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États de Jersey
Assemblée des États

Corporate Services Scrutiny Panel

Quarterly Hearing

Witness: The Minister for Treasury and Resources

Monday, 29th September 2025

Panel:

Deputy H.M. Miles of St. Brelade (Chair)

Deputy L.K.F. Stephenson of St. Mary, St. Ouen and St. Peter (Vice -Chair)

Deputy A.F. Curtis of St. Clement

Deputy J. Renouf of St. Brelade

Connétable D. Johnson of St. Mary

Witnesses:

Deputy E. Millar of St. John, St. Lawrence and Trinity, The Minister for Treasury and Resources

Mr. R. Bell, Treasurer of the States

Mr. A. Hacquoil, Group Director, Strategic Finance

Mr. R. Summersgill, Comptroller of Revenue

Ms. C. O'Brien, Deputy Comptroller of Revenue

[14:32]

Deputy H.M. Miles of St. Brelade (Chair):

Welcome to the public hearing of the Corporate Services Scrutiny Panel. Today is 29th September 2025 and this is our quarterly hearing with the Minister for Treasury and Resources. I would like to draw everybody's attention to the following. The hearing is being filmed and streamed live. The recording and transcript will be published afterwards on the States Assembly website. All electronic devices including mobile phones should be switched to silent. For the purposes of the recording and the transcript, I would be grateful if everyone who speaks could ensure that you have stated your name and your role. If we could begin with introductions, I am Deputy Helen Miles, chair of the Corporate Services Scrutiny Panel.

Deputy L.K.F. Stephenson of St. Mary, St. Ouen and St. Peter (Vice -Chair):

Deputy Lucy Stephenson, vice-chair of the panel.

Deputy A.F. Curtis of St. Clement:

Deputy Alex Curtis, panel member.

Deputy J. Renouf of St. Brelade:

Deputy Jonathan Renouf, panel member.

Connétable D. Johnson of St. Mary:

Constable David Johnson, panel member.

The Minister for Treasury and Resources:

Elaine Millar, Minister for Treasury and Resources.

Comptroller of Revenue:

Richard Summersgill, Comptroller of Revenue.

Deputy Comptroller of Revenue:

Cora O'Brien, Deputy Comptroller.

Treasurer of the States:

Richard Bell, Treasurer.

Group Director, Strategic Finance:

Andrew Hacquoil, Group Director of Strategic Finance.

Deputy H.M. Miles:

Lovely. Thank you very much. We have got 2 hours allocated to the hearing. I am not sure that we will need those full 2 hours today but just in case. As usual, we have a number of questions on different topics and my first area is about the cost of living group. Minister, can you update us any recent meetings of the cost of living group and what considerations have informed the proposals in the Budget for alleviating cost of living pressures?

The Minister for Treasury and Resources:

The group meets to consider existing and forecast pressures on cost of living and policy options to address them. In our last meeting, in the June meeting, members of the Economic and International

Affairs Panel were invited along to the discussions and then in our last meeting in August we had a presentation by the Jersey Consumer Council. The chief executive came to talk about … it was just a useful discussion about what they are seeing, the kind of issues that come to them, where they are seeing pressures. It was very interesting, actually. So it is really to look across Government as to what we might do. In that group in particular, one of the things that we have been discussing is the commissioning of research to develop minimum income standards. It is fair to say the group are mostly across with that. I am not entirely convinced, so I am kind of a lone voice. I am not quite sure about it, but the decision has been made by the group that we will commission research and that will look at trying to identify the income needed by different types of households to achieve a minimum standard of living. What the minimum standard of living is does have to depend on ... Islanders will help assess what that minimum standard is, as I understand it, but we will go to a recognised body who will do the preparatory work and the research. I think that is still in the commissioning, procurement phase and it really sits primarily … it is primarily being driven by the Minister for Social Security. We are expecting the research to be finished by the summer of 2026.

Deputy H.M. Miles:
Okay. Has any budget been set aside for that?

The Minister for Treasury and Resources:
Yes, there is a budget, which will cover it. There is a budget, which will pay for the cost of the work.

Deputy H.M. Miles:
Was any existing work around that area taken into consideration? I think the Jersey Community Relations Trust did a piece of work a couple of years ago on a minimum income standard.

The Minister for Treasury and Resources:
I am not sure. The Economics Unit are helping with that, so I am sure if that was relevant they would have looked at it, but I think maybe if that was a couple of years ago it is no longer … I think minimum income standards … I think we have a kind of chequered history but that work is continuing. That is one of the major pieces of work coming out of that group.

Deputy H.M. Miles:
You responded to the active petition on 5th September for the removal of G.S.T. (goods and services tax) on foods to help with the cost of living and you have maintained that it is not an effective approach to alleviating the pressure. Can you just, for the benefit of the public, tell us more about your view?

The Minister for Treasury and Resources:

Fundamentally, I do not think it would do anything at all to reduce the cost of food. The baseline or the base starting point on that there is already, as we have seen from the Chamber of Commerce … not the Chamber of Commerce, the Consumer Council. One of the things that came out of the presentation from the Jersey Consumer Council is there is a huge disparity in cost and we could go round numerous supermarkets and get better value for particular items or … they keep an eye on … they publish the basket and an overall price, so people are aware of that, and the disparity on products and between supermarkets is such that removing 5 per cent would not make a significant difference depending on how and where you shop. Some people have different shopping patterns than others admittedly. We are not alone in charging G.S.T. In France it is 5.5 per cent. Everyone loves going to shop in France they are paying 5.5 per cent tax on food in France. It would add a huge amount of complexity for retailers, including small retailers. They are likely to have the U.K. (United Kingdom) system, which is a creature of its own. Somebody said to me: "Well, what is food? Are crisps food or not?" There are all these debates about what is food and what is not food. It would require dual accounting systems, dual invoicing, if somebody is getting a consignment. It will add to the burden for retailers. That alone means the cost that they will incur means they are less likely to pass it on. It is a relatively small amount and it will benefit wealthier families more than it benefits lower income families and if we are going to … it is better to target funding in the best way possible to make sure that the people who need support are getting it rather than a broadbrush measure that will have very little impact on anyone.

Deputy H.M. Miles:

Thank you for that explanation. In terms of other schemes, recent media coverage has suggested that there could be a spend local scheme reintroduced, akin to the one that took place during the COVID-19 pandemic, again targeted help with cost of living struggles and support the economy in the process. What is your view regarding the re-introduction of a scheme like that?

The Minister for Treasury and Resources:

Well, it is not on my policy radar at the moment… that would sit with the Minister for Social Security but my understanding of discussions in 2022-23 when I was the Minister for Social Security was that that was very much a creature of COVID and we were able to do it because of COVID and the provider of the cards was able to produce a relatively small run of cards and that we would struggle to get that done now, given that everything has gone back to the more routine way. We had an opportunity during COVID that may not present itself now and the cost of just getting the cards reissued, because most people would not still have the cards ... we would have to do a complete reissue of the cards and I think there would be significant logistical challenges to do now in terms of getting the cards produced. That was my understanding 2 years ago, but that does not really sit with me. It is not on my policy radar at the moment but again giving cards to everybody, it was a very nice thing to do at the time. It gave everybody a morale boost. We could all point to the things we bought. I could point to what I bought with it and how we all spent it, but I am not sure that is something that would be appropriate in the current environment but that is not necessarily my decision.

Deputy H.M. Miles:

What sort of cost of living measures then are being considered for investing in the public, which could include measurable returns?

