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Assemblée des États

Public Accounts Committee

Arm's Length Bodies, Grants and Subsidies Review

Witness: Digital Jersey

Wednesday, 5th November 2025

Panel:

Deputy I. Gardiner of St. Helier North (Chair)

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

Deputy R.S. Kovacs of St. Saviour

Deputy D.J. Warr of St. Helier South

Deputy K.M. Wilson of St. Clement

Mr. P. Taylor

Mr. V. Khakhria

Ms. L. Pamment (Comptroller and Auditor General)

Witnesses:

Mr. T. Moretta, Chief Executive Officer, Digital Jersey

Ms. A. Taylor, Chief Operating Officer, Digital Jersey

[14:31]

Deputy I. Gardiner of St. Helier North (Chair):

Good afternoon, and welcome to the public hearing of the Public Accounts Committee. We are today questioning Tony Moretta, Chief Executive Officer for Digital Jersey, as part of our Arm's Length Bodies, Grants and Subsidies Review. We will look into the governance arrangements, renumeration, executive relationship with the Government and risk management. The question that P.A.C. (Public Accounts Committee) is always asking, what value for money does Digital Jersey deliver? But before we go into the questions, let us introduce ourselves. Deputy Inna Gardiner, Chair of the Public Accounts Committee.

Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter (Vice-Chair):
I am Deputy Kristina Moore, I am the Vice-Chair.

Deputy R.S. Kovacs of St. Saviour:
I am Deputy Raluca Kovacs, member of the panel.

Deputy K.M. Wilson of St. Clement:
Deputy Karen Wilson, member of the panel.

Deputy D.J. Warr of St. Helier South:
Deputy Warr, member.

Mr. V. Khakhria:
Vijay Khakhria, lay member.

Mr. P. Taylor:
Phillip Taylor, lay member.

The Comptroller and Auditor General:
Lyn Pamment, Comptroller and Auditor General in attendance.

Deputy I. Gardiner:
Would you introduce yourself, please?

Chief Executive Officer, Digital Jersey:
Tony Moretta, C.E.O. (Chief Executive Officer) of Digital Jersey.

Chief Operating Officer, Digital Jersey:
Amy Taylor, C.O.O. (Chief Operating Officer), Digital Jersey.

Deputy I. Gardiner:
Thank you very much. For the first question I will hand to Deputy Moore.

Deputy R.S. Kovacs:
Apologies, I just have to mention that I might have to receive a call around 3 o'clock, a doctor appointment, in case I need to step out.

Deputy I. Gardiner:

Yes, thank you.

Deputy K.L. Moore:

So, as the Chair introduced, one of the key themes in this review is looking at value for money. So, if we could start, please, by asking you how Digital Jersey demonstrates value for money in your use of taxpayer funding, including how you measure outputs versus outcomes.

Chief Executive Officer, Digital Jersey:

Okay. So I think it is worth referring to what we have sent you and go through. Perhaps if we start off with what we have sent you and then if you want to clarify and ask questions on that as well.

Deputy K.L. Moore:

I think perhaps for the purposes of this public hearing, particularly if there are people who are listening, if you could answer the questions in this forum, that would be helpful. I unfortunately do not have access to any papers.

Chief Executive Officer, Digital Jersey:

Okay, well I will start off, and Amy can add in some of the detail on the numbers. I think one of the things that we can do for value for money is because we are arm's length, we are able to raise money from industry as well. So we actually raise money from … because we are an industry association.

Deputy K.L. Moore:

Yes, but I think the question relates to the taxpayer funding component. That is really what we are looking at, the value for money for taxpayers.

Chief Executive Officer, Digital Jersey:

So what I was going to say is we can add to that. We make the taxpayer funding go further because we actually have the ability to raise … on average about 25 per cent of our taxpayer funding we raise from industry as well. So we make that go further. We cannot just spend the taxpayers' money we get. So that is one of the benefits we get as an industry association. In terms of how we actually spend our money, I think because we are a commercial organisation in the sense that we are separate from Government, we have a set budget. We have some stats. I think we said before, if we look over the last couple of years, we have had our funding cut in real terms by about … inflation has been about 25 per cent and our funding in that period has only raised about 5 per cent. We manage our costs, so we have reduced our senior headcount fairly significantly over the last few years, our overall headcount by about 15 per cent. So we are very careful what we do with our money there. So we deliver more from less in that sense, so value for money. I think also we are focused on a range of initiatives, such as growing … and we can talk about that later on in specifics, in terms of creating jobs, supporting local companies. We are following the economic development priorities because we are an economic development agency. So I think we are focused on getting the most bang for our buck, so to speak, in terms of how we use that taxpayer funding. I think one of the things we also see as well is not only the feedback from Government, but I think the fact that we have grown our membership over the last 5 years and doubled it to about 220 corporate members. They are all paying to be members of Digital Jersey. So it is quite a good proxy that we are actually demonstrating value for money for them as well as Government in terms of what we are delivering. I also think in terms of what Digital Jersey does, we perform a function in terms of value for money for the taxpayer. As you know, very much the Government digital team is focused internally on Government I.T. (information technology). We have a function that goes externally as well across. So if you look at some of the work Digital Jersey has done historically, we were the ones who developed the Digital Health Strategy across Jersey, the Digital Skills Strategy, the Smart Island Strategy. Now we have done that with co-operation, we have brought people together. You might have seen, possibly not if you have been in here, we have announced the formation of the A.I. (artificial intelligence) Council where we brought together industry, Government and the regulators today to have an A.I. Strategy. I think we deliver a very important function for the taxpayers of Jersey in terms of being future looking, in terms of looking at what happens to digital. Only the other day, as some of you may have seen, if you listen to the Fiscal Policy Panel, they talked about the threats to Jersey's economy, that we are very dependent on financial services. The digital sector is the only other economic sector that pays salaries close to financial services. But also the threats and opportunities from technology, particularly around A.I., are very important. I think there is very little focus on the future and I think for the very small, something like 0.01 per cent, of Government expenditure that is spent on Digital Jersey to be looking at the future and innovation and how we cope with the opportunities and threats of technology, is a very important function for the people of Jersey. I do not know whether you have anything to add, Amy, in terms of value for money?

