

## Future Guernsey – Priority Policy Area update (June 2019):

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| <b>Future Guernsey Theme:</b>   | Our Economy                               |
| <b>Future Guernsey Outcome:</b> | Strong sustainable and growing            |
| <b>Priority Policy Area:</b>    | <b>Economic Development</b>               |
| <b>Political Governance:</b>    | Committee <i>for</i> Economic Development |

### Overview

In November 2018 the States approved a prioritisation plan for delivering the Economic Development Strategy, which in turn had been approved by the States in July 2018. The policy letter agreed by the States in November 2018 set out the full details of the work of the Committee *for* Economic Development (the “**Committee**”). Therefore in the interests of brevity, this update to the Future Guernsey Plan will focus on the “critical” actions and some of the significant “important” actions that the Committee is currently actively delivering. Over the past twelve months, the Committee has made significant progress with these policy priorities and a summary of the work undertaken to date is set out below.

### Work stream 1 – support the Finance Sector with a plan that supports growth and diversification

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| <b>Brief overview:</b> | <p>The Committee, working with Guernsey Finance and business representative bodies, is undertaking initiatives aimed at delivering finance sector growth and diversification through, for example, Financial Technologies (“FinTech”) and green finance (defined as financial investment into sustainable development projects, initiatives and policies that encourage the development of a more sustainable economy while providing a return on investment). Updates on these initiatives are set out below.</p> <p><b>Green Finance:</b> A Guernsey Green Finance industry body was established in Q4 2018. Subsequently, Guernsey has become a member of the International Network of Financial Centres for Sustainability (the “FC4S Network”); a World Bank insurance proposal is being developed via industry and Guernsey Green Finance with the Guernsey Financial Services Commission. Government and industry are continuing to work together to develop an impact fund.</p> <p><b>Fintech:</b> The Committee has led the development of a policy letter on legislation relating to electronic agents, debated by the States in October 2018, and the implementation of the Electronic Transactions (Electronic Agents) (Guernsey) Ordinance, 2019 which came into force on the 1st March 2019. The Ordinance provides enhanced certainty regarding the use of electronic agents in contract formation, execution, performance and termination. This will help to ensure that Guernsey continues to have a world leading framework for electronic commerce and be an attractive jurisdiction of choice for innovative businesses and entrepreneurs.</p> |
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|                    | <p>In order to develop further new and emerging opportunities, the Committee continues to undertake strategic reviews relating to the Island’s finance sector. In this respect, it continues to carry out monitoring and implementation of:</p> <ul style="list-style-type: none"> <li>• the Fintech Review (now part of the Digital Sector Strategic Framework);</li> <li>• the Fiduciary Sector Review (80% of the recommendations completed);</li> <li>• the Insurance Sector Review (70% of the recommendations now completed);</li> </ul> <p>The Investment Sector Review has now been concluded and the implementation of its recommendations will be monitored by the Committee.</p>  |
| <b>Resourcing:</b> | This work stream is being led by officers from the Committee <i>for</i> Economic Development, Guernsey Finance and business body representatives.  |
| <b>Next steps:</b> | <ol style="list-style-type: none"> <li>1. The Committee <i>for</i> Economic Development and the Policy &amp; Resources Committee (together the “<b>Committees</b>”) will be jointly issuing a policy letter in respect of Credit &amp; Finance. The Committees consider that consumer protection, in relation to non-bank lending, should be improved and that the best way of achieving this aim is to remodel the framework of the Registration of Non-Regulated Financial Services Businesses (Bailiwick of Guernsey) Law, 2008 by repealing it, and replacing it, with new legislation. Officers have been developing a policy letter which is intended to be submitted to the States in Q2 2019.</li> <li>2. The Committee is currently effecting a consultation on the potential development of Limited Liability Companies in Guernsey in order to guide further policy development. A draft consultation has been prepared and once approved by the Committee is intended to be released in Q2 2019.</li> <li>3. With regard to the Company Law Review, consultation with stakeholders (the Commercial Bar Association, GFSC, Guernsey International Business Association and the general public) closed in 2018. The policy letter containing the proposed amendments to the Companies Law is due to be issued in Q2 2019.</li> <li>4. Legislation is being prepared by the Law Officers to implement amendments to the insolvency law provisions of the Companies (Guernsey) Law, 2008, in accordance with a resolution of the States of Guernsey. Industry feedback on a first draft has been reviewed and it is anticipated that a revised final draft will be ready for approval in the near future.</li> </ol> |

