minister, it seems that revenue and the resultant spend through the Government Plan is predicated on population growth of about 2 per cent a year. Can you explain why you are relying on that maintenance of population growth in order to keep the economy going and why you are doing so without a population policy?

The Chief Minister:

I will give you a high-level answer. I will deal with population policy first and then I will go back to the revenue projections and then either the treasurer or the chief economist might want to comment as well. The population policy, as we know the main issue that came out of the Policy Development Board, and that is in front of the Assembly now for debate in 2 weeks' time, time having marched on rather rapidly, was the fact that we did not have the right controls in place. What that meant is that irrespective of what number you said we set as a policy because of the way that the licences have been issued and essentially what is technically referred to as the automatic gradation it was a completely meaningless number. I am sure we could have put a number out there but without the controls in place, which is what part of the debate is around next time, it would have been as

meaningless as all the other numbers we have had previously. If you go back to when at one point the policy was 325, which was obviously a good number of years ago, and then you look at it while it was still 325 the average has been 700 and the reality in the last few years has been more than 1,000. In fact in about roughly the last 3 years, and I might be wrong there, it has been coming down slightly by about 100 a year. The issue around a population policy was yes, we would have all liked to have had one but it needed to be meaningful, otherwise we would have been back into the same territory as before and that is why we have come back with a control policy first. In terms of the revenue side, the revenue is predicated on employment numbers, not directly population, if that makes sense, although arguably there are underlying issues in there. I think that is probably the very best I can say. I will hand over to Nick, the chief economist.

Chief Economic Adviser:

Thank you, Chief Minister. As the Chief Minister is outlining, the revenue forecast would be based on the economy forecast prepared by the Fiscal Policy Panel. To be open in preparing their forecast they need to make a judgment around population growth. In recent years, population growth or net migration has been closer to 1,000. The F.P.P. made a judgment that they would use population projections consistent with net migration plus 700. So in their 5-year forecast implicit is this assumption around population and then a judgment over the employment that follows from, say, net migration. In the growth framework that we have set up, population growth is about 0.4 per cent per annum and in the medium term we assume that the growth rate is stable, so there is no wiggle room between the assumption about population, employment and the tax revenues that will follow. As you know, the economy forecast supplied informs the set of assumptions, economic assumptions, that the Income Forecasting Group take into account. In broad terms, employment growth and earnings growth will drive wages and salaries and that would drive income tax. I think you are absolutely right that population growth is a key part of economic growth; it would not change per capita growth and the Fiscal Policy Panel makes their own judgment around population. I will just add, if I may, that we are subject to a number of very large shocks and, in a way, Brexit would change labour market behaviour even in advance of it occurring and, secondly, we know that COVID has had a devastating impact on the Island economy, in particular on the non-finance sector. In the non-finance sector that sector tends to make more use of registered employment so we would expect to see a quite sharp fall in registered employment. I think that is borne out in the June numbers that we saw. There are 2 parts to that. There are registered workers who did not arrive for the usual summer employment and then there are also unfortunately job losses in that sector as firms are shedding staff. To come back to where we started, the population growth implicit in the revenue projections would come from the Fiscal Policy Panel and that is 0.4 per cent per annum in the medium term or consistent with the net migration number of plus 700. In turn, the Fiscal Policy Panel get those population projections for a given net migration scenario from Statistics Jersey. I hope that is helpful.

The Chief Minister:

The other point is obviously the Government Plan looking ahead, the fundamental one is for the next year and then there is the outlook for the next 3 years. What you will then do as and when a formal population policy comes in, you will then tweak your figures accordingly. What I said at the very beginning when we were talking about population in what was meant to be a year of Brexit in I think 2019, from what I recall is that we would not do any drastic changes because of the economic shock essentially, in other words giving certainty to the employers. I think that still carries on. As Nick has referred to, the fact that we have got a combination of whatever Brexit turns out to look like, which obviously we will know a lot more in the next few weeks, and the impact of COVID and then the combination of post-recovery and basically who travels back to the Island if they have already left in terms of future jobs, there are quite a lot of unknown impacts there, which goes back to the whole point of uncertainty that we are dealing with. We have got the drop in the income forecasts for basically 2020 and 2021, by which time you will then have the interim population policy, which will feed into 2022. That will then start giving you the long-term trend, hopefully in a bit more stable time. My take, and what I am trying to say I suppose, is that in my view you would not necessarily impose something in 2021 on the back of all the uncertainty that was radically different to where we have been. You would not necessarily suddenly say we are going into a net zero growth policy next year because I think you need to allow people to adjust. The whole point of all of this is it is a medium-term change in position, if that makes sense. I say that but equally I think we will need to have a better understanding of what the impact is on jobs or people that have left and what that looks like post-COVID as well. Realistically I think you are talking, if you are lucky, Easter or June-ish before we start getting a real understanding of what that impact is going to be. That is a personal guess, by the way, as opposed to evidential. I do not know if Nick wants to add to that.

Chief Economic Adviser:

I think the Chief Minister has set out the key points very well. There is also the census to come in 2021, which is in some sense hugely timely, more by accident than design, as it will follow Brexit and in the middle of COVID. That will present a challenge to collecting most up-to-date and reliable population numbers, but that will provide a much firmer evidence base to assess prospects going forward. I would also just highlight an interesting and very important feature of the Jersey labour market, which I am sure Senators and Ministers are familiar with. The entitled and the registered distinction means that the Jersey labour market, because there are instances in, say, the last downturn when employment and actively seeking work were falling at the same time, is a bit counterintuitive.

[16:00]

Typically we would expect unemployment to rise when employment is falling. That reflects the fact that at that time, in that downturn, registered employment was falling very sharply but entitlement employment continued to rise. That helps inform the assessment of the F.P.P.'s prospects for employment and then within Government working with colleagues in C.L.S. (Customer and Local Services) that helps inform prospects for A.S.W. (actively seeking work) so we need to bear in mind this distinction between the entitled and the registered employment and make our best estimate of what that means for A.S.W. The labour market adjustment in Jersey is different to some other countries where there is this demarcation between employment, and that is quite important in considering prospects.