The Minister for Treasury and Resources:

Well, the increase to child care will make a difference to families with young children. We have tried to keep the duty increasesas low as we can. There is some more targeted support for low-income households in the Budget, so the back to school support grants will help families with children going back to school to meet the cost of uniform. Pension plus ... we have to remember that we still have the ongoing strategy of increasing the minimum wage to the living wage. That is ongoing. There is scheduled to be another … there has been significant increases … the increases to the minimum wage in the last few years far exceed inflation and I think that will also continue next year. That is of course supported by the better business support grants, which are supporting businesses, and there will be ongoing investment in infrastructure to come in the future. So I think it is really about making sure that we are targeting support where it is most needed.

Deputy H.M. Miles:

Thank you.

Deputy L.K.F. Stephenson:

Moving on to emergency incidents and recovery and debt, we have touched on COVID briefly but, Minister, can you update on the effects of any carryover debts or impacts from funding for emergency incidents recovery in recent years?

The Minister for Treasury and Resources:

We have the business disruption loan guarantee scheme. I think you will remember that was where the Government guaranteed the loan. I think that is right, is it not? Government guaranteed loans made by financial institutions such as banks. There were 70 facilities issued and as at June of this year, there were 19 remaining loans which had a value of £200,000. There have been 5 claims made through the scheme, which Government have met, for the sum of £480,000 but otherwise I believe all the loans are performing, have been repaid and there has been no further call on Government. In terms of deferral, Government agreed at that point to allow people to defer social security and G.S.T. payments. Since the start of 2025, the deferred debts reduced from £10 million to £7.5 million because businesses have been making payments against agreed payment plans. I think we need to remember there are still businesses that are within the repayment plan. They are not defaulting. They are still paying within the period of the deferral scheme. They were allowed to defer for 2 years and then repay over a subsequent 3 years, so some of them will not be fully repaid until 2027 but clearly we are monitoring that. Where loans have become due we have written to people and if they cannot pay, we have agreed payment plans and if they do not pay we will seek to recover. The idea that we are just going to go they have not paid us back … we will seek to recover. There are some 200 businesses in payment plans. The debt is about £2.5 million and we have 350 businesses that have still to set up payment plans but of that 140 owe less than £2,000. So while there is quite a number of deferral arrangements, some of them are for quite small numbers.

[14:45]

Deputy L.K.F. Stephenson:
There is £200,000 outstanding in the business loans. Is that what you said, to go back to your first point? There were lots of numbers there and I want to be clear on them.

The Minister for Treasury and Resources:
There are 19 remaining active loans to the value of £0.2 million.

Deputy L.K.F. Stephenson:
Yes, and that is in total?

The Minister for Treasury and Resources:
Yes, and of that we are expecting - I have got my notes here - 3 loans should be repaid this year, 15 next year and one remaining in 2027. That does not come up to 19. Yes, it does, sorry.

Deputy L.K.F. Stephenson:
There are plans in place that have got all of that covered.

The Minister for Treasury and Resources:
They should all be repaid over the next 2 years.

Deputy L.K.F. Stephenson:
Okay. Sorry, it may just be me getting confused. You then have 200 businesses under the deferred payment scheme but then you mentioned 350 businesses. Could you just clarify those numbers for me once more?

The Minister for Treasury and Resources:

There were quite a number. I think we are talking about over 500 in total, so there are 200 who already have payment plans and are paying now and then there are 350 who have not yet set up payment plans, so they will be either due to pay or due to set up a payment arrangement but those are approximately … well, a bit under half of those are less than £2,000.

Deputy L.K.F. Stephenson:
They are smallish ones. The total outstanding from all of those deferral payments is £7.5 million?

The Minister for Treasury and Resources:
Yes.

Deputy L.K.F. Stephenson:
I think you have covered all my questions in one statement as well, so thank you very much.

Deputy H.M. Miles:
I was just going to ask about your emergency incidents recovery. A lot of money was allocated to Operation Spire and Operation Nectar. Is there any effect of the carryover or carrying that forward into future years?

Group Director, Strategic Finance:
In this year there are still allocations that are used by partners that were affected by those, in particular the police and non-ministerial. As we move into next year it is more likely that a lot of the costs will relate to effectively court cases. There is a provision for increased court and case costs, which is included in the Budget that has been lodged for debate in December

Deputy H.M. Miles:
Thank you.

The Connétable of St. Mary:
I have a few general questions about the revenue transformation programme. First of all, Minister, can you please update us on the progress made to date on phase 3 and phase 4 of the revenue transformation programme for which funding was provided in the Budget 2025?

Comptroller of Revenue:
Yes. In terms of phase 3, that is now completed, so some of the key outputs from phase 3 included the introduction of the Jersey tax professional qualification. That is the first Jersey tax law-specific qualification that has ever been available. I think we have now got 3 cohorts of trainees having gone through it and we are beginning to look at the possibility of rolling it out more widely into the private

sector. That was a very good development achieved with the phase 3 funding. Phase 3 also included the introduction of the combined employer return. So all employers in Jersey now make a monthly filing, which covers income tax, social security and also some of the workforce data declarations. Again, that is going broadly well. Something I have mentioned on a number of occasions is the online form, which was one of the investments in phase 3. That has been a real gamechanger in terms of dealing with enquiries from taxpayers. We are currently turning those around in 2025 in about 3½ days against the 5-day target. Delivery of the economic substance law and also the investments in our compliance activities, which are now beginning to bring in a compliance yield of several tens of millions a year. Phase 3 is done and dusted. Phase 4 is ongoing. We have had one significant deliverable this year, which is the contributions function integration. That was eventually delivered in February and what that essentially means now is that all of the social security contributions functionality that used to be in the old N.E.S.S.I.E. (New Employment Social Security Information Exchange) system is now in our revenue management system. We are managing both income tax and contributions together and that means that the Social Security Department will now be developing the successor to N.E.S.S.I.E. and it will not need that contributions element any more. Additionally in phase 4 we have renegotiated the 2 major contracts for revenue systems. That is the revenue management system that deals with domestic taxes, income tax, G.S.T. and so on, and what is called the Giant system which deals with all the international operations. The things that are still outstanding in phase 4 are the further improvements to the system that deal with automatic exchange of information and we are in the process of finalising new software to implement various aspects of the new O.E.C.D. (Organisation for Economic Co-operation and Development) matrix. The principal one of those is the C.A.R.F. (Crypto Asset Reporting Framework). That is the latest thing that the O.E.C.D. is asking us to report on and I think there are 15 or 20 virtual asset service providers in Jersey.

The Connétable of St. Mary:

Thank you for that general overview. In fact, you may well have answered within it a couple of extra questions I was going to ask. One was the Ministerial decision to transfer £770,000 from phase 4 to phase 3 for software funding required to deliver the independent taxation element in phase 3 and it was then noted the need for additional software program management changes in the revenue management system. The question I have is what is the status of the software programming changes?

Comptroller of Revenue:

That movement was to compensate for an overspend in one phase and an underspend in the other phase. What it has effectively franked is the delivery of independent taxation. You may perhaps remember Deputy Farnham’s amendment to independent taxation. That asked us to create the facility for joint filing and the additional programming we have done for that is where the additional underspend … where the underspend was used, effectively.

The Connétable of St. Mary:

Again, you have probably partly answered my next question. That was £770,000, which resulted from an underspend elsewhere, but if there was an underspend there, how much generally has been saved with the modifications for the existing A.E.O.I. (automatic exchange of information) system rather than getting a new one, as it were?

Comptroller of Revenue:

It did allow us to save I think £700,000 or £800,000. We had originally budgeted for the complete replacement of the A.E.O.I. system. When we started to do the scoping and groundwork it became clear that the software providers, a company called Giant, would be able to make the various changes on a much more competitive pricing. As I say, thankfully that then enabled us to consume the smoke of the additional costs of independent taxation.