**Work stream 2 – investigate and support new opportunities to diversify the local economy with a particular focus on using digital technology to enable commerce of all types**

**Brief overview:**

The Digital Framework published in 2017 identified the role that government can play in directly supporting the digital and wider economy through digital innovation and capability.

The economic objective of the Digital Framework is to develop digitally enabled industry, data and innovation. This is an area which fulfils all the requirements of a high value economy; that benefits from our flexible and responsive regulation and legislative environment; and that builds on our brand values around trust and security.

The Digital Framework has 10 action areas which fall under the following broad categories. Considerable progress has been made in each of these areas, the highlights of which are as follows:

Driving digital sector economic growth (current and new) and competitive advantage

- Working with partners, Locate Guernsey has facilitated the relocation of 13 digital businesses to Guernsey since 2016.
- Significant work has been undertaken by the Digital Greenhouse to support the growth of digitisation across the Island. Industry engagement has accelerated, working in 2018 with 50 businesses, 10 Industry bodies and 24 charities and third sector groups. Activities to grow the digital economy included:
  - Over 70 public events during 2018, including specialist events in new technologies, digital marketing, cyber security and broad digital skills, with both on and off-Island speakers and attendees;
  - Significant social media impact, including 335,000 impressions on twitter during 2018, with a 44% female audience; and
  - 35,000 individual (unique) users of the Digital Greenhouse website during the first three years, with 51,000 sessions recorded.
- The Digital Greenhouse working premises has seen exponential growth:
  - Running at near to capacity in terms of the number of allocated desks available, with growing businesses moving on through to private accommodation;
  - Co-working hot-desk membership has grown by a further 106% in the past 6 months; and
  - Over 80 residents actively using the premises as a space to do business.

### Delivering next generation digital infrastructure

- The Committee *for* Economic Development published the Future of Telecoms strategy document in July 2018. This sets out policy for the roll out of next generation telecoms infrastructure to secure the Island's digital connectivity into the future. It includes policy for the implementation of 5G, fibre to the business and minimum residential broadband speeds.
- Following detailed consultation with on-Island telecommunications providers and the regulator, the Committee *for* Economic Development will be submitting a policy letter to the States in July 2018 to seek States' approval for implementation of next generation telecommunications infrastructure investments, including proposals for licencing of a 5G network on the Island.

### Developing the digitally skilled workforce of the future

- There has been notable success in developing digital skills on the Island. This includes changing the Bailiwick curriculum to include digital skills. A digital roadmap has also been developed by the Committee *for* Education, Sport and Culture.
- Over 35,000 people have visited the Digital Greenhouse over the first three years of opening, covering a very broad audience from young people, industry and senior citizens.
- A range of programmes have been developed and delivered by the Digital Greenhouse, including:
  - Launch of the 'Digital Innovators Programme' in 2018, a new industry partnership with First Central Technology Group to deliver free to access skills hackathons to under 21s, with over 100 young people already through the programme;
  - Over 200 young people have gained skills, worked with industry professionals and built interest in digital pathways through a range of activities delivered by Digital Greenhouse over weekend and holiday workshops in the past 18 months;
  - Over 9,000 people have attended the annual Digital ACE online safety event over the past 3 years, supported by 25 companies, gaining invaluable knowledge of cyber security; and
  - Digital Greenhouse has worked with the University of the 3rd Age, supporting growth of digital skills for the older generation. 2019 has seen a new partnership with the Duke of York iDEA qualification, being rolled out across a broad range of community groups to grow digital skills across the Island.
- The Digital Greenhouse has been instrumental in developing awareness of digital careers and opportunities on Guernsey. They have:

- Established and operated a highly successful and well regarded internship programme, now in its third year. This programme has demonstrated considerable success with local students securing further funding for further education and offers of employment. Employers have been pleased to be able to secure locally qualified students.
- Built and delivered app content to showcase career pathways in conjunction with the annual careers show.
- Engaged with industry to case study over 100 local individuals working in digitised areas of the economy. This content has given a face to roles that are often misunderstood and debunked the myths about how to get into new careers and career change in later life.
- Over 8,000 people have used the Digital Greenhouse job and careers website content.

