

Strategic Framework for Economic Development

Update on progress and next steps – December 2015



December 2015

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1 Foreword

In February 2014, the Commerce and Employment Department, in conjunction with the Policy Council, published the Strategic Framework for Economic Development which set out four key objectives to develop and diversify Guernsey's economy. It outlined initiatives that focused on achieving higher economic growth from both the existing (or mature) sectors of Guernsey's economy as well as those that were new or emerging. This current document provides an update on progress in achieving these objectives and looks forward to developments and next steps which will be introduced during 2016.

The Strategic Framework for Economic Development set in train key pieces of foundational work or research which were carried out in a number of areas across the economy. Many of these were focused on ways of making Guernsey a more attractive and easier place in which to do business.

In the intervening period between February 2014 and November 2015, much work has been done in concluding these foundational pieces of work. Strategies have been researched and published in a number of areas, including the Finance Sector, Retail, the Visitor Economy and Skills needs. In addition we have researched, developed and presented business cases to achieve funding for key projects which will invest in Guernsey's economic development.

The first part of this update document provides an overview of the work conducted across these areas and summarises the considerable work that has been achieved in meeting the strategic aims and objectives of the Framework document. These have become embedded within the C&E business plan, which has enabled the department to focus its work on the priority policy initiatives that will deliver economic benefits for Guernsey.

The second part of this document provides an overview of where the Department has considered it necessary to change or amend some of the initiatives that were originally set out in the Strategic Framework for Economic Development. This has involved a change of emphasis in the description of emerging sectors of the economy. We now consider that these sectors (such as the digital and creative sectors) can be more correctly described as connected sectors, since they have complementary impacts across the economy. This philosophy is carried forward in the description of the Digital Plan contained in this update. The Digital Plan is relevant to all sectors of the economy, and is thus embedded in the Strategic Framework for Economic Development as an enabler across the whole economy, rather than being solely focussed on the Digital Sector.

The final part of this update looks forward to the actions which the Commerce and Employment Department and its successor organisation, the Committee for Economic Development will be implementing during 2016 and into 2017.

In 2016 our primary focus will be to go back out to the business community to hold workshops and discuss progress with the implementation of the initiatives set out in the Framework. These will reflect a proactive approach to business development both on and off the Island. Guernsey is very much '*open for business*'. This is demonstrated by achievements to date under the Strategic Framework for Economic Development, and the initiatives currently underway to create greater awareness of Guernsey in order to attract new business interests. Now that the research phase has been completed for many projects and initiatives, a firm focus will be on implementation. This will reflect policy changes responding to a dynamic and fast moving business environment across different markets in the UK, Europe and the World.

Deputy Kevin Stewart,
Minister, Commerce and Employment Department

2 Executive Summary

This document is an update of the Strategic Framework for Economic Development (or “Economic Development Framework”) first published in February 2014.

The purpose of this document is to provide an update on our progress in achieving the 27 strategic aims set out in the original document under **four key objectives**.

Overview of this document

This document comprises of three parts:

- Part A – asks “*How have we done – what progress have we made towards achieving our objectives?*”
- Part B – sets out where we have made changes to the Framework in light of new developments
- Part C – asks “*What’s next?*” This section summarises the updated strategic aims and areas of activity for the next two years.

Part A: Progress update

The first part of this document sets out what progress we have made towards achieving the Strategic Objectives set out in the original Strategic Framework for Economic Development¹.

The overall objective of the Strategic Framework for Economic Development is the same and is as follows:

¹ See Appendix 1 for a detailed description of the Strategic Framework for Economic Development Objectives.

“We will continue to support and promote a diverse finance industry as the main engine of growth in the economy. At the same time our focus will be to encourage the growth of other “high value, low footprint” sectors of the economy by encouraging competitive pricing, high skill levels, infrastructure and appropriate legislation and regulation”.

In this section of the report, progress made in terms of pursuing economic growth and diversification opportunities in both existing and emerging sectors of the economy is summarised. These cover **objectives 1 and 2** of the Economic Development Framework.

Objective 3 focused on initiatives to make Guernsey work better for Business. These infrastructure or “Business Facilitators” that support all sectors of the economy are important to ensure that Guernsey remains very much “open for business” and a favoured destination for both inward investment and as a location with which to do business.

Objective 4 focused on actions to improve the way in which the performance of the economy is monitored. This includes actions to improve statistics such as economic output (as measured through GDP), and activities to engage with the business community.

