

2024.11.25

2.5 Deputy K.M. Wilson of St. Clement of the Minister for Sustainable Economic Development regarding merging Digital Jersey with Jersey Business: (OQ.229/2024)

Will the Minister advise whether he has any intention to merge Digital Jersey with Jersey Business, and if so, whether he foresees any implications for Jersey's aspiration to be a leader in the adoption of advanced technologies and artificial intelligence?

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

I thank the Deputy for her question. As the Minister for Financial Services discussed earlier, there has been a requirement through the budget to reduce the amount of spend in regard to arm's-length organisations, of which £571,000 falls within my portfolio as a whole. That is one element of work that is ongoing. Another element of the work that is ongoing is understanding how best the A.L.O.s work. I have invited both leadership of Digital Jersey and Jersey Business to work with myself and Government to understand how best we structure those 2 A.L.O.s in order to make sure we provide full business support for businesses in Jersey, relocation services and attracting business to Jersey. Also research and development and innovation because, as Members will know, the desire to increase productivity significantly is a part of the future economy programme - a main driver of the future economy programme - and everything that we are told about increasing productivity rests very much on research and development and innovation within the jurisdiction. I have invited the leadership of both those organisations to join me and Government in trying to understand how best do we structure - it could be Digital Jersey, Jersey Business and any others - in order to deliver on business support, business relocation and also research and development. It is possible that a joint venture or working together may be a part of it. Equally, it might not be. It might be just a redefinition of the work within those 2 organisations. But what I have asked is that the leadership works very collaboratively with me and with my officers to help design that best way forward, because I think it is really important that we ensure there is not duplication between organisations, and we also ensure that we have got a really good opportunity to ... I use the word and it is very colloquial, but to turbocharge research and development and innovation in the Island. We are working together on all of that. The outcome; I am open to all outcomes.

2.5.1 Deputy K.M. Wilson:

I would like to hear, if possible, if the Minister could give us some more detail around the implications of that and what progress is being made in the adoption of the advanced technologies and how they are working together, or is it too early to say at this moment in time?

Deputy K.F. Morel:

It is too early to say at this time, but the implications that the Deputy talks about in her question - advanced technologies, artificial intelligence, and many more - I have talked in this Assembly of the medical technology sector that is a ... 'cluster' is the word I was looking for. A cluster that is developing in the Island as well. How can we help all of these areas by providing a suitable environment for research, development, and innovation in the Island? With artificial intelligence, it is really interesting because it is potentially about the use, it is potentially about the development, it is also potentially about the safeguards. In that one subject alone, there are lots of different areas that the Island could look at. I know recently the U.K. (United Kingdom) has come into criticism for focusing very much on the safety element at the expense of the development and innovation element. It is too early to tell about the actual outcomes, but the outcomes that I am looking for are a much more robust research and development and innovation environment in the Island, as well as business support and business attractivity - is that a word - element, so that we can bring businesses and investment to the Island and support start-ups and support those businesses that are already here. It is about trying to create those environments.

[15:15]

2.5.2 Deputy M. Tadier of St. Brelade:

From what the Minister said in his opening answer, it seemed to be that the starting point for the 2 A.L.O.s in question, Digital Jersey and Jersey Business, is to say: “We are cutting your budgets by hundreds of thousand pounds for next year and now we would like to have a conversation with you about how we can work together and how you can improve.” Does the Minister think that that conversation could have come first to see what the relationship between Government and those A.L.O.s should have been, then decide whether a budget cut was in order or, in fact, whether they might need more investment from Government before that decision was made?

Deputy K.F. Morel:

I had a feeling the Deputy may frame it in that way, but no. I had already been thinking about the missions of the A.L.O.s long before any budget cuts were around. But there is a reality that the budget cuts make you focus more keenly on these areas. No, it is not the case that it is driven by budget cuts but now that the budget cuts are there, they need to be taken into account and this piece of work becomes more pertinent as a result. But I had been very much thinking about these things before budget cuts were in the picture.

2.5.3 Deputy M. Tadier:

I frame it that way because that is the way it is. But, of course, it can be spun in any particular way I or the Minister would like to spin it, I am sure. That notwithstanding, the Minister accepts that he wanted to have a conversation with the organisations before these cuts were forced through, and we know that it is not the Minister’s choice necessarily to put these cuts, he is being asked to do these from on-high, but does it not therefore perhaps prejudice any outcome from those conversations about what working might take place, given the fact that there is already an outcome at the beginning to reduce their budget significantly?

Deputy K.F. Morel:

I do not think that that is the case. The reason I do not think that is the case is because, from a budgeting perspective, should the Budget be passed as is proposed in the coming days, those budget issues will happen in 2025. With regard to work about how best to structure the A.L.O.s going forward, I do not expect that to be delivered until 2026; so in that sense they are separate as well.

2.5.4 Deputy J. Renouf of St. Brelade:

A recent note from the Policy Centre’s meeting on how Jersey could become a technologically advanced economy stated that: “Technology is the only industry capable of providing similar financial benefits to the Islanders’ financial services yet it has a low priority in the political system compared with, for example, agriculture and tourism.” Does he worry that merging Digital Jersey with Jersey Business would send a negative message to a sector that already feels unloved?

Deputy K.F. Morel:

As I have said, the project that we have ongoing is how best to structure the organisations in order to deliver a really good environment for research, development and innovation, and a really good environment for support and for attracting investment and businesses to Jersey. In that sense, no, I do not worry about any element because, one, the final outcome has not been decided. We are a long way from that. Secondly, the whole point of the project is to work out how best to structure these and any other entities to deliver those improved environments with regard to research, development, business support, and attracting business and investment to the Island. The outcome should be an improvement. That is the idea, that the outcome is an improvement on where we are today.

