On Friday, I went straight from this press conference into a meeting of the Policy & Resources Committee. One item on the agenda was an urgent policy letter to be submitted to the States of Deliberation this week, if the Presiding Officer agrees. It deals with the consequences of this crisis on the States' finances.

At the beginning of this crisis, we were just dealing with a public health issue. We are now dealing with a public health crisis and an economic crisis. Whilst we don't know exactly how long the public health crisis will go on – depending on whether there is a 2nd or even a 3rd wave in the virus – the economic shock is severe and we should all expect that recovery from the economic crisis will take longer than the public health crisis.

At this stage, the full effect on the States' financial position is unknown and will be largely dependent on the timescale over which the public health measures continue, the speed at which we can restart the whole economy and the speed at which the economy is then able to recover lost activity. But what we do know, is that we are in a genuinely unprecedented situation.

Based on current estimates, we believe we will have a requirement in 2020 alone to find £170-190million. This includes: financial support schemes for businesses, a reduction in States' revenues across all revenue sources, increases in States' expenditure and reduction in States' operating income; Aurigny's requirements; the provision of overdraft facilities for all our other trading assets who are managing their own cash flow requirements; and financing the States' cash-flow as payments to the States are deferred. These estimates will increase if we have further waves of the virus or if we need to extend business support measures. For example, we said last week that some higher risk sectors – for example pubs and clubs may be closed for some time, even whilst the rest of the economy has restarted; and as we also expect tight borders to continue for a considerable period, the travel and visitor economy is going to be particularly vulnerable. There is very likely to be an impact into 2021 and beyond as the recovery progresses.

So, we will be seeking the States' authority for to use of up to £100million from our Core Investment Reserve – our sovereign wealth fund; our rainy day fund.

Whilst the States have considerable financial assets in our investment portfolio, they have suffered a decline in value as result of the falling market (approximately 11% in the first quarter, reversing much of 2019's gains) and selling assets now would simply crystallise these losses. To enable further consideration to be given to the most advantageous time to liquidate assets or whether the costs of responding to situation should be converted into longer-term borrowing, we will be seeking authority for the Policy & Resources Committee to borrow up to £500m, in order to provide the liquidity to fund business support measures, to replace income lost as a result of Covid-19, to service cash-flow requirements as payments to the States are deferred and make overdraft facilities available to trading assets and, of course, also to provide firepower to our recovery plan**.**

These are eye-watering sums, particularly for me, having spent the last 8 years battling to wrestle control of our public finances.

I said a few weeks ago in relation to the public health crisis, 'we've got this.' And I say again, now, in relation to the economic crisis, 'we've got this.' Like the public health crisis, it's going to require swift, big, bold and courageous decisions – which is why we are going to the States this week - but just as we are managing our way through the public health crisis, so we will manage our way through the economic one too. GuernseyTogether, we will get through this.