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States Assembly



États de Jersey
Assemblée des États

Children, Education and Home Affairs Scrutiny

Panel

Lifelong Learning

Witness: The Minister for Sustainable Economic Development

Wednesday, 7th January 2026

Panel:

Deputy C.D. Curtis of St. Helier Central (Chair)

Connétable M. Labey of Grouville (Vice-Chair)

Deputy H.M. Miles of St. Brelade

Deputy M. Tadier of St. Brelade (Chair, Economic and International Affairs Scrutiny Panel)

Witnesses:

Deputy K.F. Morel of St. John, St. Lawrence and Trinity, The Minister for Sustainable Economic Development

Mr. T. Holvey, Chief Economic Adviser

[14:00]

Deputy C.D. Curtis of St Helier Central (Chair):

Welcome to this hearing of the review of Lifelong Learning Sub-Panel's review. Today is 7th January and I would like to draw everyone's attention to the following. This hearing will be 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 silence. I am Deputy Catherine Curtis, chair of the panel.

Connétable M. Labey of Grouville (Vice-Chair):

I am Connétable Mark Labey of the Parish of Grouville. I am vice-chair.

Deputy M. Tadier of St. Brelade:

I am Deputy Monfort Tadier. I am joining from the Economic and International Affairs Scrutiny Panel for this review.

Deputy H.M. Miles of St. Brelade:

Deputy Helen Miles, member of the Children, Education and Home Affairs Scrutiny Panel.

The Minister for Sustainable Economic Development:

Deputy Kirsten Morel, Minister for Sustainable Economic Development.

Chief Economic Adviser:

I am Tom Holvey, chief economic adviser.

Deputy C.D. Curtis:

Thank you very much for coming to our hearing. I will start with some quite general questions. Minister, first of all about the number of apprentices. Further to your answer to a Written Question last year, you stated that apprenticeship numbers have remained relatively steady at over 450 per year since 2023, and we are just wondering if there have been any changes and if you have a number for the amount that started this last September as well.

The Minister for Sustainable Economic Development:

I do not have a number for last September. What I do have is a breakdown of individual skills and how they are going. It is a mixed bag. I can sit and say, for instance, welding and fabrication practice, there are 5 more apprentices in 2024-25 compared to 2023-24. But equally, I can look at carpentry and see there are 10 less apprentices doing carpentry in 2024-25 compared to 2023-24. Overall, the numbers are roughly equal. Some are bigger, some are larger. Care, though, I would say is one area which is possibly concerning. We had less than 5 apprentices in 2024-25. We had 15 in 2023-24, 14 in 2022-23. Care is obviously an area that we know is going to be in greater demand. I would hope that that is a one-year blip, but it remains to be seen.

Deputy C.D. Curtis:

Would you be able to send that to us in writing?

The Minister for Sustainable Economic Development:

Absolutely, I will send the list to you; more than happy.

Deputy C.D. Curtis:

Thank you. You mentioned there are some surprising numbers there, I suppose. Do you think that the current funding and support meets the sectoral demand to address skill shortages?

The Minister for Sustainable Economic Development:

I think at the moment, yes, we have got decent support. But it is obviously time limited because a lot of the support made available to employees is coming through the Better Business Support Package, which ends at the end of 2026 or, more to the point, the very beginning of 2027. I would be concerned once that support disappears that that would be a £2,000 loss, for want of a better word, to any employer seeking to take on an apprentice. With that money gone, that may take away the incentive to employ them. It would solely be the Education Department's money then being used to support apprenticeships. I do not know if you have a view on this, Tom, about the actual funding and whether that withdrawal of the B.B.S.P. (Better Business Support Package) packet is likely to remove an incentive to apprenticeships?

Chief Economic Adviser:

Hopefully not. The Better Business Support Package was a very specifically tailored package to deal with the uplift in the minimum wage at that moment in time. The fact that I do not believe the numbers of apprenticeships have fallen away as such during that period, and since we did that as well we have also reintroduced the trainee rate. So there is now a dual benefit, a dual incentive, to not ... not necessarily to have more apprentices but not to stop apprenticeships. I think that is falling away, but with the training rate reduction I hope that those numbers are not going to disappear off and there will still be an appetite to be an apprentice and to have an apprentice at the same time.

Deputy C.D. Curtis:

And that will end around the end of 2026.

The Minister for Sustainable Economic Development:

31st December 2026.

Deputy M. Tadier:

I was just going to ask why you think it is a concern that there are so few apprentices in certain areas, like care.

The Minister for Sustainable Economic Development:

Care is a particular one that stands out to us because we know that there is going to be greater demand for care in the next 20 years.

Deputy M. Tadier:

Is there another way to look at low numbers? Is there another side to what the low numbers mean?

The Minister for Sustainable Economic Development:

Yes, there is. One reason why there might not be so many care apprentices at the moment is because the sector is sufficiently staffed and potentially does not feel that it needs to take on apprentices at this time; so it could be just a sign of a healthily-staffed sector rather than any negative thing around grants.

Deputy H.M. Miles:

Can I just ask a question about that, particularly around care, because obviously the work permit policy has been relaxed to allow work permits for carers, which we have not done for welding, for fabrication, for carpentry, et cetera. Is there any suggestion that it just may be easier for employers to go down the work permit route than to invest locally in trainees?

The Minister for Sustainable Economic Development:

It could be that, and only research would tell. But I would say that that is definitely ... it is true. When you look at that figure, at least 10 fewer apprentices this year in care. It could be because it is healthily staffed, as I was saying to Deputy Tadier. It could be because it is just easier to bring in people on a work permit with their qualifications intact ready to go. Or it could be that the care sector is less attractive and people do not want to go into that sector. Equally it could be that the incentives are not enough for employers to take on the apprenticeships. There are, in this brief discussion, 4 different reasons and only research will tell. That is where I think Scrutiny can play a really good role.

Deputy C.D. Curtis:

Something that is worth looking into more, is it not? With this current method of funding coming to an end later on, we just received a few days ago the *Apprenticeship Funding: Stakeholder Perspectives* report.

