18 December 2025

Deputy Inna Gardiner
Chair, Public Accounts Committee
Scrutiny Office
States Greffe
Morier House
St Helier
Jersey
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By email: scrutiny@gov.je

Dear Deputy Gardiner,

Re: Public Accounts Committee – Follow up matters

Thank you for your letter dated 24th November 2025 following the Public Hearing on 5th November. Please find below our written responses to the Committee's additional questions, with supporting evidence drawn from our most recent annual reports, board papers, performance reports, and strategic documents. Where requested information is confidential or commercially sensitive, this is indicated accordingly.

1. Efficiency and Productivity Measures

Digital Jersey has implemented a comprehensive programme of operational efficiencies and productivity improvements, including:

- Reduction in senior leadership roles by 38% over the last four years and overall team size by approximately 15%.
- Renegotiation of all external supply contracts to achieve cost savings.
- Zero-based budgeting aligned to our operational plan and strategic priorities.
- Increased sponsorship and membership income to offset reductions in core grant funding.
- Continuous review of operational activities to maximise efficiency.
- Adoption of internal productivity tools such as HubSpot (CRM and marketing automation), Monday.com (project management), and Minute Master (meeting management, minute drafting and action tracking).
- Streamlined onboarding and membership processes, including integration with HubSpot.
- Regular benchmarking of staff pay and benefits to ensure competitiveness and value for money.
- Hybrid working model and flexible hours to improve staff productivity and morale.

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- Ongoing digitalisation of internal processes (finance, HR, facilities management).

These measures are aligned with the objectives set out in our 2025 Operational Plan and the Government's commitment to ongoing review of operational efficiencies in Arm's Length Organisations (ALOs).

2. Marketing Spend 2022–2025

Net marketing spend for 2022-2025 was as follows:

- 2022 £102k
- 2023 £124k
- 2024 £112k
- 2025 (est) £121k

By 'net' we mean we have not included the costs of events such as TechAwards as we cover such costs through sponsorship and ticket sales.

We cannot include staff costs as the Marketing team is small (2-3 FTEs) and there would be data protection concerns re disclosure of salary information.

We 'outsource' some marketing functions to external (but local) suppliers e.g. for videography and website development.

There is a focus on local events such as our Annual Review and TechAwards but much of our marketing activity is online and therefore aimed at both on island and off island audiences.

Historically the majority of our specific off island marketing spend has been digital with some small events (e.g. Sandbox Jersey launch at TechUK offices) and stands at third party events (e.g. Smart City Expo in Barcelona).

We have reduced our off island business development activity since the previous Government removed our Business Licensing MOU which gave us confidence marketing to potential relocations as we had more control over licensing decisions.

3. Job Creation in the Digital Sector and Wider Economy

One of the challenges of measuring the number of employees in the digital sector is the fact that Statistics Jersey follow the approach of using SIC codes to define economic sectors and that is not a good way of measuring the true digital sector. For example, using SIC codes Amazon would be defined as Retail, Google as Advertising and Revolut as Finance. The UK has historically addressed this through the Annual Tech Nation Report to try to more accurately measure the digital economy and we worked with Tech Nation in 2018/19 to do a similar survey for

Jersey (attached) which showed that the true digital sector in Jersey would be similar in economic value to the Hospitality sector.

It is also difficult to measure the number of digital roles within other sectors, e.g. Financial Services and Government as they are again not measured by Statistics Jersey (cost of DJ monitoring would be expensive) but are significant. For example, under the Statistics Jersey approach the Digital Jersey team would not even be included as part of the local digital sector.

However, we can say with confidence that in the past 10 years Digital Jersey has supported the creation of over 1,000 jobs in the digital sector, through direct support to member companies, business relocations, and sector growth initiatives. In 2023 alone, 13 work permissions were endorsed and 160 job adverts posted on behalf of members.

While precise figures for the wider economy are not available, our support for digital transformation in non-digital businesses has contributed to job creation and protection across multiple sectors.

We have commissioned a follow-up to the Tech Nation report locally and that should hopefully be available in Q1 2026.

One area where Digital Jersey could have ensured the creation of more roles in the local technology sector with Government support would have been the Government's own local technology procurement. Although the situation seems to be improving with a few notable recent successes, over the past ten years we have seen little prioritisation of buying local in technology with major projects, e.g. Connect, relying almost exclusively on off island resource. Digital Jersey has ensured business for local companies by running procurement workshops with Government and other bodies and more recently has ensured a number of local successes in this area.

4. Companies Relocated to Jersey

We publish targets and achievement for relocations in each year's Annual Report.

On average we have relocated 10-15 entrepreneurs and companies each year over the past 10 years or so.