Part B: Changes to strategic aims and associated actions and initiatives

The Economic Development Framework by its very nature is intended as an evolving framework that allows for new initiatives and developments of benefit to the economy to be accommodated within policy development. So whilst the overall objectives of the

framework have not changed since its inception, strategic aims and initiatives have been updated in some areas. The reasoning behind these changes is explained within this document.

Part C: Next steps – forthcoming developments

This section of the document presents an updated set of strategic aims and associated actions and initiatives, to be implemented over the next two years. During 2016, a further update on progress will be provided in May for the newly elected Committee for Economic Development. This will also be published. A Business leaders' summit will also be held during 2016 to engage on progress to date before further developing objectives and associated workstreams as required.

Part A:

Update on progress

3 Update on the performance of Guernsey's Economy

Overview

Guernsey's economy has seen steady growth over a prolonged period, whilst productivity per worker has also continued to grow. Financial services remains the biggest contributor to the economy, but there is also strong growth in sectors such as business services and information and communications.

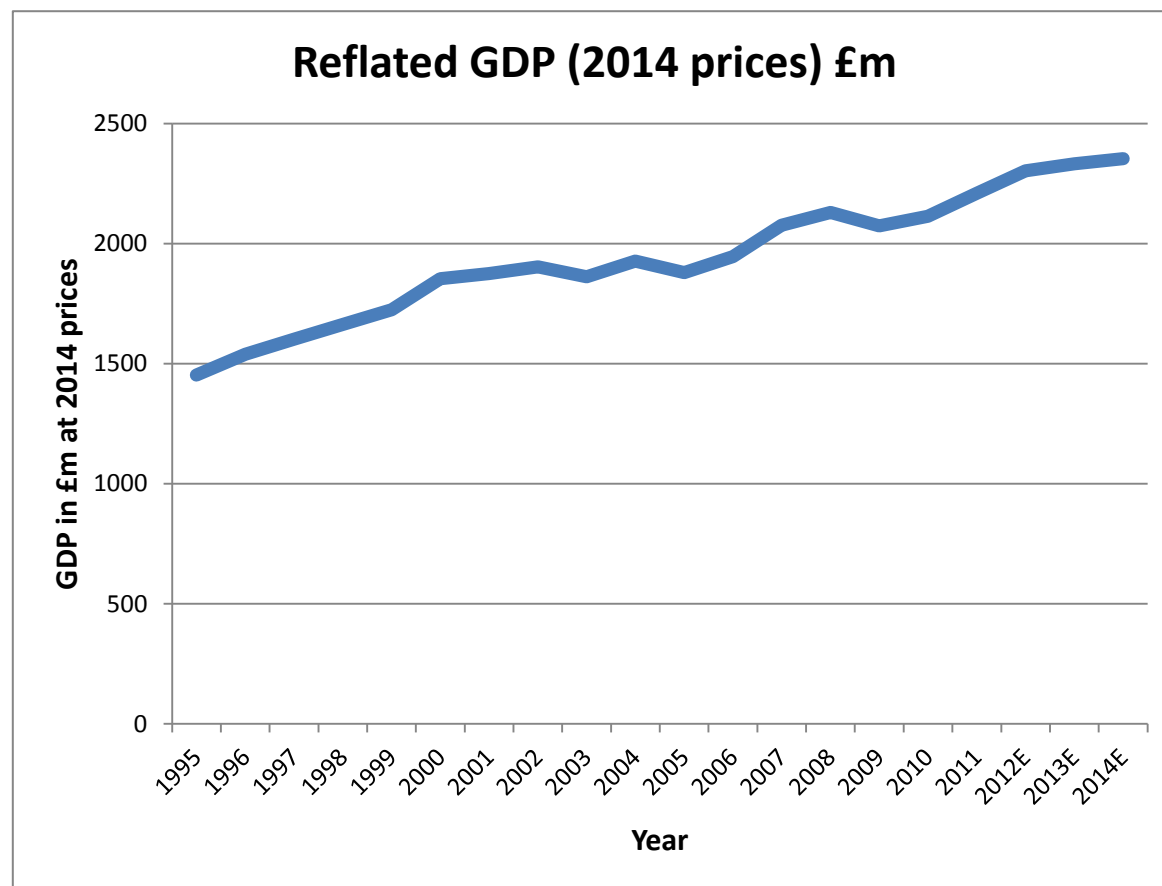
GDP Growth

Gross Domestic Product (GDP) is the sum of the Island's income (wages plus profits and other income from capital) and is used as the principal measure of economic output in Guernsey.