Deputy K.L. Moore:

Well, I was just going to ask if you could perhaps talk us through how you measure your outcomes.

Chief Operating Officer, Digital Jersey:

I think we try to reflect on this in the same way that the public finances does in terms of economy, efficiency and effectiveness. The effectiveness is really where we talk about outcomes particularly. We operate on an O.K.R. (objectives and key results) model following what tech companies often do in terms of measuring their key results and that is something that is embedded in our culture as an organisation so we set our objectives and we agree those with Government. We have headline outcomes that we are looking for like growing the digital economy and underneath that we set objectives for the year, headline objectives, and then detailed key results. Then each team member is given a detailed set of key results they are to deliver. We monitor those on an ongoing basis, we report on them quarterly, internally and to Government, so that we can track that. We also look for external feedback, so we are very keen to make sure that those to whom we are delivering services and activities give us feedback. So we take feedback from events, from all of our courses. We have a target of receiving at least 80 per cent feedback on all the courses that we have delivered from our facilities. Everything that we do, we are making sure that we are hitting the outcomes that people are looking to do. We are also building on that with impact evaluation, particularly with Impact Jersey. We have done an evaluation of the first programme and we are in the process of finalising that. We have not published it, but we will be publishing the outcomes of that in terms of really looking at what is the theory of change? What are we trying to sea change? How is that change being delivered? What are the outcomes and what are the potential benefits for the public of that work? That is very much part of our culture, I think, as an organisation.

Deputy K.L. Moore:

Thank you. In your Strategy and Business Plan for 2014, 6 strategic targets were identified. Are you able to confirm to the Public Accounts Committee whether those have been achieved? Apologies, that is somewhat looking back in time, right back at the beginning of Digital Jersey.

Chief Executive Officer, Digital Jersey:

I did check if that was a typo when it came in. I will do it from memory, I cannot find it in my pack.

Deputy K.L. Moore:

Yes, that is why I was reaching for my glasses.

Chief Executive Officer, Digital Jersey:

I think it is worth saying that was at the very beginning of Digital Jersey in 2014. Believe it or not, I was not here at the time. I came in at the end of 2015. I think I had seen you had had a discussion with people about what bodies were originally set up and it was there. When I came in at the end of 2015, there was a very strong message from the Minister at the time, from Government, that the strategy was not working, it was the wrong strategy. Before I came, there was an open letter from industry to Government saying Digital Jersey was not working, it was focused on the wrong things, it was too corporate. I also recall on the first week I got here, some of you might remember, Government published an innovation review from Tari Ellis from McKinsey and there were a lot of detailed recommendations. We actually published a new strategy at the end of 2015 going into 2016 with the backing of Government. What I would say, because I looked at this, there were lots of things … and in some ways, Digital Jersey, I think, was a bit like a startup. They pivot. They think, well, we set up one thing. If I look back on what I found, I think there was a big focus, understandably at the time from Digital Jersey on e-gaming, which other jurisdictions are focused on. Government had backed Digital Jersey to do that and then Government pulled the plug and said: "We do not want you looking at e-gaming." I think there are a lot of objectives under Digital Jersey they did not have control over, such as digital government, immigration controls, things like that as well. That is why not only did we agree a new plan for Digital Jersey going forward, but we split responsibilities because actually we recommended the formation of what was then called the Digital Policy Unit. We said Government needs to take responsibility for policy, regulation, legislation around digital. But also I think, looking back, it is easy to look at some of the headlines. The Jersey Space Programme was in the original plan, which was a good idea in terms of getting kids interested in technology, not so practical in terms of putting a satellite up into space. If we look at what we have evolved since, what Digital Jersey then did was Jersey Coders. We have had the courses since. If you look at where it has gone to now, with F1 in schools or S.T.E.M. (Science, Technology, English and Maths) racing, as it is called now, we have still carried on looking at how do you get school kids interested in technology and the role there. Looking back on Digital Jersey as well, the original plan was very much focused on how to grow the digital economy as a sector in itself. That has carried on as one of our main focuses, so growing the number of jobs, supporting local companies, bringing in inward investment. But one of the things that I think was missing, because this is not a function Government historically has done, is technology is both a vertical in the economy but it is also a horizontal. So the importance of helping every other economic sector of Jersey using technology, whether that is FinTech in financial services, AgriTech in agriculture, even tourism, that was not being performed as a function. We have performed that as well. You add on to that the focus on skills. I would say we have evolved since then. There are certain things that were set up around jobs, which we can go into. We did some work recently on the stats. One of the problems of measuring the digital economy is Statistics Jersey in common with the Office of National Statistics, they still use S.I.C. (Standard Industrial Classification) codes to measure economic sectors. The only way they measure the digital sector is on telecoms and information communication. They miss out other sectors as well. What we saw … and this is the same in the U.K. (United Kingdom), that is why the U.K. had a tech nation report. So we could have Amazon, Facebook and Monzo, and they would not appear as digital, they would appear as retail and advertising. What we have seen over the years is we have seen, when we looked in 2019 at Tech Nation, there were about 2,000 jobs in the pure digital sector, 3,000 jobs in the wider digital economy. Out of the members we have looked at, we can see that about 180 digital companies that are or have been members have been created in the last 10 years. So we have had that focus on job creation, company expansion, inward investment. But I think we have had to have a wider focus because that is what Jersey has needed.

Deputy K.L. Moore:

Thank you. I am just conscious of the time. I have one quick follow-up which I think you can answer quite briefly. What I am hearing from your answer is that there is really a constant review process between yourselves and Government.

Chief Executive Officer, Digital Jersey:
Yes.

Deputy K.L. Moore:
Your strategic outcomes have evolved through that review process, would you agree?

Chief Executive Officer, Digital Jersey:
Yes, definitely. You are right we have done that with Government, we have had strategy sessions, annual review, yes.

[14:45]

Mr. P. Taylor:
Who is Government in that context?

Chief Executive Officer, Digital Jersey:
In terms of who we work with?

Mr. P. Taylor:
Well, you just said you agree with Government, who in Government?

Chief Executive Officer, Digital Jersey:
Principally our funding has always come from the Economy Department. I would see it as we are principally an economic development agency funded by Government through the Economy Department. Our core funding has always come through the Economy Department. Well, I say always come through, when I got here it was the Chief Minister's Office. Originally with Digital Jersey, the Chief Minister's Office.