The Connétable of St. Mary:

The saving of £700,000 has been absorbed by what you spent elsewhere? There is no change?

Comptroller of Revenue:

No, it has balanced overall, luckily just. I did not have to go back to the Treasurer asking for any more money.

Deputy A.F. Curtis:

Is it possible to understand a bit about when these pressures were understood? The Ministerial decision highlights, Comptroller, as you said, that it was P.32/2023 that created this complexity that requires a greater funding. It is just for our sake understanding when that complexity was recognised it required further investment because, of course, we have since had the Government Plan 2024, the Budget 2025, and reallocations did not happen then. Could you just talk through the programme governance behind that?

Comptroller of Revenue:

Absolutely. Up until really this year most of our resources, both in the transformation team and in Data Torque, who provide the revenue management system, were completely being used on the contributions function integration. The C.F.I. (contributions function integration) project took a lot longer to deliver than we anticipated and that really was down to the degree of complexity in the contributions system. Then on at least 2 occasions we took a decision to defer its implementation for very good reasons, but it basically meant that the contributions function integration was not delivered until February. It was really at the end of 2024 and into 2025 that our own transformation team and the software developers were able to start thinking about the additional programming that was needed for delivering the various tweaks we had to make to independent taxation. I think we became aware that there was probably a budget pressure there earlier this year. I did alert the Minister and the Treasurer to that. I was worried at one point that I would have to ask for a bit more money but thankfully all of the bright accountants in the Treasury, when they looked at the whole of the transformation programme, were able to identify we could transfer some money between phases 3 and 4.

Deputy A.F. Curtis:
Okay, but it was earlier this year in 2025 that an expectation of a budgetary pressure arose?

Comptroller of Revenue:
Yes.

Deputy A.F. Curtis:
The project did not track that there was a likelihood of more expenditure since 2023 or was it in there but no …

Comptroller of Revenue:
It was just very hard to know how much additional work would be needed to deliver, well, actually 2 items, the joint filing element but also it is only really this year that we have been able to start all of the thinking around the compensatory allowance. The priority for independent taxation this year is that in November we will be issuing I.T.I.S. (Income Tax Instalment System) effective rates that do take account of the impact of the compensatory allowance so that when married couples now get their individual effective rates they should be closer to the reality of what the tax liability will be for 2026.

The Connétable of St. Mary:
The final question I have is you say phase 3 has been completed, but phase 4 … or in respect of both projects are they being delivered or have they been delivered within the timeline you envisaged and within budget?

Comptroller of Revenue:
I would say on the whole they have. We do write, at the end, a report recording what we have delivered and what the benefits were and so on. I think for phase 3 that has been completed. I think overall the whole of the revenue transformation programme has very largely been delivered within budget. It has not always been delivered on time and, as I say, if you took the contributions function

integration, that was because we had a very low risk appetite for making changes to the contribution system without it being as good as it possibly could be.

[15:00]

Some of the delays to the C.F.I. were down to us wanting to make sure it passed all of the smoke tests and the detailed user requirement testing. Then even towards the end it could have been introduced around November time last year but the whole of our digital services colleagues were pretty much heavily engaged in equipping out the new building of the Union Street office, so that was what pushed it into 2025.

The Connétable of St. Mary:
Okay, thank you.

Deputy J. Renouf:
Just one quick follow-up, my ears pricked up at something you said earlier when you said that compliance was bringing in several tens of millions extra a year. Can you explain what that relates to?

Comptroller of Revenue:
Yes, of course. The additional yield we have found from our compliance activities usually arises as a result of error, often accidental, sometimes deliberate. We count compliance yields using several different types of money. We have something called additional revenue assessed. That is where officers have looked at a company or an individual's tax returns and found that there were under declarations and that creates additional revenue assessments. We also have something called revenue loss prevented. The classic case of revenue loss prevented is where somebody has put in a repayment claim and when we look at it, it is higher than it ought to be, so there is potentially revenue there. We then also make calculations relating to something called future revenue benefit. That is where we have found that the taxpayer is doing something wrong. We may have assessed them historically but we then estimate the future revenue that will accrue if they do that right.

Deputy J. Renouf:
The reason I am interested is because there is a strong statement in the Budget that revenues for last year were not as high as expected and yet you have, apparently, extra money from compliance activities. We have increased somewhere but we have obviously lost quite a lot somewhere as well.

Comptroller of Revenue:

I think the difference is that every year the income forecasting group forecast how much revenue will come out of the whole of the tax system and that is obviously over £1 billion. Compliance yield is a much smaller number.

Deputy J. Renouf:

Tens of millions compared to a deficit of 40.

Comptroller of Revenue:

Yes. We currently estimate that we bring in around £30 million a year from compliance activities and that deficit was …

Treasurer of the States:

That builds into the forecast.

Deputy J. Renouf:

That was already forecast?

Comptroller of Revenue:

It is in the forecasting, yes.

Deputy J. Renouf:

Already in the forecast last year. Okay, fine. Thank you. Can I move to Pillar Two? There has obviously been a lot of turbulence, which we have referenced before, in relation to Pillar Two, which is the new tax regime that is intending to come into place. In fact, you will get the first receipts at the end of this year, will you not?

Deputy Comptroller of Revenue:

We get the first receipts at the end of May next year but, you are right, we get the first registrations at the end of this year.

Deputy J. Renouf:

Okay. You have reduced slightly in this Budget, compared to the last Budget, the amount of revenue that you are expecting. It is only £2 million or £3 million a year. Can you just explain the thought process in that?

Deputy Comptroller of Revenue:

That reduction in revenue is largely a consequence of the reduction in the forecast of bank profits rather than any particular change in the Pillar Two system.

Deputy J. Renouf:

Okay, so it is a mechanical change to do with interest rates more than a political uncertainty.

Deputy Comptroller of Revenue:

Yes.

Deputy J. Renouf:

How confident are you now you are very close to finishing registration that the revenue forecasts in here, which were always intended to be on the conservative estimates, are going to be met?

Deputy Comptroller of Revenue:

Well, I think the forecasts that are in the Budget are on a prudent basis. So we are confident, all other things being equal, and there is a separate discussion happening at the O.E.C.D. about the U.S. (United States) but setting that aside, what we have put into the Government Plan and the Budget on the base case, we are confident that we will realise that.

Deputy J. Renouf:

What is the current thinking regarding U.S. companies, given that that is an important part of the make-up of our Pillar Two regime?

Deputy Comptroller of Revenue:

It is really in the throes of discussion at the O.E.C.D. at the minute. At the end of June there was a statement from the G7 setting out an understanding that the O.E.C.D. would seek to negotiate a regime whereby the U.S. could sit side by side with Pillar Two. In other words, the U.S. would continue to apply their own domestic global tax system to their groups and would come out of the scope of Pillar Two on the basis that the 2 regimes were pretty much equivalent. In fact, them being in the Pillar Two regime in the first place was creating some double taxation, which was the reason we designed the credit into our Pillar Two tax called M.C.I.T. (Multinational Corporate Income Tax). Those discussions, we are right in the middle of having those negotiations at the O.E.C.D. I think the U.S. is really keen and pressing for a decision on that by the end of this year. At the moment, it is not clear what the outcome of that negotiation is going to be. Are the 150 O.E.C.D. members going to agree to it; on what terms are they going to agree to it; is there going to be any kind of knock-on changes to the Pillar Two rules as a result of allowing the U.S to have a side-by-side. regime? The U.S. position is in some flux but the overall Pillar Two regime is not in flux at the minute. For non-U.S. groups anyway, there is no suggestion that anybody else's position will change right now but until everything is agreed, we just do not know for sure.