2.5.5 Deputy J. Renouf:

Digital Jersey is a specialist in the area of digital technologies. Jersey Business obviously has a much wider brief. How does he see the potential subsuming of Digital Jersey within a bigger organisation as enhancing the priority given to the digital sector?

Deputy K.F. Morel:

I have to go back to my previous answers, which is no outcomes from this piece of work have been decided and so there is not a question of one entity subsuming any other entity; that is not the case as we stand here today. If I come back in the future to say that that is the road we are going down, then that would be different, but at the moment that is not the case.

2.5.6 Deputy P.F.C. Ozouf of St. Saviour:

The Minister in answering the questions is not ruling out a merger, and I would expect him, if I would be the digital champion, knowing that all the economic forums such as the World Economic Forum, the Public Policy Research Institute, the Carl Benedikt Frey Institute, all say that there are significant opportunities for creating new jobs in the A.I. (artificial intelligence)-evolving world in maintenance and oversight, and the differential ... does he not understand that a discussion about Jersey Business, which is helping businesses to keep up, versus Digital Jersey, which is out there trying to advance us, are 2 different things and a merger is confusing for Members like me?

Deputy K.F. Morel:

I have to refer to my previous comments about the fact that this idea of the merger is not something that is happening at the moment. I have a piece of work that is ongoing with both organisations and Government to understand how best to structure organisations in order to make sure we have a superb environment for research, development, and innovation, and that artificial intelligence and other technologies would fit very much within that frame, as well as an excellent environment for supporting existing businesses, helping Islanders start up businesses and also a superb environment for attracting business and investment to the Island. Those are the 3 main parts of that piece of work. The outcome is yet to be decided.

2.5.7 Deputy P.F.C. Ozouf:

May I ask the Minister if he has had any discussions with his Financial Services Ministerial colleague about what Digital Jersey and Jersey Finance can do together to create and research and develop and imagine and get and secure the jobs of the future that are undoubtedly going to be needed because A.I. is going to disrupt and reduce jobs? Has he had any discussions between Jersey Finance and Digital Jersey to give Members an indication, and the public outside, that we are really keen on growth? Because it is the first conversation, I think, we are having in this Assembly about economic growth for a while.

Deputy K.F. Morel:

I thank the Deputy for the conversation on economic growth. I am really pleased to have such a conversation; I think it is really important. There were 2 parts: have Digital Jersey and Jersey Finance spoken about that? The question is I do not know. But has the Minister for Financial Services and myself had direct conversations as of yet? No, we have not, but I think it could be a good idea, as the Deputy suggested, for us to do.

2.5.8 Deputy D.J. Warr of St. Helier South:

I think we all know what the purpose of Jersey Business is, but could the Minister explain what he understands is the purpose of Digital Jersey?

Deputy K.F. Morel:

From my perspective, Digital Jersey has a wide-ranging remit but it is very much focused on helping the Island to become much more digital, to become digitised, and that means that its remit extends from developing the digital skills base in the Island, through to - and it has played a role in attracting digital business to the Island - developing the wider digital ecosystem as well as, as we know, also advising Government on digital matters. It also plays a role in bringing forward new technologies and developing and helping the Island become involved in the development of new technologies and innovation. We really see that very well in the Impact Jersey programme, which I am a big fan of, as well as things like the drone pilots with agritechs and other areas as well. It has this future-looking element in terms of

the research and development. It has also got this element of trying to help the Island develop its own digital capabilities with it from where we are today.

2.5.9 Deputy I. Gardiner of St. Helier North:

My question was asked by Deputy Ozouf but following the same route: was any consideration given to also include Visit Jersey into the merger?

Deputy K.F. Morel:

I do not know which merger we are talking about because I repeatedly said that there is not a merger.

2.5.10 Deputy I. Gardiner:

Would the Minister concede that, in order to make efficiencies and the good management of the A.L.O.s, Visit Jersey would be included in Jersey Business and Digital Jersey, delivering services which are to find a framework that they will work together and be more efficient?

Deputy K.F. Morel:

From that perspective, I had thought myself about asking Visit Jersey to be involved in this piece of work. I decided against that principally because I felt that Visit Jersey's work was so specialised in the area of marketing the Island from a visitor economy perspective its remit did not fit very comfortably, very easily, with the idea of asking Digital Jersey and Jersey Business to work with Government to work out how best to structure ourselves for the future. I must say that it is also really important when I talk about structuring ourselves for the future I include Government in that. My department in Government has elements like Locate Jersey, we also go out looking for business and trying to attract business to the Island. It is where do we play that role? Should that role be more within either of those 2 A.L.O.s or should it sit within Government? So Government's functions are also part of this piece of work.

2.5.11 Deputy K.M. Wilson:

Thanks to the Minister for those answers. With regard to the final point on innovation and development, can he tell us if we are optimising the benefits of 5G and what benefits the Technology Accelerator Fund is bringing forward?

Deputy K.F. Morel:

5G is something which is still very much early days. We are not exploiting 5G in Jersey particularly at the moment. From the business of the Technology Accelerator programme, we have had one ... the open programme has completed and we saw 6 - I believe it is 6 - I think I answered this just 2 weeks ago, 6 projects that were funded and they have met all their K.P.I. (key performance indicators) gateways to access the full amounts of funding that they were meant to. The open programme appears to have been a success. As far as the CareTech programme is concerned, that has not been ... we are not far enough down the road yet to know whether it has been a success or not. The Customer eXperience programme is similar. We are at the bid stage, we are waiting for the bids to come in for that. It is too early to say overall whether Impact Jersey has been a success. What I would say though is that the indications from that first open programme are looking good.