Deputy K.F. Morel:

Thank you. Chief Minister, I know Senator Moore asked about the downside scenarios. From the prospective that the population could fall due to Brexit and COVID-19 that is going to put more pressure on Government revenue. Is it the case that should the working population fall or be found to have been falling over the next 6 months that you believe that is taken care of in terms of the downside scenarios in the Government Plan or in income forecasting, I should say?

The Chief Minister:

I will take that across to the treasurer to see where we are. I think the other difficulty in there is, for the sake of argument, it will depend - and I do not like this word - the mix of jobs that one loses. Obviously if it is low-end jobs depending on their circumstances that might have less of an impact on loss of revenue and/or alternative costs, versus if it is at the top end, for the sake of argument, in financial services. Again we go back to this point about uncertainty overall within the whole plan and in trying to keep that flexibility in place, which is what we have got. Richard, do you want to add?

Treasurer of the States:

I think that summarises it very well. It depends upon the mix of those that have left the Island in terms of how much they were contributing to the Exchequer. In terms of directly answering the question, Deputy, I think the downside scenario provides a scenario to which those circumstances can be fit and, therefore, provide an approximation of where we might see the situation being. But also what would be pertinent here will be the scale and speed at which the economy recovered as well. The other points we made is that in a scenario in which there are less people on the Island, we would also need to spend as much in many services. I suppose I would point out though that in terms of services and the demands on the services, there are other factors other than just population in the sort of timeframe of a Government Plan that come into play. For example, in healthcare, the real driver of healthcare costs is population to a degree but it is the ageing of that population that are driving up the healthcare costs in the medium term and the short term as well, now that we are

seeing that bulge in the population go through. The same could be said in terms of education, some of that relates to the birth rate, obviously that directly relates to the level of population on the Island as well. Income support costs are more directly related to the levels of unemployment, rather than just the levels of population over the timeframe of the current plan.

Deputy K.F. Morel:

Thank you. Chief Minister, a very simple question here, in the main we are seeing kind of increased spending and some of that for a perfectly good reason but how are you paring back government spending in this Government Plan? What are the main factors that you are using to restrict government spending?

The Chief Minister:

Again, I think I will probably hand to the treasurer to give the detail. But at a high level we have done 2 things and bearing in mind we have advanced a year, so we have required an extra £20 million to come out in that last year which was not there previously, which again we believe should always be achievable on this front and we think we are being sensible. The second point was that we went through and identified obviously the £20 million of efficiencies that is required for 2021. Thirdly, we had, essentially, a day session with Ministers where we looked at, effectively, the growth that was being predicted over the forthcoming years and either reduce some of that growth or, as it were, swipe right, i.e. shifted it right so that it did not occur in the year it was necessarily originally predicted to take place. It does not mean we have stopped it, it just means it is being deferred in certain instances and there are a range of mechanisms we have done. The upshot of that is that we have, essentially, moved about £80 million of growth expenditure out of the original years and either deferred them or removed it entirely. Those are the choices we have made, we have managed to maintain investments, so it does not mean we have cut expenditure; it means we have reduced the growth expenditure and there is a subtlety there. Because we also know that there are still the areas that are crucial that we have got to do, we have still got the issues in Children's Services and we have still got the issues in I.T. (information technology), for example. We can see that some of the - and it probably is the word - investment that is taking place again. I think that is covered under the investment finance transformation later, if we get there. The changes that were already happening have helped us deal with a number of the issues that came through in COVID, for the sake of argument, again, I am stealing the treasurer's thunder or the chief executive's thunder but by closing the accounts early, which happened basically just before we got really into the issue around ... it did not drag on, whereas in the middle of the pandemic it could have done. That obviously meant all the way through it, so it obviously did assist us for things like the Standard and Poor's rating that took place later because you had a set of accounts, they had been finished and they had been done a lot earlier than previously had been the case. What I am trying to say is that some of the growth that we obviously had from the previous year has achieved results already but

what we have looked at, we have gone through a lot of the growth that was there and said given the circumstances we are in, what can we actively challenge? As I said, the total was in the order of £80 million but I think Richard might add a bit more on the detail on that; that gives you the high level.

Treasurer of the States:

Yes, thank you, Chief Minister. I think that addresses the plans, in particular in terms of the deferral of expenditure through the Government Plan arising from some of the programmes slipping during the phase of COVID. But also we have been very conscious to bear in mind the long-term consequences or the long-term benefits of some of the investment that is currently being made and to call out there for perhaps the spending that will come with the implementation of the Jersey Care Model while it is investment upfront and increase expenditure now. What it will do is reduce the expenditure that would be in the future for healthcare, investment in education, of course, ultimately develops our children but also what that means is it works in favour of economic growth in the future and, therefore, revenues into the future. But other areas of investment, such as inter-modernisation, in particular office, contribute to bringing down costs in the long run and bringing down recurring costs, as opposed to perhaps one-off costs relating to that implementation.

Deputy K.F. Morel:

Thank you. I appreciate, Chief Minister, you mentioned it is choices that you make, that is absolutely correct and I understand that. But obviously we are seeing a large amount of borrowing in this plan, excluding the hospital borrowing. Do you think there could be less of a need for borrowing if you had put more focus on reducing the number of capital projects and reducing some of the growth bids even further than the £80 million that you have mentioned and concentrating more carefully or more focusedly, if that is a word, on delivering core services?

The Chief Minister:

I think there is a balance in there to be struck and that is always a dilemma, particularly in what have been extraordinary circumstances. Richard has touched on the office side. At the end of the day we know we have to save money in the future and we are predicting that that will generate just in terms of cashable savings - excluding productivity, which is a different issue - £7 million a year and obviously there is arguably any consumers' argument. But importantly as well, it then starts to get to the impractical implementation of delivering brownfield sites for future housing requirements. Do you see what I mean? It unlocks a whole variety of things but it does involve spending money. We do not need to go into the history of that one. We believe we have got them down to the point that if we just stuck with funding core services we do know that those core services needed investment. As I said, we know Children's Services, if you just funded the core services you would be abandoning, if you like and I am being very simplistic here, your children first kind of scenario. I

think with all that lot what we have also got to remember is obviously we have looked at the growth and that side. We have not ignored the base budgets and that is where the zero-base budgeting is coming through. Obviously that was delayed because of COVID. It did start, I think off the top of my head, in November of last year. It got delayed with COVID and then has restarted and that is the challenge that is coming through and also feeds into some of the future efficiencies. I think, as you know, this is off the top of my head, there is around £5 million being identified or earmarked in terms of the £20 million for savings for next year and that is as a result of the Z.B.B. (zero-based budgeting) work that has already been done. What I am trying to say is, I suppose, I am trying to split between the growth expenditure on the one side and the routine core expenditure, if you like, which is far bigger and is the focus of the zero-based budgeting exercise which we started last year, is delayed, is back on track and obviously we will then start seeing the fruits as we are going through. Richard might want to touch on that because there are some good pieces of work coming out of that. I will come back to the borrowing bit ...