Deputy J. Renouf:

How much of the Pillar Two cake, if you like, is dependent on that outcome in America or do our base case scenarios assume nothing from that?

Deputy Comptroller of Revenue:

We assumed very little in our base case scenario for that U.S. upside, if you like. That is why we are still confident on our base case projections, whatever happens with the U.S.

Deputy J. Renouf:

To what extent is Jersey participating in those discussions regarding the finetuning that is going on at the moment? I would be interested to hear, Minister, what you were involved in.

The Minister for Treasury and Resources:

I was not involved because it is a very technical subject and Cora is the expert and has spent a considerable amount of time involved in O.E.C.D. steering groups and I could not begin to participate in such technical ... but Cora has been for some time.

Deputy Comptroller of Revenue:

We are in the steering group. We were re-elected to the steering group for a second term, of which we have just had the first meeting. Last week in Paris was the first steering group meeting of the new term, so we were there. There will be another virtual meeting in 2 weeks. There is a lot of discussion happening and it is good that we are at that table with a reasonably small number of jurisdictions who will be making those final decisions on what the shape of that will be. Well, I should say recommendations because then it has to go to the wider inclusive framework of 150.

Deputy J. Renouf:

On what timetable are you expecting to deliver some outcome regarding those decisions?

Deputy Comptroller of Revenue:

Even though it is really hard, people are trying to get a decision for the end of 2025. That is what the U.S. ask is and people are working really hard to try to see if that can be accommodated, but lots of jurisdictions have got their own domestic rules, they have got their own rules around legislation and timelines and everybody is different in that regard. People have to be willing to accept it in principle and then be able to implement whatever changes are made.

Deputy J. Renouf:

To what extent is our legislation, things like the M.C.I.T. and so on, a future proofing against those kind of things? In other words, would we be okay anyway because we have designed it in such a way as to accommodate a lot of the American concerns or do we anticipate that we might have to respond?

Deputy Comptroller of Revenue:

We designed M.C.I.T. with a very specific fact pattern in mind and as a competitive response to a conundrum of the U.S. being doubly taxed and collecting the tax from everybody else round the table. It depends on what the outcome of the negotiation is as to what path we follow in the future. There will be a cohort of businesses that are not U.S. businesses that will still be subject to Pillar Two and us collecting that tax does make sense. If there is a cohort of businesses that are not subject to Pillar Two, then we need to assess from a competitiveness point of view and a tax neutrality point of view what is the best pathway forward. It really does depend on how much change there is in that final negotiation.

Deputy J. Renouf:

Finally, can you update us on the lodging timeline for the various other workstreams that are coming up in lodging of the regulations for the various streams that you have going?

Deputy Comptroller of Revenue:

We have no immediate ... there were a few smaller items that were left to be agreed by regulation. We have been concentrating our efforts over the last 6 months on the implementation of what we have at the minute. There is nothing critical in those other workstreams. There was, for example, a regulation around the implementation of interest on underpaid tax. We have not got to a point of having a lodging for that regulation because we have been concentrating on some of the more fundamentals. There is nothing imminent coming up.

Deputy L.K.F. Stephenson:

On to independent taxation and I think, Comptroller, you did touch on it briefly. You talked at a previous hearing, Minister, about issuing some guidance to people and some more public communications about how it is going to work. Can you update us on the timeframe and what is happening when?

Comptroller of Revenue:

Yes. In terms of the communication, I think I said at the last hearing we were planning to issue further guidance individually to husbands and wives who are affected. That is those who were married before 2022 who have not yet entered into independent taxation. We decided to issue those booklets about 2 weeks before we issue the I.T.I.S. effective rates and at the moment we believe we will issue the I.T.I.S. effective rates mid to late November, so the communications will really begin to ramp up in November. The reason for that was we do expect that when husbands and wives and others, civil partners and so on, receive their I.T.I.S. effective rate, some of them might see a reasonably significant increase or decrease, depending on their circumstances. We wanted to make sure that the guidance was issued reasonably close to that so that they will look at that first before coming to Revenue Jersey to ask questions of detail.

Deputy L.K.F. Stephenson:
Is there any reason it would not be done at the same time?

Comptroller of Revenue:
It is quite problematic because we have tried to segment the customer base. When we issue the I.T.I.S. effective rates, they are effectively generated over a number of days and posted out there and then. In terms of the guidebooks, we are aiming only to send those to the people who are affected and a considerable number of the taxpayer base is not affected.

Deputy L.K.F. Stephenson:
Thank you. So in November those who are affected can expect to receive some guidance and then a couple of weeks later probably the I.T.I.S. effective rate?

Comptroller of Revenue:
Yes.

Deputy L.K.F. Stephenson:
Are there any plans for webinars or in-person sessions to help explain it all?

[15:15]

Comptroller of Revenue:
Yes. Most of that is planned for autumn-winter 2026 running into 2027. That is because, apart from getting the I.T.I.S. effective rate, the next main action will be filing the 2026 tax return at the beginning or later into 2027. We are aiming to do community help desks, webinars, all that sort of thing to help people complete their first tax return in independent taxation. The thing married couples will still have to do in 2026, of course, is file their last married tax return for the 2025 year of assessment.

Deputy L.K.F. Stephenson:
Can you update the panel on discussions that have taken place with stakeholders around this? Particularly I think we were told last time there were ongoing discussions with Freeda about support for women regarding independent taxation.

Comptroller of Revenue:

Yes, we are engaging with them all. I think there will be further engagement in the run-up to the effective rate notice and then we are talking to them about how we include them in the activities that will take place towards the end of 2026 and into 2027. It is still in early planning.

Deputy L.K.F. Stephenson:

Is it too early to give us any indication of the kind of things they are raising with you? Are you then using that to help shape the approach going forward?

Comptroller of Revenue:

Yes. We have got a very good communications and engagement manager and she will certainly be doing that. I am afraid I have not got with me any detail of the feedbackt we have had but we can certainly keep you in touch with that.

Deputy L.K.F. Stephenson:

Thank you very much.

Deputy H.M. Miles:

Can I ask just very quickly, certainly in the last couple of hearings, we noticed that you have had difficulties in identifying who the wives are in order to communicate with them. Have you got over that now?

Comptroller of Revenue:

I think so on the whole. I think we know where we have sufficient information on where people are separated and not living together and, apart from that, we are making the general assumption that people are living together in the same dwelling.

Deputy H.M. Miles:

You are writing to both of them separately?

Comptroller of Revenue:

Yes, we are writing to them separately, but we have quite a lot of information from the existing married tax return and from I.T.I.S. because, obviously, married women, even in a married man's taxation, have an I.T.I.S. account, yes.

Deputy H.M. Miles:

Okay, thank you.

Deputy J. Renouf:

Minister, the Jersey Capital Investment Fund is a big new feature. Can you just start by briefly outlining what role you played in the proposals coming forward?

The Minister for Treasury and Resources:

Well, I have been involved at the kind of key decision points in terms of agreed role, direction and structure, including discussions at the Regeneration Steering Group that we have had over the course of the year and Council of The Ministers where we have agreed that officers should then proceed with developing the detailed proposals. The Treasury Officers have been closely involved. A lot of it builds on the long-term capital plan, which has been one of our key objectives for some time to develop a long-term capital plan looking at what we need in terms of what we need to maintain, property depreciation and maintain assets and that has provided a very helpful foundation for the work in the fund.

Deputy J. Renouf:

Were there any things in particular that you were keen to establish, any red lines around it and what were the key things that you might have said: "I do not want" or "I do want"?