Deputy I. Gardiner:
Now it is the Economy Department?

Chief Executive Officer, Digital Jersey:

Now, it is the Economy Department. We have had funding from Education, we have had funding from the Chief Minister's Office for Impact Jersey and things like that, but principally we have been funded from the Economy Department.

Mr. P. Taylor:

What are your principal objectives at the moment in meeting Government or the Minister's policy?

Chief Executive Officer, Digital Jersey:

We have growth of the digital sector in terms of jobs and companies and that includes helping local companies grow, export, succeed, also bringing in relocations around digital to create new jobs, companies, et cetera. Use of technology across industry. We have had a particular focus under our current Minister to focus on research and development. Jersey does not have an R. and D. (research and development) function. We do not have a university. Organisations like Innovate UK and the Digital Catapults and Tech UK and Tech Nation in the U.K. do not cover Jersey. We have to fulfil a lot of that role. We have growing the digital industry, improving the use of technology across the whole economy and then also growing digital skills.

Mr. P. Taylor:

You say that the Department of Economic Affairs determine the budget?

Chief Executive Officer, Digital Jersey:

Yes.

Mr. P. Taylor:

How do they do that?

Chief Executive Officer, Digital Jersey:

We had a budget when I got there. In each Government Plan, we have tended to sit down and work with the Economy Department to say what is the plan. It depends on how long the Government Plan is forecast to go on for. We have a process, which we have done every single year, that we submit a business plan by the end of October every year to the Economy Department. We take that through our board first, the Economy Department then review it. We have a partnership meeting with the Minister present and officers. They give us feedback on the business plan and we make relevant changes. Historically, we have had our budget agreed to roughly what our budget is going to be in advance. Over the last couple of years, our budget, shall we say, has been a bit more last minute. So we will go in with some assumptions on our budget but we do not always get what we have asked for, which is understandable. Sometimes we have to cut back some of our activities, sometimes we are asked: "If you do not get this amount of money, how do you do it?" That is the process we go through every single year.

Mr. P. Taylor:

Is the department clear on the outcomes it is looking for?

Chief Executive Officer, Digital Jersey:

We put forward an operational plan which has the O.K.R.s that Amy was talking about in the plan, we talk about our activity, we talk about the outputs, we get feedback from Government and make changes based on that feedback. The same with our board. Then we agree finally at the end of the year what we are going to be delivering and what our budget is going to be.

Deputy I. Gardiner:

Just very quickly, because it is important, in a letter to the panel for the budget for 2025, you said: "The partnership agreement with the Economy Department was due to expire on 31st December 2023 and was extended by a signed letter agreed by both parties for 3 years to December 2026." Can you advise P.A.C. the reason for the extension and what do you need to present to have this extension?

Chief Executive Officer, Digital Jersey:

Amy can provide some detail, but the high level is that the existing partnership agreement was expiring. I think Government was working on a revised partnership agreement but it was not ready, so we had an extension. I think a lot of A.L.O.s (arm's length organisations) were extended, their existing partnership agreement was extended for one year. We requested an extension of 3 years to match … we had a separate agreement on Impact Jersey with Government in terms of a management contract - I think we said that within our response - and we did not want to be exposed by having one contract with Government that was not lined up in timescale of another. So that was why ours was extended under the same terms for 3 years.

Mr. P. Taylor:

Okay. So you agreed the outcomes with the Minister or the Chief Officer and you have K.P.I. (Key Performance Indicators) to demonstrate meeting those outcomes. How often do you meet to report back on the outcomes against ...

Chief Executive Officer, Digital Jersey:

There are different aspects to that. There are lots of day-to-day discussions and some of the economy team are involved in some of the things we do. It is worth saying that the economy team send a representative to every single board meeting. We have a board meeting quarterly. The

Government get a copy of all of our board pack. So the Economy Department get a copy of the whole board pack that is sent over to them in advance. The partnership agreement stipulates we have 2 partnership meetings a year and our chair joins those and the Minister joins that, as well as officers. There is quite a constant feedback but the formal thing is the partnership agreement and the full board meetings.

Mr. P. Taylor:

If the outcomes were not being met, they could be annoyed with you, shall we say?

Chief Executive Officer, Digital Jersey:

Well, yes. We provide to every board meeting a pack showing how we are progressing against the O.K.R.s and then Government get a copy of that. We review it at the end of the year as well.

Mr. P. Taylor:

Okay, now one of your roles there is marketing the digital economy to outsiders. To what extent do you liaise with the other marketing bodies for the Island? It would be Jersey Finance or Jersey Business.

Chief Executive Officer, Digital Jersey:

The marketing heads, I believe, have a monthly or quarterly meeting to co-ordinate and tell each other what is going on off-Island and on-Island in terms of events, things to work together. So certainly the economy - so Jersey Finance, Visit Jersey, Jersey Business - and the marketing teams get together to agree that. Obviously we are quite often marketing different things, so there is not a huge crossover with tourism with us, although if we are doing a relocation campaign we can use some of the Visit Jersey materials. We work most closely with Jersey Finance because of the focus on FinTech and Government as well with Locate Jersey. We have a Jersey for FinTech brand that we have and FinTech.je as a website. That is a joint marketing campaign with Jersey Finance and Locate Jersey with support from the J.F.S.C. (Jersey Financial Services Commission). We had planned events but then COVID and the events will changed, but we had a website, campaigns. We do have joint events. We support each other locally and off-Island as well. It depends on the subject matter of how we work together.

Mr. P. Taylor:

What work do you do in terms of promoting cyber security and A.I. as you mentioned earlier?