This is successful applications with licences issued, with a far larger number of enquiries and applications, as not every application is approved by Government, especially since our MOU with Business Licensing was not renewed by the previous Government, despite being informed by the then Chief Minister that it would be.

5. Measuring Economic Value

Digital Jersey's economic value is measured through:

- Number of jobs created and protected in the digital sector.

- Growth in business membership and retention rates (8% growth, 82% retention in 2024).
- Number of business relocations and work permissions endorsed.
- Delivery of KPIs agreed annually with Government.
- Impact of innovation projects (e.g., Impact Jersey, Data Trust, Smart Fields).
- Member and stakeholder satisfaction ratings, e.g. in 2025 member score was 8.6 up from 8.2 in 2024.
- Support for digital transformation in non-digital businesses and the wider economy.
- Evaluation frameworks for major programmes.

6. Status of Skills Funding Business Case

At the end of 2023 the Chief Officer of CYPES informed the CEO of Digital Jersey that whilst the fixed costs for the Digital Jersey Academy for 2024 (c.£400k) would be made available immediately, funding for future years would require the development of a detailed business case. This was developed with PWC locally and submitted to CYPES (Chief Officer and others) in May 2024. Despite resending to other officers in CYPES subsequently, along with an abbreviated version requesting a lower funding amount, no response has ever been received. We have attached both documents in confidence.

Funding for fixed costs for 2025 has been provided by the Chief Minister's Office as CYPES declined to provide it.

In addition to fixed funding over the years, funding for specific courses has been provided since 2020 by the Fiscal Stimulus Fund, the Economic Recovery Fund and then the Skills Fund. However, the most recent funding from CYPES, through the Skills Fund, was 2024 with our being told in 2025 that we would not receive any funding as their view was that there was no need for local digital and AI skills courses as there was free material online.

7. Impact of Withdrawal of Skills Funding

Whilst we have been able to use our fixed funding from the Chief Minister's Office in 2025 to fund a wide range of digital skills courses in 2025, there have already been impacts such as the loss of our Head of Academy who we have not been able to replace.

As we have been told we will be getting no funding from CYPES for either courses or fixed costs in 2026 (and the CM funding was a one-off for 2025) we have had to implement the following changes for next year:

- We will drop the vast majority of our short courses including for Office 365 applications, CoPilot, digital marketing, LinkedIn, etc.
- We are looking to run specialised courses in AI, coding, etc. from our core funding from the Economy Department depending on level confirmed.

- We will not be able to deliver end user courses for teachers or other civil servants including CAMHS staff who have used this year.
- Whilst we will retain space on the Academy floor we are having to reduce it by moving the DJ team into some of the space to reduce our costs by exiting the lease on our previous team office space.

8. Duplication and Collaboration in Skills Provision

There is no duplication in course provision between Digital Jersey and other ALOs or Government.

Jersey Business runs some general business courses and historically we have provided access to Academy facilities free of charge to save them money compared with previously renting hotel space. Visit Jersey ran some digital skills training for their industry but this was delivered through Digital Jersey.

Government runs no end user digital skills training for staff and in fact at certain points around 25% of DJ Academy course attendees were civil servants. We have also historically run digital skills training for teachers at the request of CYPES but this has now ended since the departure of our Head of Academy due to budget concerns.

We have worked carefully and in partnership with Highlands to ensure no duplication as they either run basic skills courses such as 'How to use a mobile phone' as part of their Adult Community Education offering or a full 3 year degree in Computing accredited by the University of Plymouth. The latter was in the Academy by Highlands staff as we were asked by the former Education Minister to provide the space free of charge as an improvement to their previous accommodation. As part of the reduction in space at the Academy we have sadly had to withdraw access to Highlands.

There are digital skills training providers such as ALX Training or Prosperity 24/7 but they only provide their services to larger corporates whereas we were able to commission courses from them to make available to individuals and SMEs who would otherwise not be able to access them.

We have continued to offer school digital skills initiatives such as STEM Racing (formerly F1 in Schools) but have now had to replace previous Government funding with external private sponsorship through a Digital Jersey enterprise member.

It is worth noting that Jersey's Digital Skills Strategy, and refresh, was developed by Digital Jersey with external support from the University of Exeter Business School. We also worked closed with CYPES on the Digital Education Strategy.

9. Funding Alteration Notice Period

Digital Jersey's existing Partnership Agreement runs until the end of 2026. The proposed partnership agreement format, already agreed with some other ALOs, reduces the funding alteration notice period from six months to two weeks.

Consultation on this change has been limited to date but to be fair we have not held detailed discussions with Government due to the end date of our current agreement. Digital Jersey has expressed concerns regarding the impact on operational planning and financial stability. A shorter notice period would significantly affect the ability to manage staffing, contracts, and service delivery, and increases financial risk.

