11/9/2025

Dear Inna,

Further to your letter of 06 August 2025 I am writing to respond to the requests made therein.

You asked for responses to 9 questions, which are provided in the attached document.

Overall we understand your review to be of the governance arrangements existing between ALOs and Government.

Internal governance arrangements:

As background and context, Digital Jersey is a private limited company the shares of which are owned by a non-charitable purpose trust, with three trustees and an enforcer. As a result the company complies fully with companies law and trust law requirements in terms of internal governance.

The Board of Directors (5 Independent Non-Executives and the CEO) meet at least quarterly, supported by the Company Secretary. At each quarterly meeting the Board reviews a Business Performance Report (setting out activities and outcomes against all the targets set in the annual Operational Plan as well has highlighting key operational and governance matters and updates to the risk register) and a Business Finance Report (which provides detailed commentary on financial performance against budget and prior year).

The Board has established three sub-committees to support governance arrangements which meet at least 3 times per year. These are:

- Audit & Risk: responsible for oversight of the annual budget and financial statements, appointment and oversight of the External Auditor, and for review and update of the risk register.
- Remuneration & Nominations: responsible for overseeing the appointment and Remuneration of Directors and for advising the CEO on pay matters for other employees.
- Impact Jersey Steering Committee: responsible for overseeing the governance of the scheme, approving Programme Proposals for recommendation to the Minister and approving allocation of grant funding to successful applicants.

The Trustees are responsible for ensuring that the Board of Directors is governing the company in accordance with the purposes set out in the trust deed. The Trustees' role is to provide challenge and hold the Board of Directors to account on activities and performance. The Trustees and Enforcer meet twice a year – to receive the Annual Report and Financial Statements (Q2) and to review and comment on the Operational Plan and Budget (Q4). Quarterly Board reports are shared with the trustees, the Chair and CEO attend the meeting to respond to questions from the Trustees.

Digital Jersey Limited

Registration No:
110982

Registered Office:
Block 3, Ground Floor The Forum
Grenville Street St. Helier, Jersey,
Channel Islands, JE2 4UF

T +44 (0) 1534 789 333
E info@digital.je

Core grant arrangements:

Our relationship with Government is established in a Partnership Agreement which sets out both the responsibilities of each party and also the reporting and governance arrangements required of Digital Jersey.

The core grant is provided to support the overall operational activities of Digital Jersey as the economic development agency and industry association dedicated to the growth of the digital sector in Jersey.

In addition to our grant, our activities are funded through membership fees from our 217 member organisations. Membership numbers have doubled in the last four years, demonstrating the wide commitment of the digital business community to Digital Jersey and our delivery of services that are valued. Our funding from members and other activities (such as sponsorship) is approximately 20% annually of our core funding.

Each year we prepare a budget and a business plan (Operational Plan) which is approved by our Board before submission to the Minister by 31 October. In addition we provide information on our performance against objectives, our asset position, any governance matters (risks and issues and Board matters) and an update on our activities. We meet with the Minister in line with the Agreement twice a year in May and November (or at a time as requested by the Minister) and discuss our performance and governance in detail.

In addition annually, at the start of each financial year and prior to the release of the first tranche of any annual grant, we provide a grant assurance statement confirming that the grant for the prior year has been used as intended and complete a comprehensive Governance Checklist (a detailed control framework document that Government issues). We also provide draft management accounts for the previous year. For the May meeting, and prior to the release of the second grant payment, we provide audited accounts, our letter of representation and the auditor's letter of comment in addition to a performance update for the year to date.

We also send our Board pack (quarterly) to Government, which includes a comprehensive performance report against KPIs, as well as financial, governance and risk information. A Government representative attends our Board meetings.

More informally the CEO and COO have regular meetings with their respective counterparts in the Economy team to discuss governance, operational and strategic matters as required and to ensure that Government is fully informed and up to date on Digital Jersey's activities.