The Minister for Sustainable Economic Development:

I have not read that, I must admit.

Deputy C.D. Curtis:

Which comes to my next question, really, because I am going to ask if you could outline what collaboration has taken place between your department and the Minister for Education and Lifelong Learning in relation to this subject?

The Minister for Sustainable Economic Development:

In skills in general we do collaborate, we do work together on this. The apprenticeships are delivered via the Education and Lifelong Learning Department, they are not delivered via us, but we obviously provide funding. But also, and particularly through the Chief Economist team, which is a shared resource through government, is we speak to the skills gaps and the need to skills. Again, because you are doing it, you might want to say a bit more about the work you do there.

Chief Economic Adviser:

We developed a model 2½ years ago now; labour supply and demand model, effectively, looking at the future of what we needed. That work fed into an awful lot that we were doing at the time, including the Common Population Policy where we started talking about the needs of the numbers of people that were needing care, in particular the number of people who would therefore need to generate revenues to pay for those extra public sector workers. We looked at a lot of skills gaps that relies on where we have job shortages at any one point, that is therefore the demand; how many numbers of people might have the qualifications in those areas; how many numbers of people, full stop, there are on the Island as well. We have that quite comprehensive model that feeds in and we can update on an annual basis to look and see where the skills are needed with hopefully a medium and longer-term view as well, rather than just where they are at this moment.

Deputy C.D. Curtis:

That sounds like really good work, but how does it fit in with what the Education Department is doing? We effectively do that work for them. We do the modelling and the economic assessment of what need is. We then feed through to both the Minister and his team for their policy interventions.

The Minister for Sustainable Economic Development:

That is the Minister for Education and Lifelong Learning:

Chief Economic Adviser:

The Minister for Education and Lifelong Learning, sorry, yes. We do that across a number of areas in terms of the Economics team. One area in particular, the Skills Development Scheme, we will have given the priorities where we felt the areas were economically for the next year, and those priorities will have been what has gone into the Skills Development Scheme in terms of where they put funding. That is administered purely by Skills Jersey but it is us feeding them the analysis and the work. It is 2 departments working very, very closely together.

Deputy C.D. Curtis:

You help them with the analysis of all your work.

Chief Economic Adviser:

Absolutely, yes.

Deputy C.D. Curtis:

But you said that you have not seen the *Stakeholder Perspectives* report, which was released a few days ago.

Chief Economic Adviser:

I have not seen it either, I have to admit.

Deputy C.D. Curtis:

So you have not been involved with their department?

Chief Economic Adviser:

Sorry, no, not on that specific piece of work. That sounds like it is a stakeholder piece rather than a government piece.

Deputy C.D. Curtis:

It is a stakeholder perspective piece, but it is drawing results from that and plans for the future as well.

Chief Economic Adviser:

What I would expect to happen, if it is only a couple of days old, is for the skills team to take that under their knowledge and understanding, put it in some context and then disseminate it over the next few days and a couple of weeks to us for our views. Normally, if we had something that came in our area, we would do some analysis on that before we shared it any wider so the views are therefore more common. I would expect probably to see that in the next week or so if it only came out in the last couple of days.

The Minister for Sustainable Economic Development:

I wonder as well if, when they talk about stakeholders, because I think, Chair, you might be getting at the idea that the Economy Department is a stakeholder - I do not know if that is what you were thinking - and therefore should we not form part of that report?

Deputy C.D. Curtis:

No, the stakeholders are businesses.

The Minister for Sustainable Economic Development:

Businesses, and that is what I was thinking, because I think they have taken the view that stakeholders are businesses.

Deputy C.D. Curtis:

But I just thought that there would have been joint involvement in any work like this. That was my perception.

The Minister for Sustainable Economic Development:

I do not believe we have.

Deputy H.M. Miles:

Would it have been beneficial for the department to be involved so that you could have formulated some of the questions that would have helped you developing your policy?

Chief Economic Adviser:

There is a possibility we were involved in that early on anyway. In terms of asking the question, yes, getting the information back from people is always useful. If it is a stakeholder engagement group, again, without looking at the report - I can give you more detail once I have looked at it - that would be more qualitative, I would expect. We would be looking at the qualitative to fill in where we do not have the quantitative. But the quantitative would be where we are actually adding most of our work, and then the rest of it would sit around the policy team themselves. There would not necessarily be a need for us to input into it, but there might be a few gaps that we thought we have not quite got information in X, and therefore it would be useful to ask that question. But I am also not saying we did not. It is possible that happened a few months ago and I just was not aware.

Deputy C.D. Curtis:

I just want to ask about data now. What data is available on employer participation across different sectors? How is this being used to identify where apprenticeship uptake is strong and where further incentives are needed?

Chief Economic Adviser:

Employer participation of the apprenticeship themselves. So we do have that across sectors, we do have very granular level of detail down to the employers as well. We have not got that in front of us, but Skills Jersey would look after that information and be aware of what is going on. We have the

sector breakdown which we just went through, which is obviously built into that. That is the level that I would be interested in. The next level down to individual employees is not of huge interest. The size of employer, the sector, are of interest and we do have that; that does get provided to us.

Deputy C.D. Curtis:

And Skills Jersey collects that information and then passes that on?

Chief Economic Adviser:

Yes, and we do work closely with them so they would pass that on to us, absolutely. As part of the Better Business Support Package, we work very closely with them to make sure that we have got that level of policy right on that programme as well.

Deputy C.D. Curtis:

Then how does that work with Highlands College? How do you ensure that the apprenticeships being offered through Highlands and other providers remains aligned with needs?

Chief Economic Adviser:

I think the mechanics is probably better left to tomorrow's discussion with the Minister for Education and Lifelong Learning. We provide the economic input, the economic rationale. They will do the functionality, which is really the outputs and the delivery. How Government works with Highlands will be for them to answer rather than us.

Deputy C.D. Curtis:

That would be a good example of something where there would hopefully be good working practice between the departments.

