IS/IT STRATEGY FOR JERSEY

Lodged au Greffe on 12th May 1998
by the Policy and Resources Committee

STATES OF JERSEY

STATES GREFFE

Price code : B

PROPOSITION

The States are asked to decide whether they are of opinion -

(i)   to approve in principle the establishment of an IS/IT Investment Fund to be managed by the Finance and Economics Committee with an initial capital of £10 million;

(ii)   to approve the appointment on not less than a three year contract of an IS/IT Adviser to advise on the development of an IS/IT strategy for the Island as a whole and on the funding of that strategy.

POLICY AND RESOURCES COMMITTEE

Report

1. The States in the debate on the 1997 Strategic Policy Review and Action Plan confirmed the steps being taken by the Policy and Resources Committee to establish an information technology strategy for the Island. This recognizes the key role that information systems and technology play in support of the strategic policy objectives agreed by the States.

2. Of particular importance is the opportunity IS/IT presents for assisting the necessary improvement in the productivity of the Island's workforce in both the private and public sectors upon which the population and immigration policy, and also the sustainable development strategy, both adopted by the States, depend for their successful achievement. IS/IT also has an important role to play in the quality of services in both the public and private sectors, and in the diversification of the economy. The success of the Island's industries depends upon their remaining competitive, and investment in IS/IT will be an increasingly important factor in securing that competitiveness. Investment in IS/IT, particularly in the schools, is also an investment in the Island's future. The strategy for IS/IT in the schools will help equip the Island's young people with the skills necessary to meet the challenges of the 21st century.

3. The Institute of Directors - Jersey Branch Committee on Telecommunications in their Report on Information and Communications Technologies further emphasize the need for Jersey to build upon existing skills and develop an information and communication technology capability that exploits the technology for the Island's competitive advantage and enhances the quality of life for all Island residents. Jersey has the opportunity to develop a high speed diversified Island-wide information infrastructure connecting every home, office and school in conjunction with an efficient wireless network and through these, open, cost effective links to the outside world.

4. Jersey stands on the threshold of the information society that a number of other countries have already crossed over. The Island as an international finance centre depends greatly on

communications and on information technology to be successful in offering the quality of service that individual and corporate investors worldwide require. An Island like Jersey needs to be able to respond quickly to a changing market environment and this too is assisted by investment in IS/IT and telecommunications.

5.   The Island needs to be at the leading edge in the creation of the information society. However, the Island is currently in danger of falling behind other countries because of an absence of an IS/IT strategy and the lack of sufficient funds and commitment to translate such a strategy into practice through the necessary investment in IS/IT.

6.   This need for investment is clearly recognised by the European Union. To quote from a European Commission Green Paper on the convergence of the telecommunications, media and information technology sectors - ''The emergence of new services and the development of existing services is expected to expand the overall information market. This will provide new opportunities for economic growth and employment. At the same time the new communication services environment will also provide opportunities to enhance the quality of European citizens' lives, by increasing consumer choice, facilitating access to the benefits of the information society and promoting cultural diversity. These developments are therefore positive for European economic and social development and should be encouraged. Public policy will need to provide a supportive environment for convergence in order to ensure that the potential opportunities are grasped in a timely fashion''

7.   The Republic of Ireland has made great strides in developing the information society. In a document published by the Republic of Ireland's Information Society Steering Committee reference is made to what is required in order to have an information society. The following goals are identified -

   •   public support
   •   advanced telecommunications
   •   education and training

- use of information/communications technology by enterprise, the government and the citizen

To achieve those goals the report identifies five key pillars - awareness, infrastructure, learning, enterprise and government.

8.   An example of what has been achieved elsewhere is the masterplan for IT in education produced by the government in Singapore. The underlying philosophy of this master plan is that education should continually anticipate the future needs of society and work towards fulfilling those needs. The plan identifies the skills required for the future of thinking skills, learning skills and communication skills and advances the view that IT based teaching and learning can be one of the key strategies for equipping the young with these skills. The Singapore master plan also seeks to provide a broader base of access to IT among the young so as to achieve a levelling up in learning opportunities. It is intended that every child would be able to enhance his or her learning through an IT enriched curriculum in a school environment.

9.   The Policy and Resources Committee in developing its thoughts on these matters has also met with the Executive Vice-President and Chief Financial Officer of the Xerox Corporation, Barry Romeril. That meeting confirmed that -

- a big investment is required in IT/Telecommunications
- the States should be at the leading edge
- telecommunications should be a driving force
- there is a need for a political body to champion and drive the necessary investment forward on an Island wide basis.

10.   It should be clear to all concerned that the Island cannot afford to be behind in the creation of the information society, or what has also been described as the intelligent Island, and generally a centre of excellence for IS/IT and telecommunications.

States investment in IS/IT

11. Within the framework of an IS/IT strategy for the Island as a whole there will need to be a strategy for States investment in IS/IT.

12. The States capital programme for the years 1998/2001 includes an allocation of £2 million in each year to a central IT vote. In addition a number of Committees will be using funds otherwise at their disposal to undertake IS/IT investment. However, the 1997 Strategic Policy Review and Action Plan stated -

> "The funds made available in the capital programme for 1998 and 1999 for IS/IT are not sufficient to meet the requests for all departments. The Establishment Committee is of the opinion that priority should be given to the allocation of funds for year 2000 compliance and for preparing for European Monetary Union whether or not the United Kingdom joins that Union. The remaining funds are to be allocated according to their priority ranking as determined by a decision conference".