10. Membership Numbers, Types, and Fees (2021–2024)

Digital Jersey offers two types of membership:

- Small Business - £50 a month + GST (available only to digital companies with fewer than 10 staff
- Enterprise - £1k, £3k or £5k + GST per annum (available to any company)

Further details on membership offering can be found at https://www.digital.je/membership/

In term of historic membership numbers:

- End 2021: 45 Enterprise, 90 Small Business.
- End 2022: 43 Enterprise, 129 Small Business.
- End 2023: 190 business members (Enterprise and Small Business), 10% net increase.
- End 2024: Over 200 business members, 8% growth, 82% retention.
- End 2025: 220 total, 71 Enterprise, 141 Small Business

10a. Membership Fee Income and Office Use

Non Government income, primarily from members through membership fees, sponsorship, etc. was c. £450k in 2024 and we are expecting to be at a similar level for 2025. Membership fees are around 60% Enterprise, 40% Small Business but Enterprise members also contribute via sponsorships for events, etc.

We do monitor facilities usage through a dashboard and report to each Board against utilisation targets, but membership growth suggests our services (not only facilities) are highly valued.

11. Digital Jersey Hub and Xchange Usage and Impact

a. Occupancy rates and total desks/workstations available (2021–2024):

- 2021: Hub occupancy >70% once restrictions lifted; 16/30 permanent desks rented at Forum 4, 1/6 at DJX.
- 2022: Hub and DJX regularly at capacity; all offices rented, majority of permanent desks in use.
- 2023: 6 permanent desk users at DJX, average of 18 members using facilities.
- 2024: Over 50% of our members used our facilities; DJX at full occupancy (permanent desks), overall 69% of permanent desks leased at year end.

b. Collaborations, funding rounds, and business exits initiated by Hub or Hub members:
Whilst we do not monitor the above numbers, as an example of our support in this area in 2024 we held 5 'Springboard' Funding Clinics in the Hub and supported 20 businesses through that initiative. Digital Jersey connects companies to collaborate on an almost daily basis, we regularly introduce start-ups to potential investors individually or through initiatives such as our Start-Up Bootcamps or SLUSH contingent, and we have supported businesses such as KYC360 who have recently been purchased by Experian.

c. Businesses relocated to larger independent premises after using the Hub:
We do not collate this data but we have regularly seen members move from hot desks to permanent desk to small DJ office to larger DJ office before outgrowing those as maximum occupancy is 8. We encourage churn to ensure that facilities are available to those who need most.

d. Documented innovation outcomes and performance improvements attributed to Hub membership versus non-Hub members:
We do not measure this and are not sure how it would be measured as we could not track data on non-members to create a baseline. In any case we have a very high percentage of local digital companies as members and regularly track feedback through annual member surveys, event feedback and membership retention rates.

e. Evidence that outcomes attributed to the Hub would not have occurred through private sector alternatives:
The Hub provides a unique collaborative environment, access to specialist support, and integration with Digital Jersey's programmes, which are not replicated by private sector alternatives. Member feedback and high utilisation rates support this.

Collaborative workspaces are a key foundation of any successful digital economy globally.

12. Rent Paid at Each Location (Last 5 Years) and Government Guarantees

The Digital Jersey Hub & Academy is spread across three floors in the Forum development on Grenville Street.

From 2021-23 we paid c£83k pa each for two floors, rising to c.£96k pa in 2024-25. The third floor is partly rented direct to digital start-ups by our serviced office partner, partly by DJ for permanent desks rented to start-ups at a gross rental rate of £54k (we receive monthly desk rental fees from members in addition to membership fees) and finally £60k pa for past 5 years for a single office for DJ staff desks, with team using existing meeting rooms in Hub.

As a result of the removal of funding from CYPES for the costs of the Academy we have given notice on our lease for the £60k pa cost, with the space to be leased to other digital companies, and the DJ team have moved into a room in the Academy to enable the continuation of the majority of the facilities at a reduced outlay.

The DJX facility is provided to Digital Jersey rent free by Jersey Telecom.

No Government guarantees have been provided for any of our lease agreements but Government is committed in Partnership Agreement to cover any wind-down costs in the advent of the withdrawal of funding.

13. Board Size and Government Recommendations

The Digital Jersey Board currently comprises a Chair, four Non Executive Directors and the CEO as the only Executive Director. Earlier this year two outgoing NEDs were replaced by one in order to reduce costs.

The Board currently has three sub-committees – Audit & Risk, Remuneration & Nominations and the Impact Jersey Steering Committee (recognising the increased governance required around the operation of this initiative).