Figure 1 shows that Guernsey's GDP has increased steadily since 1995. The figures are represented at 2014 values (in other words they take into account the effects of inflation and are therefore presented in monetary values equivalent to prices in 2014). Even though the rate of growth has slowed in the last two years, the upward trend is still positive. This means that Guernsey's annual economic output in 2014 was just shy of £2.4bn – the highest figure recorded.

RIGHT: Figure 1: Reflated GDP (at 2014 Prices).

Source: Policy Council, Policy & Research Unit.

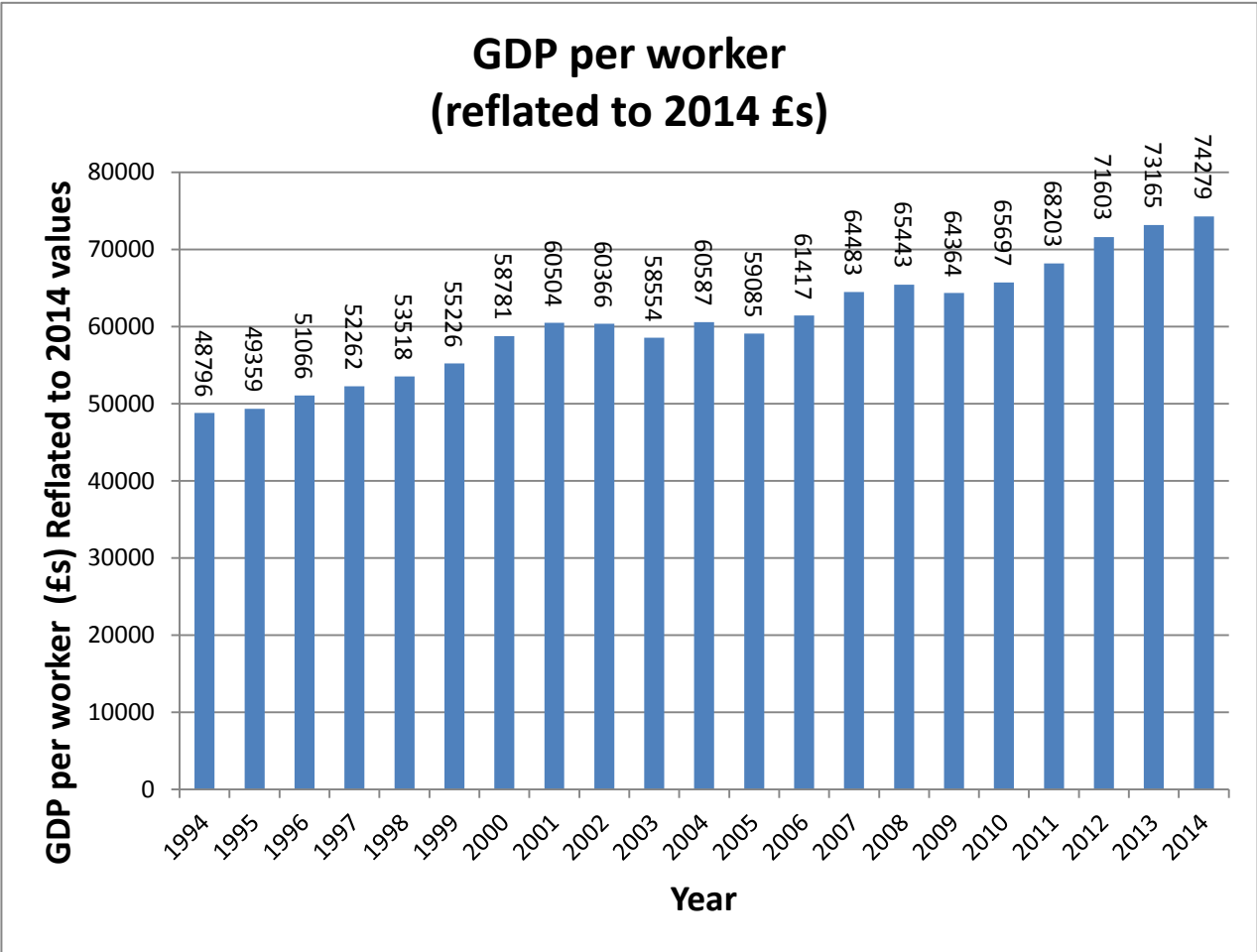


GDP per worker

GDP per worker is calculated by dividing GDP by the total workforce. Results of this calculation (reflated to 2014 values) are shown in **Figure 2**.