The Minister for Treasury and Resources:

No. I think red lines are always quite difficult. Red lines are shades of pink generally. I do not know if that is helpful.

Deputy J. Renouf:

Smudged perhaps.

The Minister for Treasury and Resources:

I think there is a recognition of where money needs to be spent and there is the recognition of what we need to spend, whether that is infrastructure or new developments of the Fort and then where we fund that. Then the obvious way to do that is through the fund. Obviously the experts are better at structuring finance and payment and we will be developing - and we were just talking about that recently this morning - and looking at bringing in some more changes to establish the fund and that will be happening in the early part of next year.

Deputy J. Renouf:

To clarify and to be sure about that then, the sequence is the Budget gets approved, hopefully, and then the primary legislation to create the fund is brought next year with a view to it becoming operable when? When would the fund be, assuming everything went well?

Treasurer of the States:

The backstop would be that the next Budget would be framed in such a way to make use of the new funds that would follow with the legislation in place at the time you undertake the budgeting process, so we are planning to get that in place for then. We have been asked to look at whether, through doing so, we would establish the fund and make any changes to the Government Plan to bring it in place for 2026. That will be an in-year change in 2026 if we were to get to that stage, but the default position is that it is ready for the Budget in 2027.

Deputy J. Renouf:

The principle here is one that has been long established, as the Minister said. There has been a long-term capital investment programme for a while.

The Minister for Treasury and Resources:

Well, we have been developing one, and it has been for years and years, but it has been rolled into the new fund.

Deputy J. Renouf:

The rolling vote, I am thinking of. Okay.

Treasurer of the States:

So, as the Minister said, it is the first time we have a long-term capital plan that is informed by the condition of the assets with an overlay of demographics in terms of how that will affect it. That indicates to us the level of capital funding we will need over that 25 years. That is a separate issue, but related to that issue is that we were looking to find a mechanism by which, if you like, capital funding could be protected to a greater degree than it is at the moment. At the moment when the pressure comes down, you will see through successive budgets that priority goes to department spend at the expense of capital spending capacity. So the overriding position will be to create a mechanism by which the funding available for capital is better protected. Now that is informed by the long-term capital plan in that that sets out when assets need to be replaced as time goes by. Some assets might last longer than you originally intend or think they will do but the central ethos is around that protection of funding for capital.

Deputy J. Renouf:

Were any alternatives considered?

Treasurer of the States:

There is whether we can think through the status quo. It was early on in terms of what measures might you bring through. We could bring through fiscal rules that relate to capital spend. We could carry on with the existing position whereby depreciation provides that floor for capital spend in the way that we look at the finances, so we had started thinking about the alternatives, but this was where our thinking was goingwe were asked to look at ways by which we could protect the funding.

Deputy J. Renouf:
Are there going to be any amendments needed to the Public Finances Law to bring it into being?

Treasurer of the States:
Yes.

Deputy J. Renouf:
That is part of that work that is going to be coming through in the New Year?

Treasurer of the States:
Yes, so that work will lead to the law changes in the New Year that we will need and we are also working on what the changes to the Public Finances Manual would have to be because the law obviously will be at a high level. How that will operate will be enshrined in the Public Finances Manual. The law will establish those elements that are clear and pretty much in line with the existing provisions of Assembly approval. Then how we get the underlying mechanisms to work will be in the Public Finances Manual. It obviously needs changing because it does not make any mention of a fund that does not currently exist.

Deputy J. Renouf:
Will there be an investment strategy tied to it in terms of it will hold money and what will be done with the money?

Treasurer of the States:
There would be. I would anticipate significant balances being available in the fund for long-term investment. It would more relate to short to medium-term investment while the funds are being spent or deployed so I would think that they will be largely wholly liquid investments.

Deputy J. Renouf:
A lot of money moving in and out fast.

Treasurer of the States:
That will be the aim to make sure you are not ending up with money sitting idle.

Deputy J. Renouf:

Can you talk a little bit, either Minister or Treasurer, about how the funds will be capitalised and how it will get its money? There is a broad outline in place in the Budget with some borrowing coming from other sources. How clear are you, in your mind, of where you will draw the money from apart from the loan element, which is obviously a flexible thing you can pull in or not?

Treasurer of the States:
Much of that will obviously be key decisions for the incoming Government in terms of the balance of fiscal pressures. I do not envisage that a great deal of that will change from where we currently receive money from. For example, we will transfer the budget that equates roughly and this is part of how we think through the legislation. The budget that equates roughly to depreciation goes into the fund so there will be an annual transfer from what is currently called the consolidated fund - which will obviously need a different name - into the capital fund. Then more on a project or programme basis, you will look at other funding routes on top of that, whether they are assets that lend themselves well to borrowing and whether, as you will see, the I.I.J. (Investing in Jersey) programme looks at potentially, using for investment purposes, balances on funds or further borrowing that gets repaid through the funds. So the fund becomes a holding fund, if you like, if the States were to decide to invest in housing beyond social housing.

Deputy J. Renouf:
Several times you have said these things already exist or the money is already there and allocated and now it is going to go through this fund. So what is the key difference, in your mind?

Treasurer of the States:
The key difference in my mind, because you need to go through the budgeting process, is enshrining rules will be there in the legislation or handover rules in the public finances whereby which money will be put into the fund. We are going to be informed underneath that by the long-term capital plan, which will obviously be available to the Assembly. The newer parts of the wider I.I.J. will relate to other things that need to come through that that are not necessarily part of the capital programme currently and, in particular, among that will be housing.

Deputy J. Renouf:
Is the ringfencing then the key element?

Treasurer of the States:
Yes.

Deputy J. Renouf:

Politically, are you prepared to fight for that ringfencing? We set up a principle, do we not, and it is in law?

The Minister for Treasury and Resources:
The whole purpose of the fund is to ring fence it, so when we bring in the legislation to establish the fund, it has to be explicit that the funding source will be there. Otherwise, there is no point in setting up a plan.

Deputy A.F. Curtis:
Could I ask about that, Minister, because it is proposed in this Budget that this is a time to, I think as the Treasurer said, protect money and adopt this? But is it your feeling that we have got that mentality for other funds because I notice, for example, a further reduction from the Technology Accelerator Fund is proposed in this Budget? Again, that was money ringfenced for a policy aim that is now being somewhat diverted. Is it your feeling that we have further work, as an Assembly, to do to be diligent to our funds or where do you feel that we are politically in ensuring that ringfencing is the aim?

The Minister for Treasury and Resources:
I cannot remember what is happening with the technology fund.

Group Director, Strategic Finance:
I do not think there is a further reduction. I think they was a multi-year reduction agreed in the last Budget so we have brought forward what the previous decision of the States Assembly was on that one just on the tech fund. Sorry, what was the second part of your question?

Deputy A.F. Curtis:
Whether this is, back to Deputy Renouf's point, about safeguarding. Are you feeling that we are ready to want money in funds to safeguard them when they are in a fund for that purpose?

The Minister for Treasury and Resources:
This is trying to, I think, stop capital budgets being eroded for revenue spend, which is what happened historically. We need more money so we will take it out of the capital budget and that is one of the reasons why we have possibly underinvested in infrastructure and certainly on the capital projects. I think it is important that we do set the money aside and this is clear that the money is - and again ringfenced is probably not a good word - there and designated for the purpose of a capital project, if you like, in the wider sense. I think there has been an issue, it seems to me, because I have seen a list of various funds that have been set up historically and they have sat there. So I think we obviously need to be careful when we set up funds why we are setting them up and what

they are intended to do. I am talking generalities and not particularly in relation to the technology fund that you mentioned. There will come times when that fund is either really not operating the way people thought it might or it has passed its sell by date, if you like. The purpose it was originally set up to address has been addressed or has been addressed in another way. So I think we just need to discipline around funds where they are set up for those purposes but there will always be times when needs must, I expect.