DIGITAL JERSEY

Impact Jersey Scheme:

In addition to our core grant we are now contracted to provide management services for the Impact Jersey scheme. This is a contract for services rather than a grant arrangement and the contract has recently been renewed.

Responsibility for oversight of Impact Jersey sits with an Oversight Group as set out in P75/2022. This Group meets quarterly, and receives from Digital Jersey a quarterly report on progress under each Programme as well as detailed financial information by Programme and for the Scheme as a whole. Digital Jersey and Government also jointly maintain a risk register which is reviewed quarterly and submitted to the Oversight Group.

Digital Jersey has established a Steering Committee (a subcommittee of the Board) for governance of the Scheme and this meets at 3 times annually to manage all governance matters and also to approve both Programme Proposals and allocation of funds to successful applicants.

Under the management contract Digital Jersey receives three separate types of funding:

- Fees for management services – provided bi-annually in advance, based on agreed contractual numbers. We report on actual spend, and future fees are adjusted to reflect any brought forward underspends (so there is no ‘profit’ element to services provided)
- Costs for delivery of specific programmes – these include judging fees, stakeholder engagement and marketing costs, project management and other costs directly associated with the execution of a particular programme.
- Funding for grants to successful applicants

All programme funding is governed under a Programme Proposal which is approved by the Oversight Group and drawn down by Digital Jersey as required.

Funds for Impact Jersey are managed separately, with both separate banking arrangements and separate financial records. These are consolidated into the annual financial statements for reporting purposes.

I hope these comments, together with the attached information, is useful. If we can assist further please do let me know.

Yours sincerely,

Signed by:
A I Moretta
65B8990F3A9545C...

Tony Moretta

Digital Jersey Limited

Registration No:
110982

Registered Office:
Block 3, Ground Floor The Forum
Grenville Street St. Helier, Jersey,
Channel Islands, JE2 4UF

T +44 (0) 1534 789 333
E info@digital.je

		2025 (£'000)	2024 (£'000)	2023 (£'000)	2022 (£'000)	2021 (£'000)	2020 (£'000)
1	Please can you confirm the total income of your organisation for each of the past 5 years. Also, please can you provide details of:	5,482	4,066	3,732	3,451	3,170	2,727
	a The total and percentage of your funding over each of the past 5 years that was provided by the Government of Jersey or Government funded bodies (including charitable funds administered by Government).	78%	85%	83%	81%	94%	91%
	- Core grant: 2024 includes top-up grant of £140k, as core grant decreased to £2,185k - Core grant: 2025 includes top-up grant of £110k, as core grant decreased to £2,002k	2,112	2,325	2,325	2,225	2,025	1,725
	- Other grants/funding (Facilities development grant, CYPES, Skills Jersey, Fiscal Stimulus Funding, etc.)	151	472	365	436	969	752
	- Impact Jersey (excluding grant for succesful grant applicants)	616	376	244	153	-	-
	- Other income (see note b below for further detail)	456	618	649	637	176	251
	b The total and percentage of your funding that you have raised yourself over each of the past 5 years (please detail the manner in which this was raised e.g. through fundraising events, membership, private funds and organisations etc.). Where received through private funds and organisations please could you specify where this was received from. The total funds raised externally is shown above. The percentage is taken as percentage of core grant and other income (funding for Skills and Impact Jersey is separately governed). These funds are raised through: Membership income, room & desk rental, course income, interest income, event ticket income and sponsorship *Note: 2025 figures for other income are projected /estimated*	18%	21%	22%	21%	6%	9%
2	Please can you confirm the ultimate objective of your organisation.	https://www.digital.je/about/ Digital Jersey drives the growth of Jersey's digital industries and champions the use of technology to strengthen and expand our economy. Our focus is on nurturing a culture of innovation, driving up skills and bringing together the brightest minds to grow Jersey's digital sector, create jobs, deliver cutting-edge solutions and ensure the island is fit for a digital future.					
3	Please can you provide details of the Key Performance Indicators you have as an organisation (both internal and any set by the Government of Jersey) and how you measure the success or otherwise of these indicators.	Refer to the published Financial Statements for each of the respective years. Our KPIs are agreed by the Board and approved by the Minister(s) annually in accordance with the protocol set out in the Partnership Agreement. We publish those targets in our annual operational plans and measure performance against them quarterly in Board reports and annually in the Annual Report. KPIs for funding external to Government are agreed by the Board following consultation with members.					
	a Have your KPIs changed since your initial objectives were set?	a. Yes, annually in line with the Operational Plan - see above					
	b Do you have any KPI's set for funding received external to Government?	b. See comments above					
4	What decision making processes do you follow to award bonuses to Senior Executives within your organisation?	Bonus arrangements for the CEO are subject to the review of the Remuneration and Nomination Committee annually and any proposed bonus is formally approved by the Board at the meeting following each year end.					
	a Please can you also provide details of the discretionary payments made to Senior Executives over the past 5 years and, where possible, provide this as separate figures for bonus payments and redundancy/severance payments etc. Bonus for CEO as per financial statements.		25	20	20	20	25