Deputy K.F. Morel:

No problem, that is fine.

Treasurer of the States:

It is back on track and indeed some of that is coming through in the rebalancing work in the Health Department, in particular, about £5 million in 2021. In answering some of the questions I think probably repeats some of what the Chief Minister has talked about there. We have made the mistake, I would suggest, in the past of going to the easy place of reducing capital expenditure, which means that you are missing out on the short-term stimulus to the economy that that provides and the pipeline that that provides. But also there are very good reasons, as the Chief Minister has just been saying, to deliver those capital programmes in the first place, added to which we have also underinvested in particular in I.T. systems, which means that we are less efficient than we should be, which means that there has to be more taxation than there should be.

The Chief Minister:

We can go back to the borrowing scenario. Let us be quite clear, possibly slightly different now but not only within the Council of Ministers but also in the Assembly and probably even around your panel, there will be different views on borrowing from the ones who should say this is absolutely not in the Jersey psyche and we should not be doing it. I certainly used to be in that territory, shall we say? We have very unusual circumstances and you had to change your views, versus others who would like to borrow probably even more because there is more with the public services they would want to do. There is always a limit, as we know, as to the ability of what we can spend in any one period of time. There is a capacity issue there. But it goes back to this issue again - I really cannot over-exaggerate it is exceptionally unusual times we are in - about flexibility. If you like, in my

terminology the R.C.F. (revolving credit facility) is affecting overdraft. We have got the facility. In the Government Plan we asked the Assembly for permission to draw it down to around £385 million. But we are not aiming to spend that if we can possibly avoid it. By that I mean is if it turns out that our revenue is higher than we expect or we do not spend as much as we budgeted for during 2020, then the impact will be that, for the sake of argument, even during 2021 you will not need to draw down £385 million, you will draw down less.

[16:15]

Because with that flexibility for those first couple of years that then starts dealing with what is your borrowing strategy going forward and how you clear it and what exact amount you need to criticise and then go into, effectively, medium-term debt, which is then offset by the revenue stream from the P.Y.B.? On the basis that from everything I have seen so far, we have a plan and it is repayable without putting future generations really at risk, if that makes sense. Then I think it is that balance between continuing to invest in the services that then start bringing us into fit-for-purpose 21st century and maintaining services. We will come back to that, we can give the I.T. example if you wish to, versus just stopping everything. For the sake of argument, if we did have a scenario where things got hugely worse, then you are going to go back and reappraise yet again. At this stage, what we have got is a plan which we believe works in an appropriate way. It is that balance between keeping the debt relatively, I will not say low but at a manageable amount that has got a repayment plan versus continuing investment that we know we have got to do. I suppose the analogy I will use, if we had not been rolling out some of the I.T. things or putting, I think it was Microsoft Foundation, if I remember correctly, which I do not know enough about, those in place, I understand we would have had serious difficulties in allowing these type of events to be happening today or to allow the States sitting to be happening or whatever it is. It gives an illustration of the type of things, resilience within the systems and although admin and I.T. are not very exciting areas versus an extra 10 nurses, for the sake of argument, or an extra 10 teachers, we do know that in the U.K. (United Kingdom) ... I am going to say 2019, I might be wrong now, I think was the WannaCry attack on the N.H.S. (National Health Service). I think it cost 30,000 operations to be cancelled, for the sake of argument; it was a large number. We know that that kind of resilience bit is really important and we know we had to do investment into those kind of areas and other areas to keep the services going. You are absolutely right, it is that balance of discussion we have got to have in the times we are presently facing. If things got worse you would have to go and re-evaluate, no question. But in terms of where we think we are and what the outlook looks like, particularly, hopefully, with a vaccine and that means that, hopefully, middle of next year we will be starting to be completely clear of all this. That then gives you a reasonable plan that you can then put together and, as I said, also predicated from the fact that you have got a repayment plan in there.

Deputy K.F. Morel:

Thank you. For the benefit of my colleagues I am just going to jump ahead to question 13, so know where we are. Chief Minister, with regard to underspends, how will any underspend monies allocated to specific departments affect their budgets for 2022? If they do not spend it in the year ahead, how is that going to affect their future budgets?

The Chief Minister:

I will hand that over to the treasurer because that is very much a detailed side. Obviously any underspends that do occur will basically go to keeping the debt level lower in terms of the overdraft facility, yes, and if Richard wants to comment and then I will finish off.

Treasurer of the States:

Just the point of a 4-year budgeting cycle that departments have a reasonable expectation of the funding that they will receive over the plan. Obviously between last year's plan and this year's plan there have been the most dramatic impacts upon the economy and upon the community that most people can recall. That has meant that we have had to trim at the edges of the plan but lots of that has arisen from COVID disrupting the delivery of some of the growth in the plan from the previous year. But the point being on revenue expenditure is that it generally creates recurring expenditure. If you are spending money on a treasurer this year and you do not spend the money on the treasurer this year, hopefully you are only spending money on one Treasurer next year, so you need the budget just for next year, rather than having 2 perhaps. The recurring expenditure is not really an issue, as it relates to ongoing expenditure, so if you do not spend money this year, hopefully you will get on track to spend it next year but we should each year make sure that we review those plans.

Deputy K.F. Morel:

I am sorry, sticking to the subject, if there are particular projects which are not implemented, will that have a future kind of impact on departmental budgets or do you expect that project just to happen in 2022 or 2023? Would you just roll the project forward or do you relook at the rationale behind the project?