### Third Sector Working

The Digital Greenhouse established a charities/third sector membership in 2018 to identify and work directly with partners across the community. This included providing them with free access to the facilities, as well as facilitating programmes to support them. A wide range of activities have taken place, focused on supporting and building opportunity in digital and creative areas, including hosting film nights for local cinema, learning and up-skilling programmes, networking events and promotion.

Notable programmes in the past year include:

- University of the Third Age: U3A Digital group meet weekly at the Digital Greenhouse, with over 300 3rd Agers having now completed the iPad course at the Digital Greenhouse. The Digital Greenhouse has now extended this programme to include the iDEA.
- iDEA: 2019 has seen the launch of a partnership between the Digital Greenhouse and the Duke of York, Inspiring Digital Enterprise Award. This online digital accreditation is being rolled out as a free community and business resource to up-skill all ages in digital creation, cyber security, programming and enterprise. So far the Digital Greenhouse has worked with the Scouts, U3A, Young Enterprise, The Youth Commission, Schools and individual businesses to 'soft-launch' the programme.
- National Coding Week: A week-long series of events focused on up-skilling the community, last year saw over 200 attendees learning about programming, social media, digital marketing and cyber security.
- Digital ACE: 2019 saw over 3,000 people attend a full day of online safety information talks and 25 industry stands promoting cyber security. Digital Greenhouse organise and coordinate the event on behalf of the Online Safety Committee for Guernsey.

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|                                   | <p><u>Providing a world leading and proportionate compliance and regulatory environment</u></p> <ul style="list-style-type: none"> <li>• Guernsey offers international business a safe haven for data. This is becoming an increasingly important enabler of the digital economy, and will build on and is aligned to the opportunities presented by 5G, the growth of Artificial Intelligence applications and the use of Big Data. Trusted handling and security of data will become an important differentiator for the Guernsey economy. Guernsey’s secure and trusted environment has been strengthened by the work led by the Committee <i>for</i> Home Affairs on data and cyber-security. This includes the publication of the Cyber Security Strategy in December 2017. The strategy will enhance our cyber protection and resilience through a range of measures including strengthening our relationship with Jersey and with the UK’s National Cyber Security Centre. It also importantly includes the adoption of legislation to ensure Guernsey is compliant with EU regulations on data protection (GDPR).</li> <li>• The Digital Framework also supports the development of Guernsey’s knowledge economy. The intellectual property regime will need to be flexible to adapt to the external opportunities and challenges such as Brexit. Progress in securing extension of international agreements to Guernsey has been hindered by the need to focus on Brexit issues first, including the extension of the UK’s membership of the World Trade Organisation to Guernsey.</li> </ul> |
| <p><b>Resourcing:</b></p>         | <p>States’ investment and funding in the Digital Greenhouse. This work stream is staffed by officers at Digital Greenhouse and other Economic Development staff.</p>   |
| <p><b>Any other comments:</b></p> | <p>Delivery of the strategic aims set out in the Digital Framework is underpinned and supported by the States’ investment in the Digital Greenhouse as a central hub for business growth, knowledge sharing and accelerated innovation for the Island. We have continued to build on the early successes of the Digital Greenhouse and in 2018 a further three year period of investment was secured to enable a focused Digital Greenhouse offering to be provided. This will leverage links with industry partners including the strategic partner who will be delivering the States’ Future Digital Services project subject to the agreement of the States’ Assembly.</p>  |

**Work stream 3 – support the effective operation of the local economy outside of the finance sector through the development of policy to remove barriers to commerce**