Chief Economic Adviser:

I do not think we would need to be involved in that part of it. We would look at the ongoing strategy and policy and help to input into that. When it comes to the delivery - we are not a very large department - we would leave that to the people who actually have the relationships with Highlands College to do that. That does not mean that I do not speak to Highlands College myself from an economic point of view, what their perspectives are of what is going on. I do do that. We do have roundtable conversations every now and again, but the actual delivery and the linking between the 2 organisations will be left to another department.

[14:15]

The Minister for Sustainable Economic Development:

I think where I have personally fed in, in the past, is trying to - and actually the Better Business Support Package is designed to reflect this - is I am always concerned about private sector providers of training of any sort - in this case apprenticeships - being pushed out of business by Government preferring its provider; always in this case Highlands College. Highlands College is a fantastic institution, which in many places is the only provider of training in certain areas and absolutely we should use them and that is where we should go. But there are other areas or there are areas where there are private sector providers as well as public sector. So I have wanted to make sure, and I have fed this to the Education Department, that we must not close down those choices. That is why the Better Business Support Package pays to an employer the grant, so the employer can choose where the training takes place rather than paying it to, let us say, Highlands. We could have just said: "Right, Highlands, you get £2,000 for every apprentice who goes through." But of course, that would have driven all apprenticeship training to Highlands, to the detriment of perfectly good private sector businesses in Jersey. That is one place where I have directly fed into that.

Deputy C.D. Curtis:

Make sure there is choice for people and employers.

The Minister for Sustainable Economic Development:

Also, I just have this issue with Government providing something which then pushes enterprises out of business.

Deputy C.D. Curtis:

I can see that. Just quickly though, I think the question was more about your department, with your knowledge, making sure that there is sufficient training out there for what is needed.

Chief Economic Adviser:

I think we definitely do that. Our part is that analysis that feeds in. I am not saying we always get it right by a long shot; economic modelling is never a perfect science. But we do still put that input and that perspective together for them.

Deputy C.D. Curtis:

Just one more general question now from me. Minister, can you outline what financial incentives or grants are currently available to businesses to support investment in lifelong vocational learning and workforce upskilling? You have talked about the Better Business Support Package and that is available to all businesses, is it?

The Minister for Sustainable Economic Development:

Yes, that is right.

Deputy C.D. Curtis:

Companies, sole trader, self-employed?

The Minister for Sustainable Economic Development:

Yes, all organisations, charities. What I have made a real point of better business, the business part is a slight misnomer because it is better organisations, better employing organisations. So anyone who employs someone is able to take advantage of it. In the apprenticeship scheme, we had £1.5 million available in 2025 and again £1.5 million in 2026. That was available, like I said, to employers at £2,000 per employee that they wanted to put through an apprenticeship. Take-up, partly because of the misalignment with the academic year, so the Better Business Support Package started on 1st January; the academic year starts in September. The Q1, Q2 report on that showed very little take-up for the grant. As a result, we were able to move £500,000 from that £1.5 million into the main productivity grant piece, and we tasked Jersey Business with making a promotional push as we came towards quarter 3 about the grants available for training and apprenticeships. We do believe there has been an uptick in take-up because of that. I am just trying to see outside of my department what the grants are. They are the only grants available ... that £2,000 grant is the only one available from my department.

Chief Economic Adviser:

Of the £1.5 million, it is part split for apprenticeships which is £2,000 per ...

The Minister for Sustainable Economic Development:

And part for training.

Chief Economic Adviser:

And part for training, which will also go straight to business but it is not apprenticeship linked. That is for just increases in learning and training within businesses, and again really important it goes to the business for them to do the work. The one point as well with the way the Better Business Support Package has been designed, you did mention sole traders. If the sole trader does not employ anybody, which is possible being a sole trader ...

Deputy C.D. Curtis:

Like a one person ...

Chief Economic Adviser:

Because it is linked to the living wage we decided the company had to employ at least one person, and that is a criteria of being able to apply into the Better Business Support Package.

The Connétable of Grouville:

We will be asking about that later.

Deputy C.D. Curtis:

I think we have another question about that further on.

The Minister for Sustainable Economic Development:

That is why it should be the better employing organisations. It is just not as catchy.

The Connétable of Grouville:

Thank you, Minister. I have got a few questions here about the vocational learning pathways. Minister, what measures has the department taken to engage with industry to incentivise continued professional development, upskilling, and reskilling?

The Minister for Sustainable Economic Development:

As a department in general, we are in constant dialogue with industry across all areas of their needs. But Skills Jersey play the main role in engaging with industry to understand their skills needs. My understanding is that they have engagement via surveys, via focus groups, interviews, ongoing dialogue with sector bodies in order to understand that. But again, that is data that is collected directly via Skills Jersey. I think the Employment Forum ... no, there is a Jersey Employers Group, which I think feed into that as well. But the data collecting part of it is done by Skills Jersey. What we do in our department is maintain a constant dialogue with industries, and where I hear of industries who are having issues around training, finding staff members, things like this, I will feed that, and I know my officers will feed that to Skills Jersey so they understand that.

The Connétable of Grouville:

That was actually my next question, was whether you receive direct feedback from stakeholders.

The Minister for Sustainable Economic Development:

Not from surveys ourselves but from just regular engagement. I came here today from a meeting with the Jersey Hospitality Association; it is normal for me to be asking them about their skills, where are they getting people, how does the staffing thing look for the future? I did not ask it in the half hour before this meeting, I must admit.

The Connétable of Grouville:

Thank you, Minister. What specific financial or operational support is being offered to employers to incentivise investment in continued professional development?

The Minister for Sustainable Economic Development:

From our side there is only, to my understanding, the Better Business Support Package, that £2,000, or the £1.5 million broken up. Outside of that, except for apprenticeships, I do not know if there is that much more available. Skills Jersey have money available for apprenticeships, I do not know if they have money available for general training.