Treasurer of the States:

In the case of revenue spend, if a project was due to start this year it will have the recurring expenditure in future years of the plan. If that revenue expenditure plan did not come to fruition and was a bit late in being implemented and, say, implemented in March next year, you are expected every year to look at that and we give them 9-months' money next year, rather than the full 12 months reflecting that. But if it was a delay into September this year you would expect to provide the funding that was in the previous plan with the recurring and ongoing needs of such a project. In the case of capital, I think it is worthwhile each year just revisiting where we are with each and every

project, rather than the old way of budgeting, which was to put the full amount upfront and then in some cases departments or teams electing to delay those projects and that money just sitting idle on the balance sheet, rather than being put to the best use. It is important the way that the Government Plan and the underlining Public Finance Law allows us to reconsider each year which of the projects are the projects that have got the most likelihood of coming to fruition in the following year or best suit the current circumstances.

Deputy K.F. Morel:

Staying with you, Richard, if you do not mind, just the last one from me: have you undertaken any sort of evaluation on the risk of underspends in 2021 as a result of further delayed or deferred projects? Is that something you would look at? Is that something you evaluate?

Treasurer of the States:

What I would say, there is the initiative we undertook this year on halt, defer, reduce picked much of that up. What we have not left in place is budgets that were predicated on delivery in this year of certain initiatives. We have relooked at when initiatives are going to start to deliver or other departments have, so we have collectively and, therefore, re-phase the expenditure accordingly, rather than just saying that is what was in last year, so we will just keep what was in last year in the plan. We have looked at where each of those initiatives are and adjusted expenditure accordingly.

Chief Executive:

We have done quite a lot more work on profiling and clearly using the halt, defer process. We have also taken into account the likelihood of key activities being able to start or be maintained if there were consequences, for example, around labour market issues, timing because of COVID, restrictions, et cetera. While we could not look forward and predict everything, I think we took a prudent view about the first quarter of 2021 being different to perhaps the first quarter in 2019, for example. The nature of this plan is that it has taken into account the current situation we are facing. It has reviewed and challenged the profiling of expenditure and we spent with Members of the Council of Ministers time going through what was growth that could be deferred as part of creating a robust and balanced investment programme for public services next year. The big area that we balanced that against, picking up on the Chief Minister's earlier comments, were where is the benefit of doing X or Y-type initiatives that helps the economy, so in capital, and also what is it that we perhaps need to be more realistic about because there is a tendency for everybody to just assume that they are going to spend the money accordingly? But where is it that we are more realistic about the delivery times for certain key projects? Within that, things like the hospital, we have maintained and accelerated things that perhaps are ongoing, such as the Energy for Waste plant investment, et cetera, the school at Les Quennevais we have maintained and continued. But other things that

would have started in 2020 and perhaps picked up in 2021 might have ended up starting in 2021 and being re-profiled to the back end of this Government Plan.

Deputy K.F. Morel:

Thank you. I am going to hand over to Deputy Gardiner and just say I missed out a few questions there, just to make up some time. But we will send them in writing if we do not get at the end.

Deputy I. Gardiner:

Thank you and I will also cut some of the questions, so I will put only 2. The States of Jersey owns about £1 billion of property; what plans, if any, to use public real estate to fuel a possible pandemic recovery? For example, would we combine and sell off some of the assets, such as Cyril Le Marquand House or other unused properties, to offset the amount you are borrowing?

The Chief Minister:

Again, I will go for the high level and possibly hand to Richard or Charlie but anyway. So, 2 things, one is within the Government Plan there are no capital receipts, okay. But what we are doing, we have made reference to also in the plan, I think the treasurer referred to them as the golden rules, but certainly I have been very clear that I want some rules around, what happens if, for example, our revenue forecasts are not as bad as we predicted them to be? If we do achieve some capital receipts, so an obvious one might be Cyril Le Marquand and a really obvious one would be South Hill, of which the planning brief I believe has been signed off now, so that should, hopefully, become available for development quite shortly and there are plans afoot on that, which are coming through the Regeneration Steering Group or, alternatively, that certain expenditure levels where we budgeted in full for them, it turns out that we do not spend as much as we budgeted. Basically I have said any of those outcomes have got to go towards repaying the debt or going into a sinking fund to repay the debt. I suppose that is a yes in a way to your overall question, i.e. what do we do around the estate and what can we realise? It then comes back as well, which we have touched on, to the office side of things, which is part of an estate strategy. The States strategy, I believe, is we are expecting to come to the Council of Ministers some time in December, so it is quite literally a very few weeks away. I believe P.A.C. (Public Accounts Committee) may have had a very early draft, I am not too sure, so I am waiting to see the final version. But that is separate to what I would call the office strategy, which, again, is I am expecting in about 2 weeks. It is basically coming in at the end of the month or the first week of December to me, which will be then the implementation proposal of, essentially, the 2 schemes that are being drawn up, which will then come down to the preferred outcome, whatever that comes out as, or preferred bid, if you like. That in itself then will lead to, off the top of my head, I think we are saying that, potentially there are about £28 million of receipts that could come out as a result and that is where I am expecting the final business case to give us a greater flavour on the exact numbers that come through. It releases a number of brownfield

sites for future housing. That is your kind of first step to then starting to reduce the estate and obviously then there is consequent cash savings that come out of it, as well as, if you like, social or community benefits as well.

Deputy I. Gardiner:

In actual fact you answered partly on my second question, it was around States management strategy because this was the next question, when we will see it. I will leave it to the beginning of December to see a States management strategy and probably would ask more questions then. I will pass it to my next panellist.

Deputy R.J. Ward:

Okay, I think it is me to talk about COVID-19. I take it you can hear me clearly.

The Chief Minister:

Yes.

Deputy R.J. Ward:

Yes, okay. In the Government Plan you note that Jersey may begin to charge travellers for COVID-19 tests and that is under review. Had the budget for COVID-19 test and trace programme, which I believe is £30 million from next year, included the charging for testing or is that budget for the assumption that all testing will be free of charge?

The Chief Minister:

Okay, I will hand over to Richard Bell, I think, on that one for the detail.