[15:30]

Deputy J. Renouf:
Strategic oversight of projects is, according to the I.I.J. report, going to be provided by the Council of Ministers but what oversight are you, as Minister for Treasury and Resources, going to have? Is it purely going to be at the level of Council of Ministers or are you going to have a role in overseeing how the money is spent on different projects?

The Minister for Treasury and Resources:
Well, I imagine if it is capital projects, some of them will go through the Regeneration Steering Group. So to the extent they are going through the Regeneration Steering Group, then, yes, I am on that body. It is not necessarily Treasury's role to stand over every Minister's shoulders to see what they are doing with the budget. The Minister is responsible with his team and his chief officers for the spending of the budget that is allocated to them and when they do not do that properly, that is then the time when we may have to be consulted. But I do not have an oversight role for every Minister and a lot of these projects will sit with other Ministers; they may sit with Housing or they may sit with Andium depending on the project; it may be the Fort. So a lot of it is that it will be infrastructure projects that sit with the Minister for Infrastructure and they are then responsible for delivery with the budget that has been allocated for that project.

Deputy J. Renouf:
There is a fund. Who is the accountable officer for the fund?

The Minister for Treasury and Resources:
It would be the Treasurer.

Treasurer of the States:
Early thinking would be that it would be the Treasurer, speaking of myself in the third party, but that will be for the assets within that fund, as it were. Individual accountable officers would then be allocated for individual projects rather like the situation for the consolidated fund now.

Deputy J. Renouf:

So each project will have an accountable officer in terms of the spend?

Treasurer of the States:

Yes, or there will be a ruling vote for them, yes.

Deputy J. Renouf:

How will progress be measured in terms of the projects which are agreed to be funded from that fund? How will progress be reported?

The Minister for Treasury and Resources:

Each individual project will follow a project management structure depending on its scale. The project structure for something like the Fort, for example, will be different, I expect, from the project structure of the hospital, which is a much bigger spend. So it will depend on the nature of the project what the project management structure is and whether they use the Blue book, Green Book or whichever coloured book is appropriate.

Deputy J. Renouf:

Going back to the fund itself, will there be any independent audit function tied to the fund? It is going to be large sums of money.

Treasurer of the States:

Yes, I do not envisage that we will dilute any of the audit functions as they currently relate to the consolidated fund. We will look at replicating those across. I am probably more focused on the actual spend from the fund rather than the fund itself in that regard. But as is the case now, there is a rolling programme of internal audits for large projects that will obviously sit within the financial boundary and, therefore, be subject to the external audit as well.

Deputy J. Renouf:

Are there going to be key performance indicators or any other measures with which the Assembly could potentially hold the management to account on?

Treasurer of the States:

As is the case now in terms of individual projects, they will be accompanied by business cases that will set out the reason and the rationale for choosing to do a specific project as well as K.P.I.s (key performance indicators) which could be used to judge the success or otherwise of the project.

Deputy J. Renouf:

In terms of perhaps the most controversial funding source of borrowing, which is briefly outlined, can you explain how that time limited borrowing will be implemented? What will be the process for deciding it and why would that be deemed the appropriate method as opposed to using anything else?

Treasurer of the States:

We have a framework that we currently use and we will issue updated debt strategies. Ultimately, the decision to increase the total amount of borrowing in the States will be a decision for the Assembly, so that level of governance would still be there. We are increasingly getting to the point of having an accumulative number which is the limit for borrowing. It will separate here the decision to borrow from over a long term with what means of borrowing you might approach or you might use on a short, medium or long-term basis. So it would see that that would evolve as some of that borrowing comes to maturity certainly in the current market. We might look for more medium-term borrowing as part and parcel of a long-term borrowing strategy but you might look at instruments in the short to medium term.

Deputy J. Renouf:

You mentioned a limit there. Are you saying that we are approaching a limit in terms of what we might consider the upper limit for borrowing by the States of Jersey or Government of Jersey?

Treasurer of the States:

I would say we are closer to it than we were previously, but by "limit" what I am referring to is that the authorisation for departments, for the Treasury to borrow is set by the Assembly.

Deputy J. Renouf:

When you talk about a limit, are you talking about a limit that the market might set?

Treasurer of the States:

No, I am talking about the authorisation for the Treasury to go and borrow in the markets to be set by the Assembly. You cannot borrow over and above that.

Deputy J. Renouf:

I will leave it there for that one. When do you anticipate lodging the legislation for debate in 2026, which is the key?

Group Director, Strategic Finance:

So I think, you have referred to lodging it. We will lodge it as soon as possible but obviously we need to bring into account multiple factors, law drafting time, et cetera. So, at the moment, now that the Budget is lodged, we are planning out exactly what that timeline looks like but we will try and do it as soon as we can so that the States has a chance to scrutinise it and debate it before everything stops for the election.

Deputy J. Renouf:

I guess I am trying to say what is "as soon as possible" in your mind?

Group Director, Strategic Finance:

So I think, to be realistic, it will be lodged in Q1. I would not like to commit to a date because it is not just the work of our team to do it. It is obviously the work of the Law Draftsman's Department as well. So we would need to talk to them about exactly how much lead time they will need for them to produce it, but we will be working quite hard to get it done, and the incentive is paramount in respect of that.

Deputy H.M. Miles:

So there is a possibility that it will not get debated during this time.

Group Director, Strategic Finance:

We will do what we can to avoid that. The intention is certainly to get it debated before that.

Deputy H.M. Miles:

But there is a possibility that it may not be given the processes that are needed to be gone through.

Treasurer of the States:

There are possibilities of an endless spectrum of outcomes on any number of topics. Nothing is impossible but our plan is to get it done in time in the current election cycle.

Group Director, Strategic Finance:

We are not known for our optimism.

Deputy J. Renouf:

Of course there is a Scrutiny process within that.

Deputy H.M. Miles:

Yes, okay, thank you.

Deputy A.F. Curtis:

Staying on Investing in Jersey but looking to the sustainable finance aside, how does the Investing in Jersey plan as a whole align with or deliver against medium to long-term financial sustainability plans?

The Minister for Treasury and Resources:

Well, it is aligned to long-term financial stability because, as I said, the long-term capital plan had a 25-year view which was taking into account as the Treasurer says, the condition of the assets, the demographic requirements and the trends requirements and what that might lead to. It is about ensuring that we do invest enough in our infrastructure so it very much has a long-term view in terms of what needs to be replaced, what needs to be built and making sure that what has been maintained is maintained at the relevant standard. So it is very forward looking and, as I say, it is about trying to avoid short-term capital cuts to fund revenues. It is about making sure that we do have clear funding for some of these projects, so it has to be affordable, and that will come through existing budgets and future income.

Deputy A.F. Curtis:

One area I think that the Treasurer mentioned that is outside of the Capital Investment Fund but is in Investing in Jersey is investment in housing and I know one of the lines of Investing in Jersey is delivering more family-sized houses and Andium's current programme will be expanded. To what extent at the point of designing Investing in Jersey or setting out ambition has the financial sustainability on Andium been considered, because that sounds like change or a step change in their objective? It is to be expanded.

The Minister for Treasury and Resources:

Well, Andium already have quite an ambitious programme. They have 2 developments under way and they have another one hopefully following in fairly short order. So, yes, to the extent that they need more funding, then we would have to work with them through the fund to make sure that funding was there. The purpose of the fund, as I see it, would be to enable Andium to build - either provide them with the funding or help them structure the funding so that they can build.