Chief Executive Officer, Digital Jersey:

They are different in how we treat them. It is worth going back to when I came in and I said we recommended setting up a digital policy unit within Government. We agreed a sort of demarcation, for want of a better word, to avoid duplication. The Government digital policy unit at the time focused on things that were, say, hygiene factors or worked across the whole economy, things that needed legislation, regulation. For example, they focused on cyber security, G.D.P.R. (General Data Protection Regulation), the Information Commissioner, setting up the Jersey Cyber Security Centre. One of the reasons you do not see us making it a big part of what we do and promote is because other parts of Government are doing that, so we do not duplicate. We are the liaison with industry, because of the membership, on cyber security. We promote what is happening, whether that is events, communicating to our members about new law changes, consultations and things like that. We act as a conduit for industry but we do not duplicate what they are doing. That is cyber. A.I. is a bit different. What we have announced today - it has just gone out - is we have formed what we have called the Jersey A.I. Council. We have been doing some work since the beginning of the year with outside expertise. We have Professor Dame Wendy Hall on our board, who is the U.K. representative on the U.N. (United Nations) A.I. advisory panel. She co-wrote with Theresa May Government A.I. Strategy. She is on our board. We have also worked with Professor Alan Brown. We have looked at Jersey and we have identified the big opportunities are public sector and financial services for A.I. We formed an A.I. Council which we chair but it comprises Jersey Finance, the Jersey Financial Services Commission, the Information Commissioner, the Jersey A.I. Forum, the I.o.D (Institute of Directors) and Government. Government are represented as well. That is about a co-ordinated plan for how Jersey becomes a rapid adopter of A.I. with a particular focus, not exclusively but a particular focus, on financial services.

Mr. P. Taylor:
If I were to ask them, what would they say that you contribute to that?

Chief Executive Officer, Digital Jersey:
I think we act as the convener. We act as the access to expertise off-Island because we do not have a huge amount of expertise on-Island for A.I. I think we have a focus going forward in terms of A.I. skills, in terms of the identification of technology to use because, again, Jersey Finance is a promotional body and an industry association. Government is focused internally, so we use our relationships with academic institutions, with big companies like Google. We have had conversations with Google and Microsoft about how they get involved. The technology side as well, thought leadership. But, actually, we need every one of those organisations to build A.I. into their plans going forward.

Mr. P. Taylor:
Those type of activities related to cyber and A.I., that is built into your budget?

Chief Executive Officer, Digital Jersey:

Yes, absolutely.

Mr. P. Taylor:

So it does not come as a big surprise to everybody that we have to have more money for this or more money for that?

Chief Executive Officer, Digital Jersey:

When we went to Government at the end of last year, we said - I have forgotten the exact wording - that we would develop an A.I. roadmap for Jersey and that was agreed by Government we would do it. So we have been doing work on that and the A.I. Council is one of the recommendations from that work we have had done.

Mr. P. Taylor:

Now, no Public Accounts Committee meeting can ever take place without discussing remuneration. How does the process for your remuneration bonuses work?

Chief Executive Officer, Digital Jersey:

Do you want to talk about that, Amy?

Chief Operating Officer, Digital Jersey:

In terms of the executive and board remuneration, we have a Remuneration and Nominations Committee and that is a sub-committee of the board of directors. It is their responsibility to set pay for the Chief Executive and for board members. For the Chief Executive, the process is for the annual appraisal. There is a set of objectives, both personal and business objectives, and the company objectives that Tony is tasked with delivering. There is an appraisal process to assess his performance against those. I am not party to it, because this is a board activity. The Chair meets with Tony annually to go through that, then the Remuneration and Nominations Committee meets separately to discuss whether … there is 2 areas of pay, so there is a bonus pot available and whether to award that bonus at the end of the year based on performance and they look at cost of living. Those decisions are made by the board on the recommendations of the Remuneration and Nominations Committee.

Mr. P. Taylor:

Is there interplay with the Government on that?

Chief Operating Officer, Digital Jersey:

Our pay budget is part of the budget we send to Government as part of our proposals in October, which we have to submit to Government each year. Our pay proposals in terms of our intention around cost of living reviews is included in that. We typically aim to fit within whatever Government is doing with civil servants, although typically we have not been able to match the civil service pay rises over the last number of years because our budget has not grown with R.P.I. (Retail Price Index) sufficiently to enable that. They are aware of what our pay proposals are in advance of any decisions being made on pay, and they approve our budget. We answer any questions that we are asked in terms of specifics around that, but then they are not part of the Remuneration and Nomination Committee.

Mr. P. Taylor:

The Chair keeps on looking at me, which probably means she has got a supplementary question.

Deputy I. Gardiner:

If I can, what are the objectives must be met by senior executives to be able to receive bonuses? What are the objectives that the Remuneration and Nominations Committee would consider when they consider if the bonus is due or not?

Chief Operating Officer, Digital Jersey:

You probably need to answer that because it is about you.

Chief Executive Officer, Digital Jersey:

When I do my appraisal with the Chair, we set out what the objectives are for the following year. Generally, they are a mixture, as Amy said, of achieving, say, 90 per cent of the outcomes for the whole organisation, the business plan we submit. There are personal objectives as well, leadership, staffing, relationship with the board, things like that. The board gets together to discuss … and as Amy said, it is a mixture of bonus and pay. Typically what happens is that the cost of living increase goes to Remuneration and Nominations Committee as well. The board decides whether that applies to me as well or not.

Deputy I. Gardiner:

Probably we need to follow this with a letter to the board to clarify more.

Mr. P. Taylor:

Can I ask one more question, please, Chair? How many directors do you have?

Chief Executive Officer, Digital Jersey:

We currently have … I am the only executive director on the board. We have a chair and we have 4 N.E.Ds (non-executive directors). We just reduced the size of the board. We just had 2 members of the board step off and we only replaced them with one. We made a conscious decision as our funding was cut last year, we would reduce the board costs by only replacing one. It is worth saying, if we are talking about salary and stuff, that I did not get a pay rise this year at all because our funding was cut.

Mr. P. Taylor:

You have my sympathy.

Chief Executive Officer, Digital Jersey:

I am not asking for sympathy, but just if that is one of the subjects.

Mr. P. Taylor:

What skills did you lose having dropped 2 of the directors?

Chief Executive Officer, Digital Jersey:

We do a skills audit and things like that. We went in looking at who we were losing from the board, what we had on it. Again, that was not us, that was the board that ran the recruitment for that piece.

[15:00]

I was not part of the interview panel, quite rightly, as part of that. The board went in with ...

Deputy I. Gardiner:

I really mind about the time. What skills have you lost? Short answers, please, because we are really …

Chief Executive Officer, Digital Jersey:

We lost 2. We lost somebody with governance experience and had been on the Board of the Information Commissioner. Also we lost someone who was an entrepreneur on the e-commerce side. I think the board decided we had enough governance experience still on the board with our Chair of Audit and Risk and we had the entrepreneurial side still there as well. But the board brought in someone with a mixture of governance experience, chair of other organisations elsewhere, they are off-Island, but also had some of that entrepreneurial experience as well.