These figures are an indication of the productivity of the Guernsey workforce. In 2014, GDP per worker was £74,279. This is an increase of 1.5% on the £73,165 recorded in 2013. The graph shows a steady increase in productivity from 1994 onwards. GDP per worker in 2014 is 53% higher than in 1994.

RIGHT: Figure 2: GDP per worker (reflated to 2014 values).
Source: Policy Council, Policy & Research Unit.



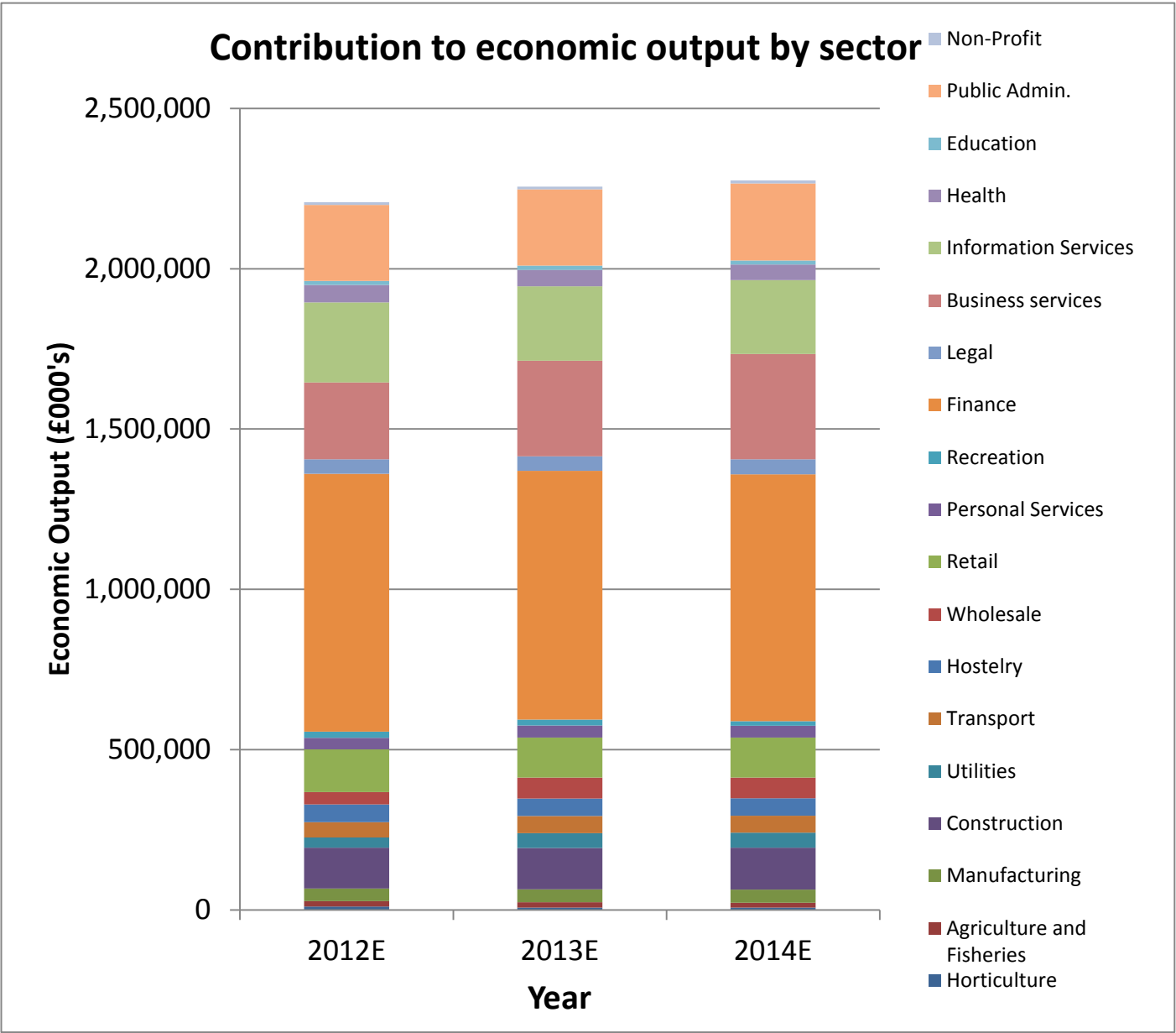
Output by economic sector

Figure 3 shows how each sector of the Guernsey economy contributes to total economic growth.