5	Please can you provide details of the governance arrangements within your organisation both at an executive and, if relevant, non-executive level. Please also specify if you follow a particular governance framework (e.g. ISO, KING 4 etc.)	The Company is overseen by a Board comprising five Non-Executive Directors and the CEO. The Company is owned by a Non-Charitable Purpose Trust with three independent trustees and an enforcer. The Board has three subcommittees - Audit & Risk, Remuneration & Nominations, and Impact Jersey Steering Committee all of which are governed under separate Terms of Reference. There are quarterly Board meetings (with other ad hoc meetings as required) and Bi-annual Trustee meetings. The Subcommitees meet at least 3 times a year or as business requires. The Board approves and regularly reviews a scheme of delegation governing all operational matters (contracts, finance, HR etc) and the Company maintains a suite of policies including Data Protection policies, Health and Safety and a comprehensive Employee Handbook. An external audit is conducted annually and the financial statements are published. There are also Biannual partnership meetings with Government in accordance witht the partnership agreement.
6	How do you meet the principles set out within the Public Finances Manual and how do you monitor your performance against these principles?	It is the responsibility of the grant giving body (Economy Department) to comply with the PFM in managing and overseeing our grant. Overall we apply the principles as follows: 1. Contribution to policy objectives: our annual operational plan is set in line with the CSP, Economy Department annual plan and any relevant strategies. In particular under the current CSP 2. Details of our relationship with Government are set out in our Partnership Agreement. More details are provided in the covering letter. 3. Risk reporting is included in quarterly board packs (sent to Government), and is also covered in Partnership Agreement meetings. 4. This principle refers to the Accountable Officer's responsibilities. We have no further comments. 5. This principle refers to the Accountable Officer's responsibilities. Reviews are carried out at each Partnership Meeting and at other times as deemed appropriate. 6. Executive remuneration is approved by the Board of Digital Jersey on the recommendation of the Remuneration and Nominations Committee. The Board also approves the pay policy for all staff, sets limits on amendments to pay via the scheme of delgation and approves RPI adjustments through the annual budgeting process. All the requirements set out for written agreements, annual assessments, governance and reporting for ALOs are complied with in full. The Compliance checklist is completed annually, and all the reporting requirements for the annual report are included in our annual report. Overall we have been consistently highly commended by the C&AG for the standard of our reporting in recent years.