Deputy I. Gardiner:

Okay, thank you. Next.

Deputy R.S. Kovacs:

You have touched a briefly on how often you meet with Government officials in relation to engagement with the Government. Who typically attends these meetings from both sides?

Chief Executive Officer, Digital Jersey:
When we have the partnership meetings, from our side, we have Amy and myself and our Chair. Depending on what the topics are, we might take some other people from the team. On the Government side, traditionally, we have the Minister, we often have at least one, if not more, of the Assistant Ministers in the department. We will have the senior officer responsible for the digital side and some of their team as well.

Deputy R.S. Kovacs:
That is regular engagement?

Chief Executive Officer, Digital Jersey:
They are the twice a year partnership meetings but, as said, the senior person responsible in the Economy Department for digital attends every board meeting we have.

Deputy R.S. Kovacs:
How are key decisions or actions recorded and followed up?

Chief Executive Officer, Digital Jersey:
Government take notes of the partnership meetings, send them to us for agreement with actions and we follow it up. We have lots of regular meetings as well, apart from that, on particular issues or, as I say, when they attend the board. Government get a copy of the board pack; minutes, previous meetings and things like that.

Deputy K.L. Moore:
How long have you had a partnership agreement in place?

Chief Executive Officer, Digital Jersey:
I cannot remember when … we have always had an agreement which covered those things. I cannot remember. I do not know whether you know, is it before your time?

Chief Operating Officer, Digital Jersey:
I think the current agreement, which has been extended, was a 4-year agreement and then obviously has been extended by 3 years before that; I do not know.

Deputy I. Gardiner:

So 7 years, okay.

Chief Operating Officer, Digital Jersey:
The current agreement has been operating since between …

Chief Executive Officer, Digital Jersey:
We must have had an agreement in place because we have always followed the same process submitting the business plan.

Deputy K.L. Moore:
Yes, but has there been any change since you moved on to partnership agreement in terms of the way the relationship works?

Chief Executive Officer, Digital Jersey:
Because the last one was 2019, apologies, I cannot remember what was there before. We can find out. I think certainly there are a few, probably fair to say, tweaks. We have seen the new partnership Agreement, that at some point we will have to move over. From memory, one of the few changes, if you remember is that we did, currently in our partnership agreement Government have to give us 6 months' notice of any changes to funding so we can prepare for the impact of that. From the draft we have seen of the new partnership agreement, that 6-month figure has changed to 2 weeks, which is not ideal.

Deputy K.L. Moore:
Okay, it is going to be difficult to manage.

Chief Executive Officer, Digital Jersey:
We would go back … we have not had to sign that yet because of the period of it but that is obviously one of the things we go back and discuss.

Deputy R.S. Kovacs:
How does your organisation's work align with Island outcomes indicators and how do you measure your contribution?

Chief Executive Officer, Digital Jersey:
It is fair to say that in some areas we work in we look completely across all the Island indicators, so Impact Jersey is a good example. Whenever there has been a change of Government we look back at the Island priorities and what Impact Jersey is doing. I will be honest though because we are an economic development agency and funded by the Economy Department, we focus on the economic

outcomes, rather than trying to do everything. We focus primarily on the economic outcomes in whichever Government Plan and things like that. As we get a new Minister and a new Government, we have a discussion about what the priorities are. As I said, we have had more of a focus on R. and D. and innovation under the current Government. We do see those, we do look at it. But we do not try and do everything, to be honest. We focus on what the Economy Department priorities are because they are providing our funding.

Deputy R.S. Kovacs:
What data or K.P.I.s do you use to demonstrate this impact, more specifically if you can present clear outcomes from 2024 or for 2025 K.P.I.s?

Chief Operating Officer, Digital Jersey:
Our overarching measure, which we agreed with Government, for the last 2 years has been on membership growth. The reason for that is because that demonstrates that the industry believes we are doing a good job because they are prepared to pay us. We have put our fees up and they continue to stay members. We focus both on growth of number of members and also on retention. Because obviously that is also important to demonstrate long-term commitment and alignment with our goals. Our measure for 2024 was a 5 per cent increase with an 80 per cent retention and we hit that and it is just slightly beyond it. In 2025 our measure was to maintain that because we have grown by over 100 per cent in terms of membership members in 5 years. We felt that it was quite ambitious to go beyond that. We have hit closer to 8 per cent growth this year. We probably need to set ourselves a stretched target for next year because we do seem to be able to continue to grow our membership and also our retention rates of over 70 per cent and we are comfortably hitting that. I think that has been the overarching measure as a proxy for demonstrating that we are delivering value to the digital economy.

Deputy I. Gardiner:
Do you have any other measures?

Chief Operating Officer, Digital Jersey:
We have a lot of other …

Deputy I. Gardiner:
Give another tangible example because it is really helpful to understand.

Chief Operating Officer, Digital Jersey:
That was our key measure around industry and renovation for this year. We focused on the deployment of funding into the new projects; that is both use of Impact Jersey funding and other

funding. We had a target of deploying at least £2 million of funding through those projects. We are close to hitting that. We have got a number of projects that are in-flight for approval at the moment under Impact Jersey, which we will see whether we get over that line or not, if we hit that. CareTech is a big example of that; that is our biggest Impact Jersey programme. We have seen north of £1.5 million deployed as a result of that.

Deputy K.L. Moore:
How are you monitoring each …

Deputy R.S. Kovacs:
In the same line, how do you report the progress to Government or stakeholders?

Chief Operating Officer, Digital Jersey:
We talked about in terms of our quarterly reporting and so forth, in particular in Impact Jersey there is also an oversight group which was established under P.75/2022 and that was approved by the States Assembly. We report to them quarterly and provide a detailed report against progress and outcomes and how much funding is being spent. We operate on a not-for-profit basis on that. We estimate our budget for what is needed to deliver that and also what we expect in terms of being able to deploy. But any funds that are unspent are returned to Government and we report on that at a very granular level to Government on a quarterly basis.