Chief Economic Adviser:

There is the Skills Development Scheme, but that tends to go towards a programme training approach of the course, as opposed to businesses per se. The approach to giving businesses money is not something a lot of time governments will do. Sometimes there might be very specific grants at more localised levels. We introduced it very specifically to sit alongside the living wage in the last year or so. It is a 2-year programme because it was a 2-year uplift effectively, to give businesses in that time to adapt. Normally there would not be direct grants to businesses to do that kind of work. It is not something that we have had a history of doing and it is not a usual part of an economic development portfolio either. It does happen. There have been organisations in the U.K. (United Kingdom) that have done it in the past. It does happen elsewhere. They tend to come and go, come in and out of fashion, on a cyclical nature; where evidence points to them not being that effective and then 10 years later it is a good idea again. At the moment, I do not believe the U.K. has anything along those lines, but I cannot think of other nations that particularly do that off the bat, at the moment.

The Connétable of Grouville:

This question is about the smaller businesses. Has the Minister considered a joined-up approach across departments to provide co-ordinated support for small and medium-sized businesses, ensuring they can also offer that vocational learning pathway?

The Minister for Sustainable Economic Development:

From our perspective, that is something I am always concerned about; small and medium-sized businesses and all their needs. On the one hand, we have Jersey Business, and they are definitely capable and do help businesses understand what pathways are available to them, what grants are available to them. Obviously Skills Jersey do as well. But I can appreciate if you are a small business, let us say a 3 or 4-person business, you might not have much interaction or had any interaction with Skills Jersey. But Jersey Business is an organisation that most businesses or organisations in Jersey would be aware of and know that they can go to for free advice and things like this. So Jersey Business I think play an important role in passing the message and sign-posting for those smaller organisations.

The Connétable of Grouville:

We have had a number of submissions to the review which have highlighted concerns about a lack of public awareness regarding the lifelong vocational learning opportunities available at different stages of careers in Jersey. Could you outline what steps have been taken to address those communication issues and how your department is ensuring that individuals are better informed?

The Minister for Sustainable Economic Development:

From our side, all the advertising that we have done around skills, et cetera, has been through Jersey Business and through the Better Business Support Package. There is a lot of advertising over the past year about the productivity grants, of course, but also, as I said to the Chair earlier, about the skills grants available, particularly when we saw a low take-up in the first half of the year. Over the summer and in preparation for that September influx of students, for want of a better word, a lot of advertising was done to businesses in all forms - online, through newsletters that Jersey Business sent out, and so on - to make them aware of the grants that are available to them. I am not aware ... not because they do not do it, it is just because it is not immediately within my purview of what Skills Jersey do to promote that as well. I am sure they do, but I do not know what it is that they do.

The Connétable of Grouville:

That is fair comment, thank you.

Deputy M. Tadier:

Can I ask a supplementary, Chair? At what point does Government know what the right ratio is in terms of government intervention and subsidies versus what the private sector should be putting in? I caveat that question ... not caveat, but I put it in context because I think we have had discussions with our other panel saying that business investment in Jersey is traditionally a lot lower than you might see elsewhere. Is that also the case when it comes to apprenticeship and C.P.D. (continuing professional development)?

Chief Economic Adviser:

It would seem to be, yes. We have not quite as good information on that, but yes, it would seem to be. How the Better Business Support Package really came about was to very much target that increased investment across all the areas that would be productivity driven. Investment, if you want to just use that one term, is very low on the Island. That is what we are seeking to do, which is why we have the match funding which is 50:50. We are aiming not to just fill a gap but with a subsidy is to encourage businesses to get into the habit of investing in themselves a lot more. The productivity side of it has worked very well, and we have discussed that over the last few months. The skills side maybe not so much and we need to look at that again for the next year just to see how we might

re-incentivise that. Coming back to your exact question, it feels like the productivity side of subsidy, if you want to call it that, is about at the right level. We have attracted the right number of companies and we have been able to get the money out the door quite effectively. The skills, maybe we need to look at it a bit differently, 50:50 has not quite worked; maybe we need to look at higher levels. The other thing that has come back as well is that people can only apply for it once; training schemes are usually not that expensive, can they come and apply for it in bulk? Then they will send a whole host of people trading over the next year or so on lots of different courses. We just need to look at it slightly differently, I think. To your exact question, I do not believe we have got the Better Business Support skills element quite right yet for what is the right level of subsidy.

Deputy M. Tadier:

Are you saying you might need to separate the 2 packages?

Chief Economic Adviser:

I think we just need to look at the skills element again for 2026, which is what we are doing at the moment, and see if we can re-tailor it slightly to do what it was aimed to do still, but with a slightly different set of parameters that encourages businesses to invest.

The Minister for Sustainable Economic Development:

I was going to say one of the things that has been concerning, similar to the information that I was told about business not investing in themselves in general in Jersey; it is purely anecdotal, but it has come from a business group, with the message that some businesses are fearful of training up their staff because they fear them being poached once they are qualified. It is very difficult to prove that one way or the other. But it is a really worrying concern because that just maintains Jersey. If that was correct, Jersey's skills base will be maintained at a level below where it could be. From the perspective of how much subsidy, I do not know what the number is, but if subsidy can help businesses overcome that fear then that would be worthwhile doing. Because we need all businesses in Jersey to be training their staff, however they do it, constantly.

Deputy M. Tadier:

But do you think that then leads to a philosophical conundrum about businesses on the one hand saying to Government: "This is your issue, it is about education whereas investment in our infrastructure, like buying a new machine, I am quite happy to as a business owner to take half the money from you if you are going to give it to me so I own the machine. I do not necessarily own the staff, that is your ..." At what point does that debate with Education happen?

The Minister for Sustainable Economic Development:

It is really good question. For me skills, so when you think about an employee in a business, an employee who grew up in Jersey, the employee's formative education from nursery through to 18 is paid by the state, in the main, and the business benefits from that ... all businesses benefit from anyone educated in Jersey. The Government of Jersey has helped educate them, and the business benefits. Once they get beyond ... and it is right, I am not asking for businesses to pay for our under-18 education. But once you get beyond that, and into the skills and lifelong learning vocationally focused education, I do believe strongly it is a public-private partnership. It is not correct for just Government to foot the bill for that. Businesses make profit, obviously, which reaps dividends for shareholders, which is perfectly fine. That is very good. Obviously, every employee they have who has been trained can help that business create more profit.