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| <p><b>Brief overview:</b></p> | <p>The Economic Development Strategy includes an initiative to identify and remove red tape, to boost competitiveness and to reduce the cost of doing business in Guernsey. Highlights of this project are as follows:</p> <ul style="list-style-type: none"> <li>• A Red Tape Audit Working Party was formed at the end of last year. It is made up of representatives from both the Committee <i>for</i> Economic Development and the business community.</li> <li>• The group had its first meeting in December 2018 with subsequent meetings during 2019. The working party has focused its work on three areas:             <ol style="list-style-type: none"> <li>1. Evaluating how easy it is to do business in Guernsey compared to other countries. As a starting point, it has looked at the World Bank’s Doing Business index to get an idea of where Guernsey sits in the global ranking. This was an informal in-house exercise not for external publication, but it has helped to shape the group’s findings and suggests that Guernsey would score well overall and is indeed a good place to do business.</li> <li>2. Understanding if local businesses have any immediate and specific concerns which the States should seek to address). This analysis is being undertaken through feedback from various business groups.</li> <li>3. Assessing how other places have been successful in removing barriers to doing business. This will help Guernsey to identify effective solutions to its own challenges.</li> </ol> </li> </ul> |
| <p><b>Resourcing:</b></p>     | <p>Members and staff officers from the Committee <i>for</i> Economic Development and business body representatives.</p>   |
| <p><b>Next steps:</b></p>     | <p>Working Party to report back its findings to the Committee <i>for</i> Economic Development during Q2 2019. At that point, the Committee will determine what it can do in order to help to address any issues that have come up through this process.</p>   |

**Work stream 4 - support the development of skills, talent and entrepreneurialism within firms and the workforce**

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| <p><b>Brief overview:</b></p> | <p>As stated in the Economic Development Strategy, if Guernsey is to meet the aspirations for economic development set out in that strategy, then the skills of its people to deliver this will be critical.</p> <p>During 2018, Skills Guernsey published a Skills Action Plan, led jointly by the Committee and the Committee <i>for</i> Education, Sport &amp; Culture. The Plan was developed through extensive engagement with industry and is informed by the findings of research into current skills gaps. It provides coordinated action to ensure that skills development remains a priority in Guernsey, in order to support the skill needs of the business community.</p> <p>The Plan also sets out the practical steps to be taken by government, in partnership with the local community and industry, as it seeks to develop lifelong learning, digital skills, entrepreneurship, and employability skills.</p> <p>Skills Guernsey is a States of Guernsey sub-committee that has responsibility for ensuring the development of workforce skills, supporting both the States' Future Guernsey Plan and the States' Economic Development Strategy.</p> <p>For 2018/2019, the Skills Guernsey Action Plan has focused on the following areas:</p> <ul style="list-style-type: none"><li>• Continue to review and recognise industry need for qualified staff;<ul style="list-style-type: none"><li>○ A review and report on school leaver and graduate data trends has been completed by Careers Guernsey.</li><li>○ Careers Guernsey are developing an “Inspire, Motivate, Connect” app to promote awareness of careers opportunities in Guernsey.</li><li>○ The Guernsey International Business Association (“GIBA”) has developed a “Welcome to Guernsey” recruitment brochure.</li></ul></li><li>• Consider opportunities to establish life-long learning incentives in Guernsey;<ul style="list-style-type: none"><li>○ The Committee <i>for</i> Economic Development is currently scoping a piece of research.</li></ul></li><li>• Support work to develop best in class digital skills, education and training;<ul style="list-style-type: none"><li>○ This work has been carried out as part of the Digital Framework. See above for examples of some of the achievements that have occurred.</li></ul></li><li>• Look at opportunities to develop and enhance innovation and entrepreneurship in Guernsey;<ul style="list-style-type: none"><li>○ There is potential to develop further opportunities and links for business start-ups and scale-ups through the States' Future Digital Services contract.</li></ul></li><li>• Ensure continued recognition of the importance of readiness for work, attitudes and employability skills;<ul style="list-style-type: none"><li>○ This is being undertaken by the Committee <i>for</i> Education, Sport &amp; Culture.</li></ul></li></ul> |
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|                    | <ul style="list-style-type: none"> <li>• Support the Guernsey Apprenticeship and the identification and development of future apprenticeships and work-based learning opportunities; <ul style="list-style-type: none"> <li>○ New modern apprenticeships launched in Retail, Adult Care and Early Years Care.</li> </ul> </li> <li>• Close working with the Population Management Office to develop opportunities for skills development.</li> </ul> <p>A Skills Guernsey representative will be attending Population Employment Advisory Panel meetings in order to act as a link and liaison point between the Population Management Office and Skills Guernsey</p> |
| <b>Resourcing:</b> | Officers from Committee <i>for</i> Economic Development, the Committee <i>for</i> Education, Sport & Culture, the Population Management Office and business representative bodies.  |
| <b>Next steps:</b> | Explore potential to develop further opportunities and links for business start-ups and scale-ups through the States' Future Digital Services project.  |