Finance is the largest contributor to GDP, contributing an estimated 34% of economic output in 2014. This compares to 36% in 2013, thus representing a slight decrease in contribution to GDP. However, total GDP has increased and this has occurred because of an increase in the size of the Business Services sector

.. This sector has increased from 9.6% of GDP in 2012 to an estimated 13.2% in 2014.

RIGHT: Figure 3: Contribution to GDP by economic sector. Source: Policy Council, Policy & Research Unit.



4 Progress and achievements: February 2014 to November 2015

A table showing the progress made towards achieving the objectives and the strategic aims of the Strategic Framework for Economic Development is shown in **Table 1**.

Much of the work conducted in these areas since February 2014 has involved the research and investigation of strategies and initiatives in various sectors of the economy. These have now been completed and are in the process of implementation. During 2015, we have seen a transition on many activities which have moved from a research phase into an implementation phase.

A summary of the main highlights is given below:

Objective 1: Developing our existing economic sectors – key highlights

Finance Sector:

- Launched the Finance Sector Development Strategy.
- Implementation of the Finance Sector Development Strategy, including engagement with key stakeholders to monitor implementation.
- Completion of a significant number of policy and legislative work streams.
- Completion and publication of a FinTech review.

Retail sector

- Retail strategy launched.
- Opportunities to implement the Retail strategy proposals continue to be monitored and rolled out: The Guernsey Retail Strategy Group continues to address these matters and additional engagement is taking place with the Town Centre Partnership.
- A number of pro-retail policy options have been included in the draft Island Development Plan as a result of the Retail Strategy.
- New C&E support mechanism recently launched for a retail training programme, broadening the reach of the training courses and thereby improving retail skill sets and customer service.

Visitor Economy

- Tourism Strategy document published Q2 2015.
- Presentations to industry made Q3 2015.
- Additional funding for TV campaigns agreed from the Economic Development Fund for 2015.
- Development of themed campaigns and specific promotions around stays in the shoulder months: Heritage Campaign in spring 2015, Island Hopping initiative in summer 2015, and Food Festival in autumn 2015.

eGaming

- Ambassadorial support for eGaming activities.
- Support provided for companies in the sector considering relocating to Guernsey.
- Policy Council commissioned a study into the impact of eGaming on the Alderney and Guernsey economies.

Other

- Companies Law amended to make it more internationally competitive.
- Proactive marketing strategy for the Company Registry developed.
- Intellectual Property Law updates pursued.
- Policy letter prepared to allow further growth of the Aircraft Registry by permitting the registration of commercial aircraft.

Objective 2: Supporting emerging sectors and ideas – key highlights

Digital and technology sector

- Development of an integrated Digital Strategy.
- Launch of the Guernsey Digital Greenhouse, including securing suitable premises. Key events run in summer/autumn 2015, including the FinTech Hackathon and the Summer of Innovation competition.
- New working groups established to pursue growth and diversification opportunities in FinTech, Digital Business and Data Protection.

Digital Infrastructure

- Review of spectrum allocation completed, and 4G mobile service launched by 3 telco operators.
- Consumer broadband study carried out by CICRA.
- Telco market review completed by CICRA.
- Connectivity review for business, government and Islanders commissioned by Policy Council.
- Voluntary broadband standards agreement produced.

Creative Industries

- Worked with Skills Guernsey to identify course and learning and development requirements of digital/creative sectors.
- Creative Careers Explained seminars held.
- In principle agreement reached for C&E to sponsor a creative industries work-based apprenticeship scheme.

Objective 3: Making Guernsey work for business – helping businesses get the best from Guernsey key highlights

Skills

- Skills Guernsey Agency Consortium established
- Skills Gap Analysis conducted in summer/autumn 2014
- Directory of courses published Q3 2015
- Further detailed work being conducted on digital skills needs.

Locate Guernsey – promotion of the Island

- New proactive strategy to attract high net worth individuals and relocating businesses to Guernsey: Developed through the “Locate Guernsey” project.

Financial help for business

- Possibility of government backed seed fund/ loan fund being investigated.

Overcoming barriers

- Red Tape Audit conducted.
- Creation of a virtual “one-stop shop” under the banner of Locate Guernsey.
- Locate Guernsey virtual team established.
- Evaluation of housing licence and immigration work permit application process – work to ensure Guernsey is “open for business” and “business first” messaging.