Deputy A.F. Curtis:

Is the Capital Investment Fund playing any role in the provision of housing by S.o.J.D.C. (States of Jersey Development Company) and Andium or is that funded through others?

Treasurer of the States:

It may be. I think we need to work through to a level of greater detail the strategies relating to a vision that is set out in the document as much as it relates to the development of housing beyond the current role of Andium. Andium is one way by which we could deliver it. Of course they have a very strong track record. That will involve their capacity to do so, whether they are the appropriate body to do so, or whether it might be directly done through Government. I think at this point, I.I.J. is the visionary future roadmap rather than the current position.

Deputy A.F. Curtis:

So in setting that visionary roadmap, has any assessment of the financial sustainability of needing perhaps financing to deliver that ambition been undertaken or been set without consideration of the long-term financial implications of meeting that vision?

Treasurer of the States:

Decisions in respect of it will come back to the Assembly and decisions in respect of it at that point will set out what the finances required for it are and the sustainability of that funding. I would envisage it would go to a plan level and then, beneath that, we would look at individual transactions or developments like we did with Andium as is the case now.

Deputy A.F. Curtis:

Are there any attributes or plans separate to the Investing in Jersey programme that are being delivered to deliver on the medium to long-term financial sustainability plans? So are there any other pieces of work expected to deliver against long-term financial sustainability?

Treasurer of the States:

We have pieces of work in train that relate to a longer-term view of income and revenue expenditure as well that is at 10 years and 25 years.

The Connétable of St. Mary:

All right, Minister, so a few questions regarding your shareholder representative role, and it is not the first time we have been there, I know. One specific question. The panel understands that the Ports of Jersey is seeking to engage a "development partner" to undertake works on the La Folie Inn site. As a shareholder representative, to what extent have you been engaged on this aspect and what is your precise role?

[15:45]

The Minister for Treasury and Resources:

Well, obviously I am aware that they have that plan because I meet them regularly. They discuss what their overall strategy and businesses plan is and what projects they have. Most specifically, things like the La Folie development comes through the Ports Policy Ministerial Group so, again, there is the Ministerial Oversight Group and we have the Minister for Sustainable Economic

Development who has an interest in what the Ports do. The Ports Policy Group is also looking at policy objectives and what activities and plans the Ports may have. The La Folie site has been endorsed by the Ports Policy Group. They seem to have been talking about La Folie for quite some time. I was aware they did the initial expression of interest process last year to gauge would people be interested in building a hotel there. I think, as a result of that relatively informal process to gauge expressions of interest, there is now a formal procurement process to allow people to put in what I would call a pre- market engagement with a view to going through a procurement process and signing contracts in the summer of next year to develop that space.

The Connétable of St. Mary:
It is at a fairly early stage at the moment.

The Minister for Treasury and Resources:
Well, they have done some preliminary work. I would always call it a proof of concept: "Here is something we might like to do. Would you be interested?" I think there was sufficient interest for them to then go to a procurement process to find a partner. The Ports themselves are not set up to do that kind of development, which is why they would bring in a partner and, as I say, that is going through procurement with a view to having that starting next year

The Connétable of St. Mary:
Thanks for that. That identifies my general concerns and I accept that I might be tarnished by having been involved in the scrutiny of the Ports when it first came to be incorporated. Again, moving from that stage to the present M.O.U. (memorandum of understanding), one of the concerns of that panel was the degree to which States Members, through yourself, would have any control over the activities of the Ports. As I say, the M.O.U., just by way of example, under the obligations for approval at 7(2) - do not take me to task on the individual wording for the moment - states: "Where the company appreciates a sale of a material profit that is not included in an approval at an S.B.P. (strategic business plan), the appropriate Ministerial decision will not take effect until after the expiration of 15 days from the date of the signing to allow for sufficient transparency and scrutiny." I appreciate it is not a sale but the original M.O.U did identify there were concerns about sales without ... this idea or the general point about the lack of involvement or lack of information coming to Members on such things.

The Minister for Treasury and Resources:
Well, as I say, there is no lack of involvement at Government because I am fully aware of it. I am fully aware of their plans from the meetings I have with them of what they are thinking about and their proposals because they tell me when I have the regular meetings with them. Similarly, the Ports Policy Ministerial Group is aware of anything they say they may want to do, whether it is at the

ports or the airport. That comes to that group. We do know, and I am sure if it did not have political support, it would not be happening, but they are not selling the site.

The Connétable of St. Mary:
I appreciate I made the distinction but it does indicate the sale of a property.

The Minister for Treasury and Resources:
What do they do? Do they just sit and look at it and let it become ever more derelict or do they do something? Given that it is in their ownership, as I understand, I think it is right that they do do something. They have a plan and it has political support through the Ports Policy Group.

The Connétable of St. Mary:
Yes, that is not the point of my question.

The Minister for Treasury and Resources:
It will need my approval in due course. We will do a third party assurance before contracts are signed we will do the normal third party assurance in the way we do with Andium and S.o.J.D.C. Someone will come in and they will check the proposal for financial viability and does it all stack up.

The Connétable of St. Mary:
But it is not addressing my general concern, which is that there is a Ports Policy Group, as you say, which consists of yourself, the Chief Minister, the Minister for Sustainable Economic Development and the Minister for Infrastructure. This extract I have read from does give a flavour of what basically the States expect to know and I would have thought that, given the involvement of the Minister for Infrastructure and the Minister for Sustainable Economic Development, that proposal would somehow have been volunteered to the Scrutiny Panel concerned and, that way, Scrutiny could bring it forward.

The Minister for Treasury and Resources:
I would imagine it will be volunteered to the Scrutiny Panel in due course. I am slightly struggling to understand what your concern is. If it is a case of Scrutiny seeing the plans, then I do not see why the E.I.A. (Economic & International Affairs) panel should not see them.

The Connétable of St. Mary:
It is a more general point.

Treasurer of the States:

Of course, Ports is subject to planning law, any future plans for that site will be a matter of public record in the planning application.

The Connétable of St. Mary:
I accept the plan but the point is the initial phase is to appoint a development manager and I would have expected, perhaps in commonsense terms or courtesy terms, that the Scrutiny Panel will be involved. Whether it is Infrastructure or Economic Development, it will be informed of the general intention. The development of La Folie was in the business case when the Ports was first incorporated and it has been a matter of public interest since then. It keeps on being raised by States Members so I would have thought that, again, the question that you ... I am not sure, I read the press saying that ...

The Minister for Treasury and Resources:
I am quite sure Ports would be happy to come to the Scrutiny Panel and update them if people want them to do that. I do not think they have been invited or it has been raised in this context.

The Connétable of St. Mary:
That is good but, basically, I would have expected that to come through the Ministerial route, as it were.

The Minister for Treasury and Resources:
Yes, but I think the appropriate Ministerial route might be Economic Development and Infrastructure. The proposal is to build a hotel so I would have thought it sits with Infrastructure or Economic Development.

The Connétable of St. Mary:
I am not being precious about this particular panel, if I am allowed to say that here, as long as Scrutiny ...

The Minister for Treasury and Resources:
I do not think anybody has asked for a briefing. If any panel wants a briefing, they can have one. We are not being secretive about it and the public want something to happen.

The Connétable of St. Mary:
No, perhaps I have given a misunderstanding. The concern is that I read about this in the press. I would have expected the Scrutiny Panel involved to be made aware of it before we came to know about it.

The Minister for Treasury and Resources:

Well, it has been in the press for some time. I think it was in the press last year when we went ...

