

By email

8th August 2023

Dear Chair,

Technology Accelerator Programme (Impact Jersey)

Thank you for your letter of the 21th July in which you provide a number of questions following your briefing in relation to Impact Jersey. I have set out below answers to each of these in turn:

1. *You outline that definition of the expected benefits and measurement criteria will be included in recommended programme proposal, which the Minister for Economic Development, Tourism, Sport and Culture and yourself will review and approve. You further indicate that Digital Jersey will provide a progress and performance report to the Government of Jersey Oversight Group for the Technology Accelerator Fund and Ministers on a quarterly basis and that an independent party may evaluate programmes 'where appropriate' providing an evaluation report to both the Oversight group and Ministers for discussion.*
 - a. *What would be 'appropriate' circumstances and who would the independent party be?*

The evaluation of a programme by an independent party would be appropriate where the programme itself is complex in nature and cannot be evaluated internally due to a lack of specific expertise or specialism in an area.

- b. *What focus will you as Assistant Minister be placing upon Key Performance Indicators of the programmes within your considerations?*

Each programme will have defined, within the programme proposal, KPIs for its evaluation. In the case of 'open programmes', further refinement of these KPIs will take place once the projects to be taken forward are known and the benefits documented. The Oversight Group will be provided with quarterly reports which incorporate these KPIs.

- c. *Given the role that Digital Jersey will be taking in respect of Impact Jersey, is there any risk of Digital Jersey being perceived as marking its own homework?*

Digital Jersey will provide regular reports to the Government Senior Responsible Officer (SRO) and to the Oversight Group to assess its progress. The governance structures have been designed in this way to provide separate oversight of Impact Jersey and the performance of the scheme. In addition, where independent evaluation is engaged, this will provide additional and independent scrutiny of each programme.

2. *You indicate that, in the initial programmes, Impact Jersey does not intend to seek private investment. Why is this the case and will this form of investment be sought in later programmes or in the event a larger scale of funding is needed for any approved project?*

The initial programmes of the scheme will allow for learning and development, and this is reflected in a lower level of initial investment. It is possible that in future programmes, alternative funding approaches may be considered.

3. *The potential breadth of the term 'new digital businesses' mentioned in your response of 27th June to question 4, is large and could be regarded as extending to:*

- *service businesses with typical linear returns such as website creation businesses and certain utility companies using technology created by others; and*
- *tech creation companies potentially capable of exponential returns.*

These may hold different potential contributions to improving the Island's productivity mathematically. Please explain:

- a. *if the Digital Economy Strategy will set out steps to maximise Jersey's attractiveness to global technology businesses manufacturing technology off Island;*

As well as supporting the uptake and adoption of digital technologies within Jersey businesses, the Digital Economy Strategy will seek to ensure that Jersey has a regulatory environment that is forward thinking and agile, whilst combining high standards of consumer protection, supporting the Government's inward investment strategy and enhance Jersey's reputation as a global digital centre and attractiveness to global businesses.

- b. *the value distinctions you are making with respect to these different types of 'digital' business in your forthcoming Digital Economy Strategy; and,*

It is recognised that the digital and technology industries can develop and mature faster than the government can react. Therefore, the Digital Economy Strategy will seek to ensure that the ecosystem is in place to support the growth and development of a rich and diverse 'digital' sector.

- c. *the Digital Economy Strategy's intentions regarding contribution to increase in Gross Domestic Product of the Island?*

The Digital Economy Strategy seeks to drive the digitally enablement of local businesses to increase productivity across all sectors of the economy, as well as growing 'digital' businesses in Jersey. The Digital Economy Team are committed working with Statics Jersey and the Chief Economics Team to review the measurement of the impact of the strategy in the most appropriate way moving forward.

4. *Please likewise explain any targets you are setting for Digital Jersey with respect to these different types of 'digital' business in government's Partnership Agreement with Digital Jersey or its Key Performance Indicators?*

Once the draft Digital Economy Strategy has been finalised, the Partnership Agreement with Digital Jersey will be redrafted and renewed in early 2024. These discussions will include the role Digital Jersey will play

in the implementation and delivery of the strategy and appropriate KPIs will be put in place to measure their delivery against these agreed measures for 2025 and beyond.

5. *Please also:*

- a. *disclose any plans for improved data collection in respect of different types of businesses within the 'digital sector' definition;*
- b. *identify the key companies that you regard as constituting Jersey's digital ecosystem; and its level of maturity;*
- c. *identify the key global companies that you regard as constituting Jersey's technology ecosystem; and*

The Digital Economy Team are working with Statistics Jersey and the Chief Economist's team to put in place the most appropriate measures of success for the impact of the Digital Economy Strategy for the Island. This work is being defined and shaped by the future needs of the Island, as captured by the Future Economy Programme and to be detailed within the subsequent Government Economic Strategy, to be launched in October 2023.

- d. *confirm if Impact Jersey's method of value measurement will take into account the different income generation capability of technology creation companies compared to other types of digital businesses which simply use technology?*

Impact Jersey will take into consideration the market and commercial potential of proposed projects, as set out in the assessment criteria for the open programme.

6. *What emphasis are you placing on solving global issues that could be beneficial to the Island by having companies solving those issues based in Jersey?*

Challenge programmes will consider the resolution of key priorities for the Island as set out in the Strategic Programme Plan. It is possible that these issues have been experienced or partially addressed elsewhere in the world and the design of challenge programmes will take this into consideration.

Additionally, encouraging Inward Investment into the Island by global-facing innovative companies is also a key part of the Government's Inward Investment strategy, aligned with the Digital Economy Strategy.

7. *You have outlined that the Impact Jersey scheme includes a research and development function, can you confirm if this team is staffed by Digital Jersey? Will the cost of this team be covered by the 5% fee?*

This team will be staffed by Digital Jersey and this cost will be included in the 5% fee unless there is identified a specific need for external support for in-depth research (e.g. where specialist knowledge was required). In such cases, a proposal would be brought forward for approval as with all other programme proposals.

8. *You have highlighted that that many of the problems identified as areas of priority are inter-dependent and as such there is unlikely to be a single technology solution to solve a problem fully. How will interdependent components be fulfilled and will programmes continue if they are unable*

to solve a problem fully or are dependent on the solving of a non-technological problem which is in risk of not being solved?

Interdependencies will be identified during the research and design of the programme proposal. Any constraints or requirements for interdependent delivery will be highlighted and consideration given to the likelihood of success should these aspects not be addressed.

I hope the above provides clarity to the areas you have raised.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. Curtis', written in a cursive style.

Deputy Alex Curtis

Assistant Minister for Economic Development, Tourism, Sport, and Culture