[14:30]

The Government does not benefit from that profit directly because we do not take tax; there is no corporation tax. I think in Jersey, from a philosophical perspective, there was a strong argument - I would find it hard to hear a different argument - that says it has to be a public-private partnership. Businesses have to pay some of their way on the skills front.

Deputy C.D. Curtis:

Just quickly before Helen goes on with questions, I think that a lot of actual employees end up paying for their training as well, especially if they leave a business before a certain time, they have to pay back the cost of their training. A lot of them pay for it as well, do they not?

The Minister for Sustainable Economic Development:

You are absolutely right. I think that is fair, especially if you have gone on to a training contract and it says if you leave before 5 years, then you will ... that is a contract, you have entered into a contract. I think it is also important that individuals are able to access training and possibly training grants. This is very much in my mind, and the Better Business Support Package does not really address this very much. To some extent it does. People need to be able to potentially change a career mid-career.

Deputy C.D. Curtis:

It is really important.

The Minister for Sustainable Economic Development:

It is really important. Obviously the employer that you are currently with is not going to pay for you to change a career, unless they happen to be a big organisation where you can change within. I think it is important that there are funding routes available to individuals who may wish to change

career. Obviously they would tend to be in their 30s, 40s, or 50s, 60s in terms of age. They are definitely not 18 or 19 when that happens.

Deputy C.D. Curtis:

That skills element will be looked at more carefully.

The Minister for Sustainable Economic Development:

Yes.

Deputy H.M. Miles:

I have got some questions about sector demand and skills alignment, but I think you have answered some of that in the opening question. The Skills Development Fund, as you say, was launched at the end of last year. You have already highlighted that there are some challenges around that due to the productivity element of it. Can you explain how the Government intends to address emerging skills gaps in areas such as green technologies and digital transformation to maintain our economic competitiveness?

The Minister for Sustainable Economic Development:

It is not easy, and I am somewhat sceptical that Government is well-placed to do that. I remember 3 or 4 years ago there was an organisation trying to effectively sell Government a software package which could help them do that, and I was very much against it because I just did not believe that there was any software package that could future gaze and tell us what was happening. We did not take them up. It is looking into the future so it is definitely imprecise, it is definitely not a science. I believe that our best way of understanding the skills needs of the future are to be speaking to businesses. They are the ones who are best placed to know. That said, very few businesses in 2022 would have expected or known that within 12 months there would be a whole load of A.I. (artificial intelligence) products on the market and that I.T. (information technology) firms may need A.I. developers as much as regular software developers and things like this. Despite being on the front line, businesses absolutely do not have perfect foresight either and may not see something that is immediately on the horizon. But I think they are best placed to help us understand, and we do talk to them. I know Skills Jersey talks, to what we are speaking about earlier, constant contact with industry to understand what skills are needed. I think back to 2014, 2015, there was a huge push for coding skills. That is fine. It is really good. Certainly if you are a software developer, you can command a large salary. If we want to build the digital sector, that is fine. But coding is actually quite niche in many areas and having lots of people who can code a bit is not probably going to help the Island very much. But having people who can use the software packages really well, Excel, Word - I say this with the caveat that my wife used to train in this area so I understand it - that in many ways is more helpful because that is what they use in their day-to-day work. Coders are a

much more specific area. Actually, like some people do not like learning French, some people, like me, have tried coding many times and just are not ever going to be very good at it. My brain does not work that way.

Deputy H.M. Miles:

That is very much about the identification side of things. So the Skills Development Scheme identified a number of skills. Around the green energy, it was like low carbon heating design. Also you had solar P.V. (photovoltaic) installation and we talked about historic property management. Your role is very much about the identification of those, and going back to you feeding that into Skills Jersey is probably a question for the Minister tomorrow. But is it a case of offering for sale what you have not got in stock? Because if there are no training opportunities, how agile can Jersey be to suddenly develop solar P.V. training? Or are you putting that back on to that particular business?

The Minister for Sustainable Economic Development:

As far as the actual provision of training is concerned, that is where we rely on off-Island training providers. I think it is really important. There are definitely areas in the economy where there are no local training providers, and so you rely on off-Island training providers. Businesses obviously are free any day of the week to choose to send someone on a course to do that with their own money.

Deputy H.M. Miles:

The grant permits them to do that?

Deputy H.M. Miles:

Yes. Is my understanding - you can tell me if I am wrong - but my understanding is it is entirely up to the employer to choose their training provider. Going back, as I was saying to the Chair, to me that was a really important principle.

Chief Economic Adviser:

You do need to differentiate between the Better Business Support and the Skills Development, which are obviously 2 different funds doing a similar thing but with different purposes, different timeframes as well.

Deputy H.M. Miles:

Is there anybody in your department with oversight of those particular areas of industry to search for economies of scale when it comes to training as opposed to individual businesses doing 5 or 6 different things in different places?

The Minister for Sustainable Economic Development:

Not in our department.

Chief Economic Adviser:

No, there is a fundamental thing, just to come back to as well. I think you mentioned 2 or 3 different areas for growth in the future. The Minister I completely agree with in terms of Government is not very good at doing this and should not be doing it. I think we can say what the skills need in the future. I do not think we can say when they will be and in what demand they will be as well because we do not know how businesses are going to take off, when sectors are going to take off. Markets do not act in a linear way. You would have seen talk about A.I. for a long time, green technologies for a long time. It is only at certain periods where they go past a tipping point, where actually you do need all the skills in those areas. You need to be very prepared, but you need to be as flexible as possible. So training people up in a certain skill area right now might not actually be pay off-able for another 5 or 10 years. It is very difficult to make that prediction. This is where Government should not necessarily be involved in flexibility of labour markets, and a really honest conversation about how we are flexible in labour markets and what skills are going to be better to import and what skills are going to be better to train Islanders up in, is going to be part of that next year or 2 where we have got to be very clear on that, I think.

