

Financial Services, Digital, Competition and Innovation (FSDCI)
MTFP 2017-2019

Budget Breakdown 2017-2019

Operating Cost Categories	Budget 2017	Budget 2018	Budget 2019
Income	-303,300	-303,300	-303,300
Staff Costs	1,128,200	1,128,200	1,128,200
Supplies and Services	481,200	492,200	503,200
Administrative Expenses	3,500	3,500	3,500
Grants	6,249,200	6,249,200	6,249,200
Total	7,558,800	7,569,800	7,580,800

Overview

Between 2017 and 2019 the FSDCI budget will grow by £11,000 per annum, reflecting inflationary increases in the growth funding allocated to implementing the Financial Services Industry Policy Framework. Other areas of the budget, including grant payments to delivery partners, will remain fixed and efficiencies will be delivered to manage the impact of inflation.

The FSDCI has been protected from savings requirements by investment from the Economic and Productivity Growth Drawdown Provision (EPGDP), a central fund established to promote economic growth and increases in productivity. This decision was taken after a review of applications to the EPGDP, which concluded that the existing work conducted by the FSDCI Team to support economic growth presented better economic value than the new initiatives that were likely to be forthcoming.

Income £303,300

The Team receives income from OFCOM, the UK communications regulator, which collects spectrum license fees on behalf of the States of Jersey. In practice amounts received in respect such fees usually exceed the £303,300 that is budgeted for but the exact figure depends on a variety of demand-driven factors so only a conservative estimate of income is relied upon. Where receipts exceed the budgeted amount the Team seeks to reinvest the additional funds. Income is received at the end of each calendar year, in 2015 income exceeded the budget by £234,000 and the money was carried forward into 2016 to enable an expanded programme of activity by Digital Jersey. This mirrors the approach that had been taken with additional income from 2013 and 2014 when responsibility for digital policy resided with the then Economic Development Department.

Staff costs £1,128,200

The staff budget supports 12.0 FTE and 2 contract staff on secondment from industry.

The FSDCI Team performs the following functions:

- Develop and implement strategy, policy and legislation relating to the financial services and digital sectors, data protection, competition and innovation;
- Act as a conduit between government and industry by ensuring strong links with key enterprises and relevant sector level organisations such Jersey Finance, Digital Jersey, Institute of Directors and Chamber of Commerce in order to support economic growth by ensuring alignment between government policy and industry requirements;
- Prepare law drafting instructions and liaise with the Law Draftsman to maintain a legislative and policy landscape that enables industry to respond rapidly to developing opportunities and supports innovation;

- Monitor local, national and international industry developments and prepare policy responses where appropriate;
- Undertake research and detailed technical analysis to ensure delivery of proportionate international standards and ensure there is sufficient innovation to support the jobs and growth agenda;
- Coordinate sector-level delivery partners including Jersey Finance and Digital Jersey to ensure implementation of government economic policy in-line with the States' Strategic objectives;
- Project manage Government led initiatives concerning the financial services and digital sectors, data protection, competition and innovation;
- Advise and present policy arguments and technical analysis;
- Promote Jersey as a responsible and well-regulated jurisdiction for international financial services;
- Support industry and Jersey Finance led market development initiatives to promote export oriented financial services;
- Represent the Island's interests at international forums including the OECD Peer Review Group, Global Forum and MONEYVAL.

Supplies and Services - £471,200 / £492,200 / £503,200

Supplies and services includes funding for:

- Supporting industry and Jersey Finance led market development initiatives to promote export oriented financial services
- Membership and review costs for international organisations such as MONEYVAL
- Subscriptions to legal information library services and relevant trade publications
- License fees
- Training costs to enable the Team to stay up-to-date with the latest technical developments
- Access to specialist technical advice such as expert legal opinion in respect of the Security Interests Law
- Attendance at international forums including the OECD Peer Review Group, Global Forum, IMF/World Bank Conference and Commonwealth Finance Ministers' meeting to represent the Island's interests and promote Jersey as a responsible well-regulated jurisdiction for international financial services;

Administrative Expenses £3,500

Administrative expenses cover general office expenses such as telephone and stationery costs.

Grants £6,249,400

The FSDCI Team manages the relationship with the 3rd party agencies that are tasked with delivery of aspects of the States' economic policy in respect of financial services, digital and competition.

Grants are issued to 3rd party delivery partners as follows:

- £4,870,600* Jersey Finance
- £825,000* Digital Jersey
- £253,600 Jersey Financial Services Commission
- £300,000 Channel Islands Competition and Regulatory Authority

*In 2016 carry forwards and windfall income have been used to commission and expanded programme of activity for Jersey Finance and Digital Jersey. Should similar funds be available over the course of the MTFP 2017-2019 then a similar approach may be taken.