[16:30]

What I will say just in general on the principle of charging, it is all predicated on obviously what happens with the pandemic and where we are on vaccines. But, equally, what is happening around our other jurisdictions, so for the sake of argument what is happening if more flights start coming from the U.K. eventually and what may stop them from travelling as well and how that looks, that you probably do not want to be first mover on that one, shall we say, because that is around allowing economic recovery to take place which then protects jobs?

Treasurer of the States:

Thank you, Chief Minister. The estimates or the budget that we have put in place for 2021 is roughly 6 months' worth of spend without charges being introduced. Obviously the Chief Minister said the degree to which and the scale of which we need testing will be dependent upon the delivery of the

vaccination programme going forward. But also you will probably understand there is a great deal of variability that relates to the number of inbound travellers that are coming at any one point in time, so the degree to which other countries are flying in will dictate the speed at which we spend on testing. At the moment there is 6 months in there; that is estimated at £30 million. No charging in there up to that point in terms of the estimates and then we will need to review beyond that if need be. But that could be a call upon the £40 million contingency if further funding would be needed further on.

Deputy R.J. Ward:

Is that amount of money including the cost of vaccinations?

Chief Executive:

The other thing that I would add to that is the expectation is that over the next 6 months the technology around testing will change and the costs, per unit cost that is, for the tests will change. The expectation is that combined with the vaccine you would have a series of other measures that will enable us to protect the Islanders' health and well-being. When we looked at it originally we obviously had to work on the assumption of the current arrangements. But I think Ministers made it clear that they would keep alive the option to review and consider charging at different levels. By way of example, if you were coming into the Island for business and you could cover that through your business expenses, was there a route that could support charging in that situation? Which is very different from other people who might come in because they are returning home or children who had to go to school or whatever health arrangements need to be supported by people in transport and transit arrangements. I think the next 6 months we anticipate will be a very, very fluid position and I think that is partly why we took the pragmatic view that we should fund on the current expenditure basis for 6 months but anticipate that that would change.

Deputy R.J. Ward:

That is our healthy estimate in terms of that amount of money, that £30 million, you would not expect to spend any more than that in 6 months and in fact if things go well you probably would expect to spend less than that, just as a quick answer to that.

Chief Executive:

I genuinely do not think we know because we have taken a position which, I think, is the right position now to do more testing and test, test and test again. Our original assessment was based on a pretty heavy testing programme. It is dependent on when the vaccine will come through in large numbers. Our estimates have been pragmatic again in looking at that probably at the end of the first quarter of 2021, albeit that there are opportunities, potentially, for key workers and vulnerable people to receive a vaccine before that but it will be in much smaller numbers.

Deputy R.J. Ward:

If the cost of the vaccines ... sorry to interrupt you, sorry.

Chief Executive:

It could be that that number, £30 million, is not fully spent but I do not think at this moment in time we could be able to give a full commitment on that. But what I think it will give us is the margins for maintaining the robust arrangements for mitigating the risks facing the Island.

Deputy R.J. Ward:

Okay, so basically that is based upon the amount of testing we are doing at the moment continuing for 6 months with a possible slight increase but also with the variable that tests might become less expensive and the fact that there might be a vaccine. Is the cost of the vaccine included in that budget or is that in a separate budget somewhere?

Chief Executive:

The cost of the vaccine is in a separate budget for COVID. Just going back to your assumptions, we have budgeted the £30 million based on the arrangements that were in place at the time that we prepared the Government Plan. What I was saying was that could change as a consequence of the unit costs, the testing coming down because new testing techniques are being developed. It could change because of the vaccine arrangements, it could change because of other arrangements that may be used, as the Chief Minister has highlighted, through coming in from other jurisdictions to the Island and what their testing programmes will be. The position on the vaccine is that it is separate. The position on the current arrangements for test and trace were based on a pretty comprehensive programme of investment, which may change but that is not the rationale for the ...

Deputy R.J. Ward:

Okay. In terms of the planning to maintain spending on COVID-related matters, what is the time period that you are using in your estimates on how long you would be spending for?

The Chief Minister:

I think that is one for the treasurer.

Treasurer of the States:

Some of that depends upon what expenditure line we are talking about, so for the vaccine, obviously that is just a period over which the vaccine is delivered and implemented into the Island. As we have just said, the test and trace will be 6 months. Business support at this point looks to be 3 to 4 months at a level that steps down as we move into less health restrictions over the period. But what

we have there on each of those is also the £40 million reserve funding that is there in the case that we go beyond the 3 or 4 months on the business measures, for example. It varies, depending upon the particular line of expenditure in the plan, so, therefore, the testing and tracing may go on far longer than perhaps some of the business support measures.

Deputy R.J. Ward:

You have allowed £3.75 million of COVID money in response to LibertyBus up until 2024; can you explain what happens if that money is not used and how you came to that timespan for the support?

Treasurer of the States:

That relates to the estimates of the I.H.E. (Infrastructure, Housing and Environment) Department in respect of reduced usage of buses or maybe on the basis of a legacy position that says bus usage might not go up to where it was and, therefore, there would be greater subsidy required from Government. It is very much an estimate based upon where we are at the time of the Government Plan being lodged.

Deputy R.J. Ward:

Does that estimate include their business situation as it was to maintain that, so to maintain their business situation pre-COVID in terms of their income?

Treasurer of the States:

I would say that one step back from that it is to maintain the level of service that we are providing based upon the numbers of people who were using the bus and the forecasts of that as it would proceed forward.

Deputy R.J. Ward:

Okay. If those numbers who use the bus ...

Chief Executive:

In that situation of course ...

Deputy R.J. Ward:

Sorry, I am talking, sorry.

Chief Executive:

Sorry, very ...

Deputy R.J. Ward:

Sorry, I have not finished. The number of people using the bus paying the fares as well would raise a certain amount of revenue, is this estimate to maintain that level of revenue?

The Chief Minister:

Sorry, hopefully you can hear me. The short answer, I think, Deputy Ward, is that it does not, for example, include running a free bus service. It will be predicated on the normal operations of that, so it is trying to maintain and keep a bus service going in extraordinary times. It does not make any provision for ...

Deputy R.J. Ward:

No, I am sorry, that is not what I am asking you. I am asking: is the amount of money you are allocating saying that that will maintain their income from the same usage in terms of, I do not know, let us just make a number up, of 1,000 people using the bus, whereas only 100 people use the bus at the moment? What the Government is doing is offering money to LibertyBus as if the same 1,000 people were using the bus, is that the basis around it, i.e. to maintain user-level income for the bus company in order to maintain the buses running and so on?