Chief Executive Officer, Digital Jersey:
It is worth saying, as well as promoting technology, we are trying to be a good user of technology as well. We have a series of dashboards that we send to the board with each quarterly board pack and the Government get that as well, showing where we are underperforming, over-performing, on target, et cetera, along different areas. We measure usage of facilities. We measure engagement with members. We measure all the different things, okay. But we measure this regularly to go into our board pack and that goes to our Government on a quarterly basis.

Deputy R.S. Kovacs:
Okay, thank you.

Mr. V. Khakhria:
Thank you. The grants for 2023 were £2.325 million and that was reduced in 2024 to £2.1 million and remained at £2.1 million for 2025. Your first and most significant risk is delivery risk, which you stated as increasing due to potential reductions in your grant. What we are interested in is how you prioritise your funding for the projects. Can you give us some examples of how you deal with even setting aside certain projects or objectives in capital constraint?

Chief Executive Officer, Digital Jersey:

That is a good question. We obviously had that discussion as an exec team first and we discuss it with our board first and foremost. You are right, we have had to make some difficult decisions. Having had a period of growth in terms of the team and the budget and things like that, we have then had a couple of years of the funding being reduced. I say we have made a cut in our overall team by about 15 per cent but we have lost almost half of our senior team. We have reduced some of our senior team, changed the team layout as well. We have done day-to-day things. We have renegotiated I think all of our external supply contracts. We do not have people internally doing I.T., H.R. (human resources), various functions or whatever. We go outside, digital websites or whatever. We have renegotiated all of our contracts to try and bring the cost down of that and what we are getting; that is the smaller day-to-day activity. What we have also had to do and I think we put this in the response, we looked at funding being withdrawn for the academy. We sat down as a team and said: "How can we keep going with as much as possible?" We are going to be renting out our office space, for example, and we are going to be moving the team into part of the hub/academy; it reduces the outlay on premises. Things like that we are doing. We are going to prioritise courses and activity like that, particularly around A.I. and going forward. Also moving towards guided learning, you have got tutors, people doing homework, remote working but we found that you still need some physical touchpoints with them. To see where we can reduce, we have had to make some difficult decisions about what we reduce doing and pulling some projects as well. But we will have that decision internally and then we will have that discussion with Government at the end of each year to say if that is the funding we are going to get, then this is what we will deliver and what we will not deliver.

Mr. V. Khakhria:

Thank you. A lot of those were housekeeping, I am interested in what services have been withdrawn or curtailed and how you arrived at deciding. How did you prioritise, these are the things in terms of actual deliverables, we are going to cut back these and we are going to maintain these others?

Chief Executive Officer, Digital Jersey:

Some of them are easier decisions to make because we had ring-fenced funding for courses and that was withdrawn. We decided we had had to drop some of those courses because we had that funding specifically for a specific purpose. That funding, when that funding goes we say we are not renewing that. We had funding specifically from the Education Department to run courses and that is the funding that went. We were not funding those in the economy funding. Other things, to be honest, we are looking through priorities. One of the things we have looked at, for example, we published an AgriTech roadmap earlier this year. We talked about having industry roadmaps. The discussion we had with the board is we had to prioritise there are industries where we thought we could move the dial most. We had more of a focus on financial services going forward. What we decided with some of that AgriTech is we would publish the roadmap. We, unfortunately, had to make the person redundant who was doing a lot of the work on that. I know what you meant but it is more than housekeeping in that sense.

Mr. V. Khakhria:
Fair enough.

Chief Executive Officer, Digital Jersey:
We presented it to industry and said: "Look, you can still apply for funding from Impact Jersey agricultural loans, Better Business Support but we are not going to be doing anything else on that going forward. We are not going to be doing AgriTech going forward." A few other areas we pulled away from doing actual projects ourselves and providing more advisory support for other people. Again, we have got Impact Jersey and we have said to people: "We are not going to be supporting certain areas in the same way but there is funding available if you have an application for resource" and things like that. Understandably, we have tried to carry on delivering what we think is really important and we have that discussion with Government and our board but we cannot deliver everything.

Mr. V. Khakhria:
Okay. I am interested in the impact on the Island but I have seen that David has a question.

Deputy D.J. Warr:
If I could ask, all of this tightening up of your budget, this is surely a sector of the economy; we are trying to diversify our economy. Do you think you are being taken seriously as a sector of the economy, political standing?

Chief Executive Officer, Digital Jersey:
I think we are taken seriously. I think the problem is prioritisation and I did have …

Deputy D.J. Warr:
From the Economic Development Department or …

Chief Executive Officer, Digital Jersey:
I think from Government full stop. You will know better than me, Government has to try and do everything. There are lots of demands on the purse or whatever. I think there is not enough understanding that digital is the future of the economy no matter which sector. I think one of the reasons we are focusing on A.I. is that we think most organisations, with the odd exception, have

got more digital over the years. Not as much as we should, particularly the public sector has a long way to go. But A.I. is the area where the rest of the world is just going to accelerate off without us. I think there is a massive threat to the Jersey economic model because A.I., if left to the market, the risk is it will automate the well-paid jobs in the finance industry, which are administration and things like that. It will not automate the jobs in hospitality, care, other areas like that that are lower-paid jobs and generally contributing less in taxation. Somebody did say to me, I will not say who: "Surely I think there is an assumption that everything is digital, which it is not. But also digital is not just something you do once." I still think the importance of digital as an economic sector but also as a horizontal across the economy is not prioritised enough in Jersey. We have had a clear example of this recently and it is already in the media. We did not go the media but the media found out about it from some course tutors. The Skills Fund was we were told that we would be getting no funding and there was no need for A.I. or digital skills courses in Jersey because we stream material online. We fundamentally disagree with that. I can understand there are lots of things which traditionally you call vocational skills being funded; that is fine. But technology skills are vocational skills now. If somebody said to us: "Why are you teaching LinkedIn courses?" We have white-collar unemployment in Jersey for the first time. LinkedIn is how people get jobs and become economically productive again. People who get made redundant in professional services do not sign on as an employee. They set up a consultancy business; LinkedIn is their shop window, their skills around digital marketing using Office 365. The one final thing I will say is we have …

[15:15]

Deputy I. Gardiner:

Yes, you can see me because I think that …

Chief Executive Officer, Digital Jersey:

I had the Head of C.A.M.H.S. (Child and Adolescent Mental Health Services) come to see me. They obviously have got a backlog of paperwork or whatever and they were very appreciative if their staff were able to go on Office 365 courses that Digital Jersey was providing for free with Government funding, so how they could use the technology they have. Obviously they are the courses we have had to stop. When we were running 3 courses, about 25 per cent of those courses were being filled by civil servants, which is great. They are a big employer, lots of work to do. Digital skills are definitely not being prioritised enough because they are absolutely essential to the future of the Jersey economy.