7	How is your organisation aligned to Island outcomes indicators and how do you measure your contribution to these outcomes?	Digital Jersey is an economic development agency and as such contributes most closely to the Economy Outcomes. Our Strategic Plan (https://www.digital.je/our-work/5-year-strategy/) sets out four key visions aligned to the Indicators: - improve economic sustainability - improve the quality of islanders' lives - create new and exciting employment opportunities - support the provision of public services Our strategy is focused on delivering Digital Jersey as a sustainable Tech Hub for the island, supporting digital adoption and acceleration in the areas of Industry, Infrastructure, People and Government. This is built on and maps closely to the Economy outcomes set out in the Island Outcome Indicators. We build our annual operational plan from the strategy, learning from the prior year using an OKR model, with the overall aim of driving economic development of the Digital sector and innovation across all sectors through the adoption and diffusion of technology. See our 2025 plan for furither details (https://www.digital.je/our-work/operational-plan-2025/)
8	What are the last three strategic decisions that were taken by your board and what evidence and data was used to inform these decisions?	The last three Strategic decisions taken by the Board (at the July meeting) were: 1) Confirmation of appointment of a new member of the Board (replacing two retiring members) and appointment of subcommittee members and chairs - the candidate process followed Appointments Commission guidance. The role was advertised locally and off island, and received 80 applications. A shortlist of 10 candidates was interviewed by a panel including a government representative and an appointment was recommended to the Board and the Minister in line with our Partnership Agreement. Once approved by both, the appointment was confirmed. 2) Academy - in the light of discontinuation of Government funding post 2025, the Board considered an options paper for next steps with the Academy. The options paper was produced by the executive based on financial and operational data from the last 2 years of operation and forecast financial projections for 2026-2028, and building on an external strategic review of the Academy commissioned and delivered in 2024. The Board decided to retain the facility (with an intention to review the purpose and use of the space), subject to reducing office space elsewhere in the building. The Head of Academy role has been closed, and Digital Jersey will cease to be involved in schools initiatives and digital course delivery from 2026. Digital Jersey will retain a focus on supporting and driving digital skills, which are critical to the overall productivity of the island, by advocating for and signposting to training opportunities, and providing focused technical training funded through sponsorship or co-payments where possible. 3) Overall strategic focus - following the externally commissioned work undertaken in H1 of 2025 to develop an AI Playbook, the Board considered a proposal from the Executive to review all services with a view to focusing more strongly on supporting AI adoption and upskilling across Jersey. The Board endorsed the high level paper presented and tasked the Executive with developing a more detailed plan and budget for approval at the October meeting.
	a How does the Board set its agenda and what is required of them in terms of finalising their agenda with government?	a. Requirements for the agenda are established in the Partnership Agreement. Digital Jersey then prepares an overview report and papers setting out relevant information to support requirements, DJ and GoJ add additional agenda items as required.
	b Do you have a board assurance framework and, if so, how often do you update this?	b. Managed through risk register reviewed by the Audit & Risk Committee and the Board 2x per year or as required if risks emerge or change.

9	How do you review your operating model to ensure value for money of your delivery?	The operating model is reviewed annually as part of budget process - zero based budget approach aligned to the proposed operational plan for the following year with resources allocated in line with that plan. All external contracts are tendered on a cyclical basis, subscriptions and other regular payments are reviewed regularly to ensure VfM. Digital Jersey communicates regularly with other Economic ALOs to compare procurement / supplier arrangements and to identify joint working opportunties. For example in 2025 Digital Jersey has provided space and support for a majority of the courses supported by Jersey Business, reducing venue hire costs for Jersey Business. Over the last 4 years, Digital Jersey has faced a real terms funding cut (core grant only) of 24% in real terms. We have continued to grow our ambition and activity in spite of these cuts, managing costs through reduced supplier costs, cuts to the size of DJ team (in particular a reduction in senior leadership roles of 38%), a reduced number of board members and continuous review operational activities to maximise efficiency. We have also significantly increased sponsorship and membership income over that period. In addition, Digital Jersey is able to consistently deliver greater reach and value for money through leveraging our ALO status to persuade commercial entities to engage with our projects at reduced or no cost that would not otherwise be achieved by Government. For example the Lifecyle data trust project was supported by pro bono legal, trust admin and professional services.