The Chief Minister:

I think, Richard, that will be one for you. What I will say is obviously and, if you like, I rather suspect that it will be then funding the operating costs, which obviously include bus drivers' salaries and things. But, Richard, do you want to cover that?

Treasurer of the States:

Yes. I think rather as it is now but would have to check on some of the detail after the meeting. It also reflects that bus usage, the frequency of the routes has also dropped. It does anticipate that you would not run the buses as many as often, if I understand in terms of the current case. For example, I went to catch the bus the other day thinking there was one every 20 minutes, it was one every half an hour. It reflects reduced route frequency ...

Deputy R.J. Ward:

Yes, I understand that. I am just thinking in terms of income for the company and whether or not ... perhaps you can also find out then and let us know whether it will mean that the same level of return is made to their parent company at the end of those years because there has been a return to the parent company over the last few years, which it is a company that is committed to do that and whether it will be maintaining that. I think that is an important question that needs to be answered in terms of any subsidy we have. I do not think you can answer that now, which is fair enough.

Treasurer of the States:

We could get that.

Chief Executive:

What we can though make clear is one of the reasons why we have to maintain the levels is because of the infrastructure costs of revamping up, for ramping up the bus service. If you recall during the COVID period we were faced with a real challenge, when we came out of the first phase of the pandemic and our lockdown we wanted to get the bus services back up and to get the Island moving and to be able to provide the right type of support for businesses and individuals who were no longer restricted in their movements.

Deputy R.J. Ward:

Yes, I am sorry to interrupt you.

Chief Executive:

In order to do that you have got to ...

Deputy R.J. Ward:

Can you hear me there in that room?

Chief Executive:

... that infrastructure, which you have to maintain. Going back to the point about drivers, your overheads, the buses, et cetera, your lease costs, all of that, so ...

Senator K.L. Moore:

Hi, I am very sorry but I have had to mute the person speaking in the parade, so that the questioner could move on with the questioning because we are short of time and otherwise we will have to keep this hearing going beyond the time allocated. If you could please be brief and allow the questioner to continue with his questioning please.

The Chief Minister:

Okay, apologies. I think we were just trying to answer the questions that were asked but, okay.

Deputy R.J. Ward:

Okay, thanks very much, let us move on. I will just ask one more question and we will move on because it is an important one. At the beginning of November the spend-local voucher injected £10 million in the local economy, with 2,000 businesses benefiting from the scheme; how have you monitored the success or failure of the scheme and how much did you raise in terms of additional revenue?

The Chief Minister:

Again, I think this will be one for Ian Burns. But, essentially there is a full analysis been happening at the moment and we are expecting that again before Christmas. What I am not clear on and perhaps either Ian or Nick Vaughan can elaborate, is how we will identify, for the sake of argument, if somebody spent £100 but spent £150 instead, which we know anecdotally has happened. We will also know, again anecdotally, that overall the scheme has been very, very well received and I think it has crossed over into at least 2,000 businesses. But, Ian, do you want to give a flavour at all and/or Nick? Perhaps Ian first and then Nick Vaughan. I know they will want fairly brief answers mind you.

Chief Economic Adviser:

I am happy to talk to this question. I do not know if Ian would want to come in after. As you know, the spend-local scheme was designed with the benefit of considering all of the available options.

[16:45]

I would just like to cite, for example, Germany, they gave every adult and child €100, for example. For Jersey we do not want to give everybody money if it is going to go abroad, we would like it to be spent on-Island and also it could be saved. As you know, the spend-local scheme was designed to make sure the money is spent on-Island and, in the first instance, it cannot be saved. I am not going to deny that people might have used their spend-local card and then treated themselves with money they have saved on something else. Disentangling what they would have done with it or without, it is very difficult. As the Chief Minister said, we do know that it was received very well. I think there is tentative evidence that footfall rose on the high street; it encouraged people back out. We will have data on how much is being spent. I think to come back to your question directly, how much more revenue would be raised? I guess the straightforward answer is if they bought something that was liable for G.S.T. then we would pick up 5p in every £1, 5 per cent of that spending. Will the spending be additional? I think it is highly likely that there will be spending that is additional, that people will treat that money as additional and not save it. There could be some spending that is brought forward as well because you have only got a certain amount of time to spend the money. Customer and Local Services will get data from Mastercard. We do know how much has been spent. We will be able to see where it is spent. How much additional with offers or discounts? I know that in some shops I went into and you got a discount when you used your card, which is good; so that is raising volume and economic activity in that shop. But we have to sort of zero-in on any more questions, if that would be helpful, but we will know to the penny how much is being spent and where it has been spent with which merchants on Island.

Deputy R.J. Ward:

I had some more questions in this area but I think I am going to move on because I am conscious we have quite a few things to cover. I will just move on to the next about the performance framework. Would somebody like to move on with those questions?

Deputy M.R. Le Hegarat:

That will be me, Deputy Le Hegarat here. I am going to ask some questions in relation to the performance framework. A major problem in using the performance framework is the lack of or the use of outdated baseline data against which to measure success or failure of any given project. How are you improving that?

The Chief Minister:

Again, I would give a high level and I think it would be one for Tom to cover off on. The 2 points are obviously the performance framework only came in at the beginning of this year and, oddly enough, as with many other things, COVID has had an impact. The next position is the performance measures for services, which is due now to come live in quarter one of next year and, hopefully, that means the performance framework as a whole will be in place. Obviously the whole point is it has been in for less than a year and, therefore, these things will take time to get the right trends coming through. Obviously that is predicated on 2 things, one is it is predicated on the fact that it is on the data that Statistics Jersey produce, so it is on their timeframe as to how often they produce it. Obviously, as we know, we have got the household expenditure survey, which we are all waiting for, which will feed into a whole range of data. Obviously that, in itself, was delayed with COVID. But, equally, there are some measures up there that are current and up to date. I think it is worth remembering again it is a long-term structure. One of the reasons the data in terms of getting the thing finalised is presently only one person working on it because the second person is the one who produces our daily COVID stats, for example, so they have been moved across while we go through the pandemic. I think the other one is it is very much a ground-breaking area. I know the officer in question was asked to present, I think, an O.E.C.D. forum because it is very much about well-being and sustainability and it is very much at the forefront of thinking. They were very impressed with what Jersey had done but I think that is the high-level side. We know that over time their data will fill all the measures through, that is also predicated by the frequency of Statistics Jersey bringing it out. Tom, do you want to add to that?