The Minister for Sustainable Economic Development:

Are we going to speak in your question plans about soft skills at any point? Because if not, I will just mention something on the back of that, if that is okay. What we have been talking about are specific in the main, because apprenticeships are very much: "I want to be a builder therefore I will be an apprentice builder." So we looked at those hard skills and very subject specific skills, but there is the whole range of soft skills, which I think, again I hear this anecdotally, and I have heard it for a long time now, there is a need for better soft skills capabilities in Jersey. By that it is communication, interpersonal skills, customer service skills. We have helped in different areas; impact funding, we have been trying to get customer service skills up, and we have done that elsewhere in customer service. But I think there is a whole area of soft skills, which I think even to some extent, and this is not criticism - even this hearing kind of shows it - is easily overlooked, and is easily overlooked by Government. Partly because anything soft is harder to be precise on, if you know what I mean. But from what I hear, the ability to communicate, the ability to be able to understand and empathise with customers and their colleagues, et cetera, are some of the things that many employers would love to see our employees being better at.

Deputy C.D. Curtis:

I think on the report that has just come out, there was one to do with talking to older school children as well.

The Minister for Sustainable Economic Development:

Yes.

Deputy C.D. Curtis:

One of their comments was they wanted some more general help at school around things like this.

The Minister for Sustainable Economic Development:

Exactly. The thing is that I think a lot of those skills are thought of as remaining in school. Actually, I think we need to bring it beyond the school, the 18-year limit, into your 20s, 30s. Believe me, I could have some help with my soft skills, no doubt.

Deputy M. Tadier:

I was wondering if I could just follow up on some of those. A general question is, where there are students who are under 18 but who are also in the workplace, they may be training to be an electrician, plumber, or whatever, is there an issue with employers who might want to release the students for a course, say, at Highlands where the course will be provided for free, who might be reluctant to do that because there is not money? So they are losing, they are paying somebody effectively to go to Highlands, so even though the education is free. Is that an issue in your mind, something that needs to be addressed? It is one of the reasons I think the trainee rate is important, because the trainee rate recognises the fact that in itself that slightly lower rate of pay recognises the fact that you have not got that person for one day a week. For me, at a political level, it is the same. Investment is so important. If you are an organisation, it does not matter what size you are, you need to invest in your infrastructure and you need to invest in your people. You need to keep doing that over and over and over again. I know politically we are big talk at the moment about investing in infrastructure, quite rightly, because it has been not done well enough, in my view, over the last 20 years. It is the same in people, we need to keep that investment going in people. So I would hope that, even though there is one day a week out of the office or out of the workplace, any business sees it as a good investment for the future.

Deputy M. Tadier:

Do you think we could be moving to a point whereby there could be statutory right to have study leave, training leave? In the same way that an employer may say: "I want to take 2 weeks off and I want you to pay for it as an employer because it is going to make me a better worker ultimately." That would probably receive quite a lot of resistance, whereas if you said: "I want to take 6 weeks off to have a baby and I want you to pay for it", they would have no choice but to pay for it. Do you think we need to rethink the relationship between C.P.D. and what workers can expect?

The Minister for Sustainable Economic Development:

That is an interesting question. Presently, I am in that position where I do feel like we have put enough statutory obligations on to businesses and we do not need to be giving them any more statutory obligations. At the moment, in today's economy, I would say no. I think it should be something that is encouraged rather than made law. But I could see how there would be benefit from that. Whether employers should pay for it, I am not so sure. I do not know. But I know personally I would love to be able to spend 2 weeks of the year studying something, especially if it has got nothing to do with my workplace, then the employer should not be paying for it. So I am not sure it should be statutory because I think statutory means businesses cannot make their own choice or organisations cannot make their own choices anymore.

Deputy M. Tadier:

You do believe in statutory maternity leave and paternity leave presumably?

The Minister for Sustainable Economic Development:

Yes, I voted for it. But I am just saying I am in the position where we must not put more statutory obligations on to organisations.

Deputy M. Tadier:

That was a supplementary, but I have got some other questions here, Minister. Could you outline how lifelong learning is being integrated into Government's wider economic development strategy to prepare for A.I. and automation? I asked that question presuming that there is indeed an automation and A.I.-driven changes strategy. Can you confirm that first of all?

The Minister for Sustainable Economic Development:

We are developing such a sort of strategy at the moment. Government itself, as its own organisation and automation within Government to automate processes, we do not have a view on. You might know from having spoken to the chief executive, et cetera, if there is anything on. I do not know of any internal government plan around that. But with the help of Digital Jersey and the A.I. forum, we do want to develop, and the next Government should be developing an automation strategy for the economy, I think.

Chief Economic Adviser:

Two members of Government are on that council, the A.I. Council that is led by D.J. (Digital Jersey). Because we recognise that we are one of the biggest organisations that is going to employ these techniques, as well as leading the policy and hoping to drive down any barriers that sit around at the same time. We are part of that and playing our role. It is probably a bit too early to say there is a

strategy, and maybe strategy is not what is needed either, but a view and a focus on A.I. is where you find D.J. to be and where they will be playing that role in the future.

Deputy M. Tadier:

We had planned a question about apprenticeships in the low carbon economy. I think that has been touched on already with Deputy Miles's question, but there is also a question about sustainability targets being met. More generally, I suppose, the question is matching up apprenticeships with what is potentially a very fast-changing economy, whether it is A.I. development, the needs of matching apprenticeships with jobs. Is that a conundrum that is easy for you to solve ministerially?

The Minister for Sustainable Economic Development:

It is something of a conundrum, and it is one reason why I place the onus on employers to be the people out there understanding where do we need to buy. Again, where there is subsidy; that is why I prefer to give it to employers so they can choose because they know the skills they need. I struggle with the idea that Government has a central register of skills, because that just smacks of inflexibility. I know even in meetings - I cannot remember if Tom was in these meetings - I have had with Skills Jersey where they ran through the funding priorities for 2026; childminders, culinary skills, et cetera. Even then I felt that sense of: "But what if we are wrong? What if we do not need culinary skills but we do need firefighting skills" or whatever it is.

[14:45]

You have got a government list and what if it is wrong; it feels difficult. I think Government does need to be aware and it is right to have a list of the most needed skills at this time.

Deputy M. Tadier:

Will they include soft skills?