Mr. V. Khakhria:

There is a certain apparent duplication, perhaps you can clear that up for us, between, for example, the Education Department, Highlands and yourself in terms of providing digital skills courses. Is that genuine duplication or is there an opportunity that you could work more closely and …

Chief Executive Officer, Digital Jersey:

That is a really good question. I would say there is no duplication and partly because we have worked very closely together. When the Economy Recovery and Fiscal Stimulus Funds were coming out, we created what we call the Jersey Skills Alliance, which is ourselves, Skills Jersey and Highlands. We did joint applications for funding across a range of skills courses. Highlands, on one extreme you have how to use a mobile phone for the adult community education courses. At the other extreme you can do a 3-year degree in computing. We do not do any of that. The courses we have delivered are not being delivered by Highlands at all. By the way, we do not deliver the courses ourselves in most cases, we commission people in industry locally who are practitioners who will teach that stuff. One of the other things we do is there is the odd training company in Jersey but they only offer services to a bank. They will go in on the top of an I.T. project and do them. They are not doing courses for individuals or for S.M.E.s (Small and Medium-Sized Enterprises). What we do is commission those companies to run open courses, which individuals and S.M.E.s can go on as well. I can understand why it would look that way but there has absolutely been no duplication. The courses we will stop, there is no replacement for those.

Mr. V. Khakhria:

Okay. In 2022/2023 there was a call for a skills dashboard and I believe there was one that was supposed to be established. Was it the Jersey Employment Group was putting together a skills dashboard? Can you give us some indication what has happened with that? Perhaps that would give greater visibility.

Chief Executive Officer, Digital Jersey:

I do not know. We ran a digital skills group, it is a recommendation out of the Digital Skills Strategy that we developed with the Education Department at the time. The Jersey Employer Group was set up and there is no point in having duplicated groups. We folded that into the Jersey Employer Group. I do not think the Jersey Employer Group does that much, I do not think it exists in the same way now. But Skills Jersey took on that responsibility going forward. When Skills Jersey was created we handed over things like we work with an organisation, ignore the name, Geek Talent, that would look at skills in the economy and LinkedIn and things like that, and look at where we were short of skills. We handed a lot of that over to Skills Jersey so that we would not have duplication. We were involved in the Jersey Employer Group but to my knowledge that is not a going concern in particular or certainly not at the same scale it used to be.

Mr. V. Khakhria:

Okay, thank you. My last question would be, in terms of the withdrawal of funding for skills, that was something that was imposed on you and you said it was not something that clearly you prioritised yourself or deprioritised. Can you give us a handful of the most important examples of services that you have been obliged to withdraw while trying to make …

Chief Executive Officer, Digital Jersey:

We had funding from the Education Department in 2 tranches. We had the fixed costs of the academy which were premises, the Head of Academy, who was a teacher who would teach things and an admin person to deal with course applicants and things like that and so we had the commissioning model. Then we received money from the Skills Funds through Skills Jersey for the actual course costs themselves. At the end of 2023 I think we had agreement when you were Minister for Education. I should have said Highlands were using the facility as well. Highlands were teaching their computing degree in the academy. They were able to access the space for adult and community education night-school courses, et cetera, which they used. We were told at the end of 2023: "Here is the fixed-cost funding for 2024 but you will need to prepare a detailed business case." We submitted a detailed business case we did with P.w.C. (PricewaterhouseCoopers). We submitted that to C.Y.P.E.S. (Children, Young People, Education and Skills) in May 2024. We have yet to receive any comment or discussion on that. We went to the Chief Minister at the end of last year … the board went to the Chief Minister to say: "We are going to have to pull the academy if we cannot get funding." The Chief Minister found us funding for a fixed cost for this year, although we lost the Head of Academy, which we have not replaced because he knew there was funding doubts. We have delivered a suite of courses this year. But going forward next year we will have a reduced physical footprint. We were not able to commit to Highlands to use the space; Highlands have withdrawn from the space because we were not getting the funding for it. We are pulling our courses on digital marketing, LinkedIn, I have explained why, Office 365, Copilot and things like that. We have made some proposals around what courses we think we can fund moving forward. We will still fund some courses. It is important we will still fund. F1 in schools, we did not have funding for that but we have got third-party sponsorship from a technology company sponsoring that, so we have covered our costs. We are trying to deliver as much as we can but all of that has to come from our core funding from the Economy Department, which, as you said, has been falling as well. But we have been using a mixture of reserves. We are setting ourselves a target to raise more money in terms of sponsorship or funding from membership as well.

Deputy I. Gardiner:

I am minded about the time. We have 2 quick questions.

Chief Executive Officer, Digital Jersey:

I am sorry.

Deputy I. Gardiner:

We need to focus as we have another public hearing. There are 2 quick questions, one from Deputy Wilson and one from … if you want to ask that one, probably this one is …

Deputy K.M. Wilson:

Yes, okay. Tony, you have talked about Digital Jersey being an economic development agency. How different do you see that function to a service delivery entity?

Chief Executive Officer, Digital Jersey:

Can you explain a bit more in terms of …

Deputy K.M. Wilson:

In terms of development agencies, I would expect that the scope that you have got to develop things like innovation, enterprise and the fact that you are connected to the economic team would suggest that there is a very strong emphasis on development, as opposed to targets around what you need to produce in terms of activity.

Chief Executive Officer, Digital Jersey:

Okay. Historically I think we have had to do both, so …

Deputy K.M. Wilson:

The question I am trying to ask is: where do you see the investment from Government targeted most in relation to those functions? Do you feel that there is an opportunity to build on one element of the function that you currently cannot do at the moment, if you were to pursue some of the commercial interests that you have just alluded to?