13. In the debate on the 1997 Strategic Policy Review and Action Plan, and in the budget debate, little was said to suggest that the funds available would be insufficient. However, subsequent to those two debates -

- the Education Committee has protested to the Establishment Committee that no funds would be available for the education IT project;

- the Establishment Committee has asked the Finance and Economics and Policy and Resources Committees to consider reinstating the IT budget and to ensure that IT investment is brought back to the appropriate level for 1999;

- the Establishment Committee has made it clear that a minimum of £4 million will be required in 1999 in order to maintain even a modest programme of process improvement;

- the Telecommunications Board has stated that further investment should be made in IT to ensure that the Island is as up to date as it can be and has expressed dismay that the IT budget for 1998 is only £2 million of which the vast majority would be dedicated to making systems Year 2000 compliant. The Telecommunications Board has asked that the promotion of communications services and investment in IT be reviewed.

14. The Policy and Resources Committee has met with the Establishment Committee and with representatives of the Telecommunications Board to discuss its proposals with regard to development of an Island-wide IS/IT strategy. The Telecommunications Board is very supportive of the development of an IS/IT strategy for the Island and believes that telecommunications is a critical part of that strategy.

15. The Policy and Resources Committee has been informed by Jersey Telecoms that if it is required to increase investment or develop technology in order to meet the requirements of an Island-wide strategy then consideration might need to be given to reviewing its other financial responsibilities of producing income for the States and also for repaying its debt over the next two years. Jersey Telecoms has indicated that if, for example, States policy to encourage the relocation of back office activities out of the Island in support of the Population and Immigration Policy were to move forward this could have a significant impact on the telecommunications services required between the Island and the location of those back office activities and this could have a significant influence on the future plans of the Telecommunications Board.

16. The Policy and Resources Committee is of the opinion that for the States to demonstrate a commitment to the development of IS/IT they should seek strategic advice. However, for any expert who might be called upon to advise the States on the formation of an IS/IT and telecommunications strategy to take the States seriously there needs to be a catalyst in the form of a commitment to the allocation of sufficient funds to support the investment required.

17.   Investment in IS/IT and telecommunications is a strategic investment in the future of the Island and in particular in the future of the younger generation. For this reason the Committee believes that a case can be made for tapping the strategic reserve and that this would not have a parallel in other areas of capital expenditure.

18.   The Policy and Resources Committee therefore recommends that -

•   the States should be asked to approve in principle the setting up of an IS/IT investment fund of £10 million initially with those funds to be drawn from the strategic reserve.

The word initially is used deliberately. The experience elsewhere would suggest that a far greater investment will be required.

Under Article 13A of the Public Finances (Administration) (Jersey) Law 1967, as amended, the use of funds from the strategic reserve may only be authorised by the States on the specific recommendation of the Finance and Economics Committee and for purposes recommended by that Committee. The Finance and Economics Committee has been requested to present a proposition to the States to that effect. It is proposed that the IS/IT Investment Fund would be managed by the Treasury.

•   an IS/IT Adviser should be appointed on not less than a three year contract who would advise on the development of an IS/IT strategy and also advise on the size of an IS/IT investment fund and how that fund might best be used.

As with the Tourism Investment Fund it is proposed that there should be set up an IS/IT investment sub-committee on which non States members and States members would sit. The sub-committee would be advised by the IS/IT Adviser and would report regularly to the States.

The question has been raised whether a short-term contract for an IS/IT Adviser is appropriate. The view has been expressed however that the challenge of developing an IS/IT strategy for the Island would be more attractive for those with most to offer in this area through the offer of a short-term contract than through the offer of a more permanent appointment.

- the Telecommunications Board to join with Policy and Resources Committee in ensuring, with the benefit of advice from persons or companies with relevant international experience and expertise, that the strategic plans for the development of telecommunications in the Island are aligned with and supportive of delivering an IS/IT/Telecommunications Strategy.

The Telecommunications Board has been [testing] trialing new equipment. However, within the constraints of its debt servicing obligations, its requirement to produce profit for the States and its duty to keep prices as low as possible, the Board has been unable to afford to be pioneers where standards have not yet been established. In addition it has not been possible for the Board to take speculative decisions in the absence of an overall IS/IT strategy. The Telecommunications Board believes that its services are highly developed and that the Island's telecommunications technology both current and proposed would be able to support an Island-wide IS/IT strategy. At the same time the Telecoms Board has agreed with the Policy and Resources Committee that there would be much value in obtaining advice from persons or companies with relevant international experience and expertise.

19. The Policy and Resources Committee believes that this is an opportunity for the Island to join those countries that are at the forefront of investment in IS/IT and telecommunications. It is an opportunity that if missed will make it more difficult for the Island to remain competitive, and would undoubtedly be detrimental to the Island's future. It will also mean that Island residents will be less able to enjoy the benefits of the information society than those resident in many other countries both in Europe and in the world at large.