The Minister for Sustainable Economic Development:

That is what I was trying to make the point; I do not think they do. My view is, and I may be incorrect in understanding it, but I do not think we really have enough of a focus on soft skills. I think that when we are talking about all these training opportunities that should be part of the conversation. This is what I am saying when I look through my notes. Everything I see is very much hard skills, very focused on a particular skill or a particular sector, it is not those transferable ... the other good thing about soft skills is they are transferable, and so it is not really on that. I think that is an area where ... I apologise to the Minister for Education and Lifelong Learning if he says tomorrow: "We have got a huge programme on soft skills", I am just unaware of it. He may do, and I congratulate him if he does, but if there is not I would like to see more in that area.

Deputy M. Tadier:

Is there also an issue about needing to unlearn things, so there is a question of learning and unlearning. Does that affect different age groups in different ways?

The Minister for Sustainable Economic Development:

You are getting into the world of pedagogy here and I do not know enough about it.

Deputy M. Tadier:

I am just wondering whether or not at what point you feel that young workers, when they are coming out of the education system, are ready for what the future has in store for them.

The Minister for Sustainable Economic Development:

It is difficult to say. What I would say is I think nowadays we live in a world where flexibility is expected. So our parents' generation, which was very much a job for life, that has disappeared. I think most people, and this started with, I would say, my generation - I am in my 50s now - that sense of there is no job for life. So you, as an individual, have a sense of responsibility to yourself to make sure that you can move and flex with the changing workforce. There is a personal responsibility; that is the other thing. There is a personal responsibility on ourselves. We all know people, possibly ourselves, who love learning and constantly learning. I congratulate those people, but other people find it harder, but we do need to find ways to encourage that learning.

Deputy M. Tadier:

Thank you. I think we have covered some of the other points. I am happy to move on, Chair.

Deputy C.D. Curtis:

I have about 5 questions, but I can actually roll them all into one because you have already covered quite a bit of this. On this stakeholder report, employers mentioned financial costs of taking on apprenticeships, like all the mentoring involved and so on, dropout rates, having people with no work experience and things like that. The question I am asking is: do you think there needs to be any more support, any further subsidies or support? That is really what I am asking here.

The Minister for Sustainable Economic Development:

I am not aware that there needs to be at the moment. I have not had any evidence provided to me to say that there needs to be more support. As I said, my biggest concern is the potential withdrawal of the £2,000 support that we got, the Better Business Support Package, at the end of this year. That would be the first place I would look. Do we need to continue that support in some way? It

does not have to be the same, could it be improved, et cetera? But do we need to continue that support? Tom, do you have a view on the levels of support?

Chief Economic Adviser:

It is a really interesting one. I think Jersey, being a small community and not having scale, has different challenges than you would do with a more flexible market on a bigger scale. Therefore it impacts on business quite a bit harder if someone does drop out. They do not have as much resource to put into these types of investment. It is more of a waste. The same with public expenditure, there is more of a waste if you do not get it right. I think that is a bit of an issue that might put businesses off. Our businesses are smaller, they have less spare capacity to put into these types things, even though everything is still just as important. That risk becomes quite a lot greater, so we do need to think about how businesses work with those risks, which I think is where we started, and trying to de-risk that for them somehow. That does not necessarily mean more government support or government expenditure, because there is only so much we can do, but just enabling businesses to be more flexible and to take the right decisions is really important. Working with them a bit closer on a very important topic is probably where we need to be.

The Minister for Sustainable Economic Development:

I know from my own experience of having employed people, but also speaking to other employers, when you are a small business, the single biggest and most difficult decision to make is when to hire the next person. It is a huge decision because you get it wrong and you are paying someone that you do not need to pay. Or you did not hire someone and you really wish you had done, but it is too late now and you are having to deal with that customer's order without enough hands around you. I think for any small business that is the toughest decision they always make. It is always a question of when. When do I take on the next person? When is it right for me to? It is a really difficult decision to make.

Deputy C.D. Curtis:

Considering we have got lots of small businesses here, maybe there could be some more thought given to how to support them in that way. I am not sure how it would be.

The Minister for Sustainable Economic Development:

Yes, I think that would be worth it. That is potentially soft help, if you know what I mean. It is not necessarily monetary help, but they are helping. Again, we could ask Jersey Business to look into this. Are there any ways of understanding your own business to help you understand better whether you need to take someone on now or later, et cetera.

The Connétable of Grouville:

My question, this one specifically involves submissions we have received about raising concern that the Better Business Support Package is not available to self-employed people, as we discussed before. Could you clarify, one, that this is the case and sole traders as well? If so, explain the rationale behind this approach and whether any consideration has been given to extending support to the self-employed and sole trader, so small businesses?

The Minister for Sustainable Economic Development:

In very short, the answer is no, they are not. So, sole traders and self-employed, lone-employed people are not eligible for the Better Business Support Package, merely an element of it. We have not considered extending it to them either, and we are not planning to consider extending it to them either. The reason is because the Better Business Support Package has been created directly as a result of the increase of the minimum wage towards the living wage. So, if you are not employing someone you are not paying the minimum wage, you do not have that demand. The Better Business Support Package was to help businesses cope with the sudden increase in the minimum wage. But if you are not employing someone you are not having to cope with a sudden increase in the minimum wage because you are not employing anybody. That is why; it was simply because of that. It is money used from the Social Security Fund as well, which is obviously linked to employment - the Social Security Fund - so it is entirely about employment and trying to make employees more productive. If you do not have an employee you cannot make them more productive.

Deputy M. Tadier:

Do you accept there is an opportunity or a missed opportunity potentially here because you said in your previous answer that one of the biggest decisions is about: "Do I take on an extra member of staff?" That would apply to a one-man, one-woman band.

The Minister for Sustainable Economic Development:

It happened to me. When I was a one-man band, that is exactly the question I had in my head.

Deputy M. Tadier:

That could actually be much more targeted, somebody who is not currently an employer, but who wants to be a good employer, employs someone at a living wage. But is that not surely an opportunity to get more people in employment?

The Minister for Sustainable Economic Development:

It possibly could be, and that might be something worth looking at; just someone who is thinking of taking on an employee.