Chief Executive Officer, Digital Jersey:

When you say commercial interests they are commercial in the sense that we sort of sit at the … one of the strengths, I think, of being an A.L.O. is we sit at the interface between the public and private sector and we can work with both and can convene both around, as you see in Digital Health, Digital Skills, things like that. But the ability to raise money and work from industry, I think it is very difficult to be completely commercial in a small place. We run facilities, so we run a couple of co-working spaces in Jersey. We run the Digital Academy. We rent offices and desks and things like that. We charge for those services. We charge for membership. We raise money from industry for that and have been very successful and the industry is very supportive. We also do new product development and things like that but we do not run some of this. Data trusts are a good example where we have done new product development for the finance industry or the business services sector. But that is being delivered through law firms, trust companies for ourselves and Amy has done an amazing job leading that work with colleagues. We are not delivering that, we are doing the product development or whatever. The commercial benefits of that will not come back to Digital Jersey, they will come to law firms. We have got the first paid data trust, the University of Southampton is paying a Jersey trust company who were able to do it. I think it is very difficult to commercialise beyond the extent we are. We are always pushing to try and get more revenue from the public sector. But if you look at larger countries like the U.K. where typical they have tried to get targets of 50/50 funding between our industry and Government; they have not achieved those targets. Even in Jersey, I think we raise quite a high percentage of our funding from industry, even the finance industry is a minority funding share compared with Government because we are just too small a place to be able to do everything commercially. I think we do a lot of delivery and run facilities and we do a lot of commercial type projects, but we are helping industry develop commercial opportunities and products. Because there will still be an economic benefit of that by companies creating jobs, creating new products and services. I hope that answers your question a bit.

Deputy K.M. Wilson:
Yes, thank you. Yes, it does.

Chief Executive Officer, Digital Jersey:
Okay, okay.

Deputy K.L. Moore:
Thank you. You have clearly talked today about how you have tried to manage your costs and cut your cloth according to budget constraints. Given particularly the F.P.P.'s (Fiscal Policy Panel) strong alarm that it sounded in its annual report yesterday and the outlook moving forward, how best do you see Digital Jersey progressing and perhaps flexing to the current environment?

Chief Executive Officer, Digital Jersey:
The new business plan we have just taken through our board and we are about to present to Government builds on the foundations of things we are going to carry on. We know we are going to carry on with Impact Jersey. We are going to carry on running membership in industry and things like that. But there is going to be much more of a focus on A.I. going forward. Our thought leadership focus will be there working, identifying technology solutions, working with A.I. companies and automation companies locally or transformation companies, relocations around FinTech and A.I. There are great opportunities about that. You may have seen only in the last week KYC360, which is a Jersey start-up, was sold to Experian and is going to carry on as a Jersey company with jobs. We have had people like Worldpay, Pinpoint. A particular focus on FinTech and A.I. is useful as an industry and across the economy. We are going to have a much bigger focus on A.I. and much

bigger focus on financial services. We can still support other sectors through some of the things we talked about in Impact Jersey. But I think that is the right thing to do anyway because of what is happening globally.

Deputy K.L. Moore:

Yes. Can you see opportunities in terms of collaboration, greater collaboration with similar A.L.O.s operating in that economy space?

Chief Executive Officer, Digital Jersey:

Yes. As I said, the A.I. Council we have announced today, you will be able to see coverage later on and we can send you the pack, is particularly working with regulators because that is a key part of how we use A.I. and the guidance industry needs from the regulators about how they can use A.I. The Information Commissioner and the J.F.S.C. working particularly close with, which we do anyway with Jersey Finance. I think the I.o.D. in terms of directors and skills and leadership and we are working with Government, the internal Government Technology Department, in terms of using A.I. and best practice. We have already worked with Professor Alan Brown, who works in the National Audit Office and Government in the U.K. has provided advice into officers in terms of A.I. policy internally. We have to plug into what is going on globally around A.I. for somebody who is setting up a body around looking at the Crown Dependencies and the Overseas Territories and how they can work with the U.K. on FinTech development and A.I. development as well. Data trusts could be a big part of that; we have got a big event coming up …

Deputy I. Gardiner:

We are really catching the time …

Chief Executive Officer, Digital Jersey:

Yes, but that is the direction we are going in.

Deputy K.M. Wilson:

Yes, it was just a very quick question, if I could, Chair, which is could you in a few words explain what your economic value will be to the Island in the next 5 to 10 years, given some of the context you have just outlined?

Chief Executive Officer, Digital Jersey:

I cannot give you a figure but I can say, I think that might be quite hard because we do not measure it, I think it is in terms of job creation. I think it is job protection. I think it is competitiveness, whether that is products and development or making sure we have the skills here. I think skills underlie everything. There is no point investing in technology and not skills.

Deputy I. Gardiner:

Sorry, but I need to cut in. I think we will follow up with the questions because with the question of job creation, I would like to know how many jobs have been created over the last 10 years to have some better understanding? A quick question, can Digital Jersey be a commercial enterprise?

Chief Executive Officer, Digital Jersey:

As I said before, I think in a small place being completely dependent on industry funding …

Deputy I. Gardiner:

It is impossible.

Chief Executive Officer, Digital Jersey:

… the finance industry has not been able to do it at all. How could the digital sector, which is much smaller, do it? We can be more commercial and I think we are and there are benefits of that. But, no, not completely; it would be very difficult.

Deputy I. Gardiner:

To work in partnership with Jersey Business, there was a conversation about bringing you 2 together.

Chief Executive Officer, Digital Jersey:

Yes, there is a bit of a myth that we duplicate with Jersey Business. We do very different things. But interestingly enough in terms of collaboration, Jersey Business were paying to run their courses in hotels and things. We now offer them free of charge the use of the academy space, which we will carry on to teach courses. The Better Business Support scheme was a very good example of how we work with them. About two-thirds of the Better Business funds have been spent on technology projects because we worked with Jersey Business to hit the technology industry. About two-thirds of that is being done by local technology companies. We work very closely with Jersey Business. As I said, to make sure that the whole economy takes advantage of the capabilities of the digital sector.

Deputy I. Gardiner:

Thank you very much for your time.

Chief Executive Officer, Digital Jersey:

Okay.

Deputy I. Gardiner:

Thank very much everyone and the public hearing is closed.

[15:30]