Director General, Strategic Policy, Planning and Performance:

Not very much, Chief Minister. I thought that was a very good overview. Yes, so just to re-emphasise that the performance framework relies upon the official statistics publications and those are just simply done at different frequencies. Some of those are done every quarter, some are done

annually and some other statistics only need to be collected by Statistics Jersey every 2 to 3 years. The Island outcome indicators simply reflect ...

Deputy M.R. Le Hegarat:

Okay, thank you. The next point I would like to ask is another major problem, is its inaccessibility or relatability to the Government Plan; what are you doing to remedy this?

The Chief Minister:

I would say, again, it is perhaps one for Tom initially. But my view is that a lot of the performance indicators are identified but they were also referred to, I think, in the 6-monthly report that is produced. I think, from memory and certainly the intention is going forward, that it will be included in the annual report as well. Perhaps Tom first.

Director General, Strategic Policy, Planning and Performance:

Thank you, Chief Minister. The Government Plan references the strategic priorities against the Island outcome indicators. The Government Plan links the 2 together where we can find links for those and where the Government Plan is taking forward a strategic priority that does link to a well-being outcome indicator from the performance framework, then that is highlighted in the plan. Yes, as the Chief Minister mentioned, we also are going to be leaning on the Jersey performance framework increasingly for the 6-monthly and end-of-year annual reports as well, so that everyone can have a really clear view of what has been achieved over that timeframe.

Deputy M.R. Le Hegarat:

Okay, moving forward: what impact has the performance framework had on the design of the departmental budgets? If I could ask you to be fairly brief, whoever answers it, because we are very short of time. Thank you.

The Chief Minister:

Richard, do you want to take that one? Perhaps Tom, on the basis ...

Director General, Strategic Policy, Planning and Performance:

Yes, so the departmental operational business plans for 2021 that are currently under development have both links to the well-being outcomes, as they relate back to the Government Plan. But also they have within them their own service performance measures and so once those plans have been finalised and published then it will be a lot clearer for Members to see the very strong link produced between the expenditure within the departments and the service measures in the outcomes that they are contributing towards achieving.

Deputy M.R. Le Hegarat:

How is it resourced, both human and funding?

The Chief Minister:

I have alluded to that already but if Tom wishes to add to that. Obviously one person has now been transferred across ...

Deputy M.R. Le Hegarat:

Yes, of course, my apologies. I will move swiftly forward then: did the performance framework have any influence on which departments should receive priority funding?

Director General, Strategic Policy, Planning and Performance:

Again, I am happy to have a first go at that. I think that the Jersey performance framework linked to the Island well-being outcome indicators obviously has a strong influence on the Common Strategic Policy, which the Assembly decided upon. Then that Common Strategic Policy obviously has an effect upon other prioritisation within the Government Plan in terms of expenditure and such like. It tends to work that the performance framework influences the Common Strategic Policy and the Common Strategic Policy priorities agreed by the Assembly then impact upon the spending prioritisation within Government Plans.

Deputy M.R. Le Hegarat:

This is probably another one for you, how are K.P.I.s (key performance indicators) prioritised so they do not favour one department to a policy project area over another?

Director General, Strategic Policy, Planning and Performance:

At the top level the Island outcome indicators are simply a broad reflection of Island life, so they cover the environment, the community, the economy and so there is no attempt to say that one is more important than another. At the level of public service performance measures, obviously what is happening is that we are measuring the performance of those services. We are measuring how much of a service we did, how well we did it and what difference it made to the people that use the service. There are 2 separate sorts of measures that are measuring different things.

Deputy M.R. Le Hegarat:

Perfect. Moving quickly on. Obviously sometimes performance indicators or matrix can be used against the people they are trying to help. As an example of this, in education performance targets are often used against the teachers to the detriment of teaching children. How do you mitigate that factor?

Director General, Strategic Policy, Planning and Performance:

Yes, that is a very good question. I think there are plenty of examples from elsewhere in the British Isles where other governments have set performance objectives for, say, the health service that have then resulted in perverse incentives being created which have not led to the outcomes that are desired. People have been working to the measure and not to what the public service is trying to achieve for Islanders. That is just something that everyone needs to be conscious of. I think we are all in agreement that nobody wants to measure the wrong things, nobody wants to measure the things that are going to create the wrong outcomes. I think the key to getting this right is the linkages between the top of the Jersey performance framework, so the outcomes that people are trying to achieve to improve the sustainable well-being of Islanders and then the service performance measures that contribute. The ability to show how the service performance measure is measuring the right thing, is done through showing how the achievement of that service is contributing towards the strategic aim.

Deputy M.R. Le Hegarat:

Another example is income inequality or levels or poverty, if you do not collect the up-to-date data more frequently or get Statistics Jersey to survey more frequently, how do you determine effective policies and allocate sufficient funds?

Director General, Strategic Policy, Planning and Performance:

Yes, so the work on a living costs and household income survey has not been undertaken for a number of years. This Council of Ministers proposed to the Assembly previously in previous Government Plans that the funds were made available to undertake that survey. The survey started back in July 2019 and was designed originally to run over a 12-month period. It is a survey that takes 12 months to do because you need to recruit about 3,000 households and then they need to be interviewed about their purchasing habits. That work started, it naturally needed to be paused in mid-March because of COVID because fieldworkers could not visit households. Statistics Jersey intend to recommence that survey as early as possible in 2021. I think that is one where just the methodology required to conduct the survey with doing that fieldwork with 3,000 households has just naturally been interrupted. But I am told by Statistics Jersey that they are going to get back on to that in 2021 as soon as they possibly can.

Deputy M.R. Le Hegarat:

That is great. I am going to probably leave it there because I am conscious of a march on time and I am going to hand over to Constable Jackson in relation to public communications. Thank you.