The Connétable of St. Mary:

Yes, I know, but why were panel members of whichever panel it was not informed first?

The Minister for Treasury and Resources:

Well, I do not know. I think the whole point of establishing the S.O.E.s (States Owned Entities) was to insulate them from political interference but that does not really seem to work.

Deputy J. Renouf:

We will take the feedback and think through how we might improve briefings for panels.

The Minister for Treasury and Resources:

We will take that back and ask them to brief whatever the panel wishes to be briefed about.

Deputy J. Renouf:

You mentioned the planning aspect of this. To what extent have you, as a shareholder representative, engaged in the question of whether or not the proposals for the La Folie site breach planning policies? In other words, if you add up the square metreage of the plans and put it on to that site, you are building 6 or 7 storeys high, which on the face of it is going to be much bigger than is allowed under current planning.

The Minister for Treasury and Resources:

It is the Ports of Jersey to liaise with planning. As I say, I cannot stand over everybody's shoulder checking their homework. If they are looking towards something like this, I would have expected them to make some element of enquiry of Planning.

Deputy J. Renouf:

But have you made that enquiry of them?

The Minister for Treasury and Resources:

I am sure they have done.

Deputy J. Renouf:

I have asked have you made that enquiry?

The Minister for Treasury and Resources:

I really cannot remember. As I say, we have been talking about it since early last year or before. Shareholders would not normally be involved in detailed operational matters. You cannot do everything.

Deputy A.F. Curtis:
I think part of where these questions come from is there is a lot that the States Owned Entities do and we understand the position that they were set up to allow them to work effectively, but a lot of what they do is of public interest, and it is hoped that they will do it effectively. So part of what I think the Connétable raised is there are key areas that Scrutiny may wish to understand and Ministers have oversight of, for example the Ports Policy Ministerial Group. Would it be possible for the relevant Scrutiny Panels of each Minister to receive the minutes of those like we do with the Council of Ministers to then give us that kind of oversight of things that are happening?

The Minister for Treasury and Resources:
We can take that back.

Deputy A.F. Curtis:
Likewise, the Connétable raised that part of a States Member's role is to see certain significant or material transactions within a period but we would only see them when they deviate from a strategic business plan. My understanding is that strategic business plans for the States Owned Entities are not published and are not provided to States Members. So, again, is that something that Treasury, in the topic of shareholder representative, can look into to see where States Members again can have that relevant look into the policy functions of these areas?

Treasurer of the States:
I think it lends itself to certain entities more so than it does for others so we would have to think about commercial interests in doing so, but certainly in the case of the Ports as a potential area, they could do so probably given their lack of competition for their core areas of focus. For some that are in a more competitive environment, issuing their competitors with the 5-year plan might not be in the commercial best interests when we look at the principle of doing so.

The Connétable of St. Mary:
Thank you.

The Minister for Treasury and Resources:
The strategic business plans are reviewed. They are reviewed, I am sure, by numerous Ministers. I cannot remember how frequently they are produced because, as I say, there are quite a number of them.

Deputy A.F. Curtis:

For us, I think, as a panel, it is trying to work out where that accountability sits because individual panels often ask Ministers, and we ask you as Minister for Treasury and Resources, a lot about States Owned Entities and often the answer is there are policy routes into other Ministers. It is trying to work out where policy is set and where governance is kind of overseen, and how we can best perform our function as Scrutiny, but I will hand back to the Connétable.

The Connétable of St. Mary:

Thank you, Deputy, for putting it into context. Going back to the situation we have at the moment, can you provide further context about the timing and rationale for this development? It has been going around for a long time.

The Minister for Treasury and Resources:

I think they are trying to do what the public want them to do, which is do something that brings the site back into operation and use. That is what they are there to do.

The Connétable of St. Mary:

I am not challenging that for a moment. The Minister in charge could have made the same reply 10 years ago because that is how long it has been on the books. Is there any reason why it has been ...

The Minister for Treasury and Resources:

I do not know why it has taken so long. As you say, it has been derelict for a very long time. They are now trying to do something with it now and why it has taken that long, I cannot answer.

The Connétable of St. Mary:

I am not disputing they should do something with it.

The Minister for Treasury and Resources:

But they are trying to do something sensible with the site. They own it, so there is an obligation to do something sensible with it rather than allow it to just deteriorate further.

The Connétable of St. Mary:

I could not agree more. Okay.

The Minister for Treasury and Resources:

It is a very complex organisation, the Ports of Jersey. You have the airport and you have the harbours. They are tied to the Harbour master Plan. It probably feeds in with all of that. They probably were delayed by quite some time with COVID. They did a huge piece of work over COVID to make sure we had everything still moving in terms of air and sea links. We have had the ferry, which they have been involved in. So I do not believe they are sitting around twiddling their thumbs. They are trying to do something with it now, which I think is a very important thing.

The Connétable of St. Mary:
I will be pleased to hear about just what might be done with it. Deputy Renouf asked questions earlier on about the investment programme. What commitments were addressed with Ports of Jersey itself and with yourself as Minister as to an oversight perspective regarding matters from the investment programme? To what extent will Ports of Jersey influence the input into the investment programme as opposed to yourself given your role?

The Minister for Treasury and Resources:
Well, if they wanted a project that it was appropriate for the fund to fund it, it would be like any other project. I do not know if you have a view, Treasurer.

Treasurer of the States:
We might be interested in their view review but the decision making sits with Government overall.

The Connétable of St. Mary:
From future oversights. Once it has been identified, will that rest with Treasury?

Treasurer of the States:
In terms of the fund? For the future, of course.

The Connétable of St. Mary:
Once the investment programme has been allocated, where does responsibility lie for oversight of those funds?

Treasurer of the States:
Oversight for Ports rests in terms of financial governance and there is each ...

The Connétable of St. Mary:
Will those funds be thrown over to Ports straightaway?

Treasurer of the States:

No, the Ports are supposed to be self-financing. If there are ...

The Connétable of St. Mary:

Yes, so by definition the oversight will lie with the Minister for Treasury and Resources then?

Treasurer of the States:

Yes.

The Connétable of St. Mary:

My final question is are you aware of whether P.o.J (Ports of Jersey) has forecasted projected revenues from development of the La Folie site and the intentions as to where those revenues might ultimately land, or is that too early to ask? I expect the latter.

Treasurer of the States:

It is too early in terms of what the revenue consequences or the revenue advantages would be for development at the site, but I expect that to come though in their final plans for the project before they are given approval. This is one of the principles surrounding why Ports were given the land that they were given, which is to develop land in order to subsidise the future not inconsiderable capital programme for the core harbour and the core airport, which in the past rested with the taxpayer.

The Connétable of St. Mary:

I understand that the M.O.U. was designed to ensure that business plans, et cetera, were fed through to Scrutiny Panels for absorption by the States Members. We have been there.

Treasurer of the States:

Yes.

The Connétable of St. Mary:

Okay. If I can go back to Deputy Curtis's idea, there are other areas where there are Ministerial Oversight Groups and sometimes we are lost as to which particular Minister is involved in those. It would be good policy, I suggest, if minutes of those could be forwarded to whether it is ourselves or the appropriate panel. Could that be looked into?

Treasurer of the States:

We are not typically the chair of those groups, so we will take it back.

The Connétable of St. Mary:

That is all I am asking you to do. Thank you.

Deputy H.M. Miles:

Does anybody have any further questions? Thank you very much, Minister. Thank you for coming to our hearing today and answering all of our questions and thank you as well to the supporting officers. Thank you to any members of the public who were watching. I declare the meeting closed.

[16:00]