| <b>Work stream 5 - develop a plan for investing in Guernsey's tourism product</b> |   |
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| <b>Brief overview:</b>  | A draft review of the Guernsey Tourism Strategic Plan is being developed with the tourism and hospitality industry and will be considered by the Committee during Q2/3 2019. The review of the Tourism Strategic Plan has been put on hold until the recommendations and outcomes of the Policy & Resources Committee's review of sea and air links infrastructure are known. |
| <b>Resourcing:</b>  | Officers from the Committee <i>for</i> Economic Development and business representative bodies.   |
| <b>Next steps:</b>  | Complete review of the Guernsey Tourism Strategic Plan.   |
| <b>Any other comments:</b>  | The Committee is establishing a Tourism Advisory Panel with members drawn from industry in order to advise on this work.  |

| <b>Work stream 6 – develop plans for an international university presence in Guernsey</b> |  |
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| <b>Brief overview:</b>  | <p>The Economic Development Strategy includes as an initiative to support emerging sectors and diversification, the development of plans for an international university presence in Guernsey.</p> <p>The States of Guernsey's cross-Committee university working party is continuing to identify a partner to establish a clear Guernsey offer and to set out in detail the investment required and economic benefits that could be delivered. The approach is to establish an international university presence, as an opportunity for economic diversification and to promote Guernsey as a centre for excellence and innovation.</p> <p>The Working Party has developed links with a number of overseas universities that have expressed an interest in the opportunity to partner with Guernsey on this project. These conversations have not only illustrated the level of support for the concept but has helped to further develop the potential model and curriculum of the University.</p> |

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|                    | <p>Based on these discussions, it is likely that the University will focus on a cellular model, which would result in Guernsey partnering with multiple universities, all simultaneously offering some form of physical study presence in Guernsey and utilising the same campus.</p> <p>It is the intention that the curriculum of the University would be bespoke, building on Guernsey’s economic, technical and geographic strengths. With this in mind, the University will aim to develop courses in the following:</p> <ul style="list-style-type: none"> <li>• Digital innovation and financial innovation, including artificial intelligence and blockchain technology, and opportunities for innovation in clinical and medical services through ‘MedTech’.</li> <li>• Sustainable development, which would take advantage of Guernsey’s natural assets to develop a marine-based renewable energy industry, the blue economy (including ocean health) and sustainable green finance.</li> <li>• Arts (both physical and digital) and creative industries, which will also provide an environment for creative thinking across other curricula.</li> </ul> <p>An informational document has since been developed to further expand on Guernsey’s vision. This will be shared with prospective university partners and other project stakeholders.</p> <p>The Working Party is now working on a report on the feasibility of the University Project. This will report on the viability of the model and curriculum offering, how this will be delivered, including investment required from the States of Guernsey and the private sector, and the direct and indirect benefits of an international university presence in Guernsey.</p> <p>It is expected that the findings of the feasibility study will be used to develop a concise business case to be submitted to the States of Deliberation in Q4 2019.</p> |
| <b>Resourcing:</b> | Officers from Committee <i>for</i> Economic Development and private sector representatives.  |
| <b>Next steps:</b> | <ol style="list-style-type: none"> <li>1. Complete feasibility study of University Project.</li> <li>2. Prepare concise business case to submit to States of Deliberation in Q4 2019.</li> </ol>   |