Connétable M.K. Jackson of St. Brelade:

Thank you and thank you for your responses so far, Chief Minister and gentlemen. In terms of public comms, page 85 of the annexe, we see an additional spend of £623,000 for 2020 and the following 3 years: what is your base budget in communications? Why do you need that amount of money for all human resource, for communicating government's activity?

[17:00]

The Chief Minister:

What I will do is I will again give the high level and then hand over probably to the treasurer and then obviously to Christian May no doubt for his response to these kind of questions. I think it is worth pointing out that it is about the scope of trying to get the messaging out. Some of the changes, for example, which I alluded to somewhere in the last 10 days, so social media reach, for example, which is a fundamental change. It has gone from 12 million impressions in 2019 to 60 million impressions in 2020. Obviously things like COVID, fairly obviously, is trying to stress the importance of getting out as much communications as we can. Part of that as well is they have arranged, for example, over 700 interviews as well as 779, apparently, press releases and 3,800 media queries and 44 press conferences in this year. In terms of the volume of the interaction of government with the wider world but particularly through the media, that gives an indication of the volume of work that does take place. I think it is also worth pointing out, which I shall just bring through, some of the way the unit has been established does mean that by bringing all of the design in-house has achieved, as far as we can identify, actual savings. An external graphic design spend, for example, in 2019 they saved just over £300,000 by bringing it in-house and that was a reduction from 2018 of £482,000 down to 2019, I believe, £181,000. There are also certain savings being established even during 2020, given the various campaigns going on. That gives you a flavour of the volume and the why, I would hope, particularly in the interaction during the pandemic as well. I do not know if the treasurer wants to talk briefly about the base budget and then we hand over to Christian.

Treasurer of the States:

Yes, I will briefly. The funding here is to put the budget for the communications unit on a sustainable footing. For the last couple of years the team has been funded through underspends elsewhere on an ad hoc basis. This is just putting the budget there on a recurring basis in a fully transparent way.

Head of Communications, Office of Chief Executive:

Thank you, Chief Minister and Richard. I think just to re-emphasise what was being said by you, Chief Minister, that the change that has been proposed really is to rationalise the budget that was drawn from other sources for the marketing design work, which was previously all going to external agencies and has now been brought into the internal team, who have done the majority, if not all of the design work that you will have seen on the COVID campaign, on the campaign about spend

local. On that campaign alone they were able to, I think, by bringing the design work internally, save up to £17,000 compared to what would be spent if that work was being designed externally. The other benefit obviously of having that team internal to government is the fact that they can react quickly. Where there are changes necessary to public guidance information that needs to go out to advise people, whether that is through social media, whether that is through a press briefing, we can prepare that quickly. That necessarily would not be the same position if we were going to have to instruct external agencies and to be paying their individual rates, which would obviously increase if that work had to be done over a bank holiday, over a weekend or in emergency circumstances.

The Connétable of St. Brelade:

Thank you, Christian. Can I just ask how you monitor the public's response to the Government Plan?

Head of Communications, Office of Chief Executive:

Yes, certainly, Constable. We have various ways that we monitor our public response. We monitor all media that get published both online, in the *Jersey Evening Post*, on radio on a daily basis and that allows us both to see sentiment and the volume of coverage on particular issues. We also have a very dedicated social media team who will take clippings or draw to our attention particular issues that are being raised around our posts. We only tend to monitor posts on the Government of Jersey channels, so those that are available on Facebook, Twitter and, increasingly, on YouTube, which we are using for our press conferences. We do not at the moment have the capacity to be monitoring some of the other channels, that I am sure you will be aware of, on social media where there is a lot of debate about policy and the work of government. But that does allow us to react as appropriate and when we have the capacity and officers are available we will respond to particular queries that we get through social media and making sure that people are directed, for example, to the public health advice to the COVID helpline. It can be quite subjective. Obviously one of the things we are very aware of, and we try and make sure that we utilise both radio, press and Parish magazines, is that we will get a particular view if we just monitor social media because not all Islanders have access to that. It is, as I said, something we are very aware of and wanting to make sure we are using all channels to get our message to all Islanders and not just those who use the internet.

The Connétable of St. Brelade:

Thank you, Christian, that is very helpful. I am going to pass on to my next colleague.

Deputy R.J. Ward:

Yes. I think I am going to ask just very quickly some questions because I know we are running over time. Could you describe the influence the Strategic Policy Plan in the performance unit and policy

development team have on the approval and design of projects or what work do they conduct with Ministers to identify priorities?

The Chief Minister:

I think in the interest of speed I will hand straight over to Tom Walker.

Director General, Strategic Policy, Planning and Performance:

Thank you, Chief Minister. I think that me and my department do 2 different sorts of work. Obviously we are involved in things like the Government Plan and where we work with the Treasury in order to support Ministers to pull together the plan that they want to propose to the Assembly and then other than that we work on the larger strategies. As you know, Deputy, it is the S.P.P.P. (Strategic Policy, Planning and Performance) Department that is taking forward the work on carbon neutrality and climate change and so that is the kind of work that we do.

Deputy R.J. Ward:

How fixed are projects before they are presented to the Policy Department team?

Director General, Strategic Policy, Planning and Performance:

If we take the climate change example, fixed only by your own proposition, which was accepted by the Council of Ministers. Once the Council, through discussion with the Assembly, decided upon that, then we were not handed that in a fixed form, other than the terms of the Assembly proposition. Then, as you know, the policy team worked with yourself and other Assembly Members, the Scrutiny Panel, the Council of Ministers in order to develop a way forward that Ministers felt would be the right one and would produce the right outcome.

Deputy R.J. Ward:

I have got a lot more questions but I know we have run out of time. Chair, do you want to ask anything? We are way over time.

Senator K.L. Moore:

Yes, thank you, Deputy. I think as it is now 5.08 p.m. we have made up for our slight injury time at the beginning and we will call it a day at this point. I thank you all for your time this afternoon and for your answers. We have a small number outstanding and we will put them in writing to you. Obviously we are now working under some considerable time pressure to meet the deadline for amendments next week. We will hope that you will be able to answer quickly and wish you all a good weekend. Thank you.

The Chief Minister:

Thank you very much.

[17:09]