The Board size is reviewed regularly and we are expecting to review again once the recruitment process has concluded early next year for a new Chair.

No formal recommendation regarding Board size has been received from Government. The reduction in size this year, however, was part of a cost saving exercise following a reduction in Government funding.

14. Further Reviews of Arm's Length Bodies

Each year, by end October, Digital Jersey submits a one year Operational Plan for the following year to the Economy Department following Board approval. This is discussed with the Minister and team in the following Partnership Agreement and any amendments included prior to funding being paid, so in effect Digital Jersey activity is already reviewed on an annual basis by Government and has been each year for the past 10 years under successive Governments.

In addition, Digital Jersey has developed longer e.g. 5 Year strategies and these have also been developed in conjunction with Government, States Members and industry, e.g. Building a Digital Jersey - Jersey Evening Post.

15. Joint Premises for Arm's Length Bodies

While the concept of joint premises for Arm's Length Bodies is often discussed in the context of efficiency, it is important to recognise the distinct operational requirements and cultures of each organisation. Digital Jersey's experience has shown that our sector-specific facilities and environment are integral to fostering innovation, collaboration, and industry engagement. Shared premises may introduce complexities around security, branding, and the ability to tailor spaces to rapidly evolving sector needs. Although we have supported other organisations, such as Jersey Business, by providing space for their activities when appropriate, the benefits of permanent amalgamation are less clear. Any move towards joint premises would require careful consideration of these factors to avoid unintended dilution of focus and effectiveness.

In addition, Digital Jersey raises a substantial amount from industry membership fees which would be jeopardised should industry feel they did not have facilities tailored to their needs and focused on supporting their specific community.

As shown above, Digital Jersey now has no additional office costs beyond the facilities already funded as the Hub and Academy, so any move to joint premises would incur an additional cost.

It has also been suggested that the co-location of ALOs could provide a one-stop shop but as has been repeated a number of times to PAC and other reviews, there is little if any overlap between ALO activity and their target audiences so any such value would be extremely limited in our view.

This issue has been looked at a number of times over the past 10 years. For example, in 2016 Digital Jersey suggested it co-locate on a floor above the Hub with Visit Jersey and Jersey Business and joint discussions were held but the different requirements of the different organisations were incompatible and drove up costs even when shared, so together with the cost of exiting existing office leases meant that Visit Jersey found new separate premises and Jersey Business remained in situ.

The Economy Department has also previously collected details of lease costs and terms for the ALOs, in addition to other costs, and found – we assume – that there were no savings to be made.

16. Joint Boards for Arm's Length Bodies

Again this has been suggested a number of times by certain officers, but even if it was possible to find expertise in a single Board in areas such as Finance, Tourism and Digital, if there was a single Board then there would have to be a single company which would require a significant and potentially costly restructure which might put at risk income sources derived from industry membership fees.

Evidence from other jursidictions suggests that such merged organisations become like the civil service as one organisation with different teams, lose industry focus and expertise and are less efficient and effective.

17. Narrowing Scope or Objectives of Arm's Length Bodies

A narrower scope could obviously reduce costs but not necessarily improve efficiencies, and it may also constrain an organisation's ability to adapt to emerging opportunities and deliver on broader strategic goals. Digital Jersey regularly reviews its objectives to ensure alignment with Government priorities and efficient delivery, but our experience suggests that maintaining a degree of flexibility is essential for responding to the fast-changing digital landscape. Overly restrictive mandates could limit innovation, reduce stakeholder engagement, and ultimately diminish the value delivered to the Island's economy.

18. Joint Procurement by Arm's Length Bodies

Joint procurement initiatives are often suggested as having the potential for cost savings across the ALOs.

We have addressed property costs and associated issues above.

On support costs, in common with most ALOs we believe, we 'pay as we go' by employing external support on a retainer basis for areas such as IT support, HR, legal, website development, etc. Any joint ALO procurement of these services is unlikely to be of sufficient scale to obtain significant discounts and in any case most of these services are delivered locally in our case so the value could be removed from the local economy.

Any individuals employed in operational roles by Digital Jersey, e.g. for finance or events, are fully utilised and often work across additional functions so we do not believe any significant efficiencies would be obtainable.

As stated above, the ALOs have been asked a number of times over previous years to provide figures for 'back office' spend and have looked at the issue together (including a detailed review exercise conducted across the 5 Economy ALOs in 2022) as we would all benefit from reduced costs, but we have been unable to find worthwhile efficiencies.

I hope the above response answers your questions. Should you require clarification on any of our response please do not hesitate to contact me.

Yours sincerely,

Tony Moretta
Chief Executive Officer
Digital Jersey