Deputy M. Tadier:

Are there other reasons for that?

The Minister for Sustainable Economic Development:

A training grant for an employee?

Chief Economic Adviser:

In a very perverse way, what we are trying to do is get people to move away from labour into capital and not employ people where they do not need to because we do have a shortage of labour on the Island. The second reason why I think not extending it out to that group, it is about productivity and one person companies are not big drivers of productivity and having lots of them ... I am not saying they are not productive, I am not saying they are not efficient. But as a whole, as a macro position, the more of those you have, the less productive you generally will be.

Deputy M. Tadier:

What you are saying is that the productivity grants could lead to them laying off staff because they no longer need them?

Chief Economic Adviser:

Or expanding without necessarily needing staff, and we do have a shortage of labour. So those staff moving around is not a bad thing for the economy as well. Again, we are not necessarily saying laying off staff. What we are saying is if you want to expand, try and do it in a non-labour intensive way rather than just taking on more staff all the time, particularly in the sectors where we have been targeted because again one of our biggest problems has and will be that labour shortage. Moving towards capital investment and away from the need for labour is how we drive productivity.

Deputy M. Tadier:

When the Minister says it is to help with the move to living wage, what we are actually saying is that the wages might move to the living wage, some might already be paying that, but you are likely to get fewer jobs at the living wage?

Chief Economic Adviser:

That is possible and we said that at our briefings of the living wage throughout as well, that as wages go up there are likely to be ...

Deputy M. Tadier:

Productivity is the main driver.

Chief Economic Adviser:

Yes, it absolutely is. Again when you are in a tight labour market like we have, and I am not saying there are not areas that are less tight because the labour market works across a number of different layers, but at a certain level we do still have a quite tight labour market. Not just bringing people in on to the Island to do those jobs is really quite important for us.

The Minister for Sustainable Economic Development:

That is one of the things about Jersey's economy over the last 20 or so years, this century basically, it has grown through increasing the population. One of the premises of the Future Economy Programme is how do we grow the economy without using population growth as the driver of the economy. That is where the productivity bit comes in. You are trying to use, and it is the state of the policy.

Deputy M. Tadier:

I do not want to labour the point but to get back to ...

The Minister for Sustainable Economic Development:

Just quickly, we are trying to use less labour to get greater economic output.

Deputy C.D. Curtis:

We are nearly out of time, so we will just finish in a moment. I just wanted to say it is a bit of a shame in a way for the young person because they could get such intense mentoring from a one-person business probably. It could be a real opportunity for them.

The Minister for Sustainable Economic Development:

I will ask Tom to take it away and speak to the team. From the perspective of taking on your first employee, it may be something that we can do. I think if it is just: "Kirsten has got his business, only he works in it, he wants some training", that is not what it is designed for. Perhaps, and I will ask him to take it away and think it through, there is something about taking on your first employee.

Deputy C.D. Curtis:

Okay, great.

The Connétable of Grouville:

I would like to have a brief supplementary, because we know that the Better Business Support Package is ending at the end of this year, potentially maybe into next year, but are you concerned about that?

The Minister for Sustainable Economic Development:

Yes, in different areas. There are a few areas, which I think we should continue. One is the increased ... so, this area, I think something where you could probably say: "Look £2,000 into the future is a good thing to do." The money for Visit Jersey, I think it is really important that needs to continue as well. And the money for the wages. So agriculture, because we have the Rural Support Scheme, in terms of agriculture, the Better Business Support scheme just paid £1.1 million into that Rural Support Scheme; so it has given a direct subsidy. That needs to continue because obviously the agriculture employers will be paying that higher ... they are going to have a big gap if we get rid of that £1.1 million. I think those 3 areas here, the Visit Jersey side and the agricultural side, are the 3 areas that we really need to look at maintaining into the future.

The Connétable of Grouville:

That is very honest, thank you, Minister. Can you also outline how the £1.5 million skills grant and the £2,000 per apprentice grant is allocated to ensure they deliver that measurable improvement?

The Minister for Sustainable Economic Development:

I will pass that to Tom.

Chief Economic Adviser:

Of the £1.5 million, £1 million was set aside for apprentices, so that was based around £2,000 for each apprentice at a rate of about 500 apprentices each year, which is the number I think we gave earlier on, so that takes up the majority of that million. There is then £500,000 to go into businesses directly to help with any skills they needed. Both are under where we would have wanted them to be in terms of actually spending that money, which is not necessarily a bad thing from a Government point of view, but it does mean that whether or not, coming back to I think Deputy Tadier's, have we got the right subsidy level, have we got the right programme level there, we maybe do not have at the moment. But there is no doubt also what was better for the apprenticeships was the reintroduction of a trainee rate, which does pay for just about an entire day out of the working place because it is around like 20 per cent to 25 per cent less than the minimum wage. I think that quickly supplanted the need for the apprenticeship money. So there is maybe not a surprise that while we did have an uptick towards the end of the year that was not taken up by companies because the need was not there in the same way. I think that is a better outcome. That is a better outcome that the training rate is coming and therefore we are saving public expenditure and still having the apprentices in the right place.

The Connétable of Grouville:

How is that success being measured? Is it being measured enough for your data to be up?

Chief Economic Adviser:

Jersey Business have got fantastic data across all of this. We will be doing a mini-evaluation - we are in the middle of a mini-evaluation - and that is where we look at actually is the programme right for 2026. So have we got the skills element correct? We will do a much greater evaluation when we know the outcomes, which is still a good year away before we can do that. But it is really important we do that, even if the money comes to an end, that we still know what has worked and what has not so it is on the books to understand that for the 5 years' time, 10 years' time, not just an accountability point of view but if we want to do something in the future to learn from it.

Deputy C.D. Curtis:

We are nearly finished. Helen and Monty, are there any more questions that you wanted to ask specifically before we go? I think we are done.

The Connétable of Grouville:

Thank you for your honesty.

Deputy C.D. Curtis:

Just on time, so thank you very much. We have some more questions to send you in writing.

The Minister for Sustainable Economic Development:

Please do.

[14:59]