Policy and legislation

- Work on policy and legislation enablers such as data protection legislation and intellectual property to allow for Guernsey to become a trusted jurisdiction for the safe storage of data.
- The FinTech and Digital Oversight Group provides a joint business and Government forum to further identify, develop and promote Guernsey as a leading jurisdiction for FinTech and Digital businesses. Significant growth has been seen in these sectors, which reinforces Guernsey's position as a well-regulated jurisdiction with robust data protection legislation that meets, and in some cases exceeds, the EU data adequacy requirement. In light of the recent EU ruling

Guernsey is well situated to support businesses that are looking at the implications of the ruling on their businesses.

Business advice

- Continued support for StartUp Guernsey – greater integration to be achieved through the Digital Greenhouse.
- Current evaluation for an enhanced mentoring scheme for businesses and individuals

Connectivity and infrastructure

- C&E has conducted research into the provision of new or enhanced air routes with the aid of specialist independent advice.
- A States report recommending the drafting of legislation to safeguard Guernsey's strategic sea routes achieved States approval.
- Significant work to contribute to the various stages and public hearings of the planning inquiry into the draft Island Development Plan.
- Work commenced to investigate affordability of commercial premises.

Energy policy

- Ongoing work to identify the opportunity to deliver an integrated energy plan. Local wind resource monitored and assessed. Joint further investigation (with GEL) of local offshore wind project.
- Assessment for potential of local macro PV.
- Work on legislation to secure the rights to the sea bed around Guernsey.

Objective 4:
Tracking the development of the Guernsey
economy – key highlights

- Policy Council has conducted a consultation with Industry to improve the method of collecting information on company profits in order to improve the accuracy of Gross Domestic Product statistics (these measure economic output).
- Policy Council and C&E exploring the potential of economic modelling
- Business Visits to industry have continued.

Table 1: Economic Development Framework – Progress made towards achievement of strategic objectives

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	What we said we would do (February 2014)	What has been achieved (November 2015)
Objective 1: Developing our existing economic sectors	Finance Sector Development Strategy	Pages 20 – 21	1	Ensure the continued support, development and diversification of the financial services sector	<ul style="list-style-type: none"> Finalise and launch the Finance Sector Development Strategy Provide additional staffing resource for Finance Sector Policy Unit On-going implementation of strategy 	<ul style="list-style-type: none"> ✓ The Finance Sector Development Strategy was launched in Q1 2014 – ongoing implementation of actions ✓ Policy and legislative and business plan objectives delivered against published 2015 C&E Business Plan. ✓ Additional team member recruited during 2014. New Director appointed to vacant post during 2015. ✓ Engagement with key stakeholders to monitor implementation. Updates provided by Guernsey Financial Services Commission and Guernsey Finance to identify areas for strategic focus. ✓ Completion and publication of FinTech review and move to action to implement the recommendations in collaboration with industry.
	Retail Sector Development	Pages 22 – 23	2	Support the continued development of the retail sector in Guernsey as an important economic sector	<ul style="list-style-type: none"> On-going implementation and delivery of retail strategy 	<ul style="list-style-type: none"> ✓ C&E provided financial support and advice for a new Town centre partnership website. ✓ VisitGuernsey pioneered, led and organised coordinated free Wi-Fi in Town for cruise ship visitors. ✓ Opportunities to implement the Retail strategy proposals continue to be monitored and rolled out: The Guernsey Retail Strategy Group continues to address these matters and additional engagement is taking place with the Town Centre Partnership. Pro-retail policy options have been included in the draft Island Development Plan as a result of the Retail Strategy. ✓ New C&E support mechanism recently launched for retail training programme, broadening the reach of the training courses and thereby improving retail skill sets and customer service.
	Tourism / Visitor Economy Development	Pages 24 – 25	3	Build on the marketing, promotion, and travel trade business development work already undertaken by creating an integrated visitor economy development plan	<ul style="list-style-type: none"> Finalise and launch integrated visitor strategy On-going implementation and delivery of plan Development and implementation of a multi-channel communication plan to promote the Islands 	<ul style="list-style-type: none"> ✓ Additional funding for 2015 TV campaign from economic development fund. ✓ Tourism Strategy Document published Q2 2015, Presentations to industry held Q3 2015. ✓ Development of themed campaigns and specific promotions around stays during the shoulder months – a Heritage campaign in spring 2015, an Island hopping initiative in summer 2015, and the Food Festival ran in autumn 2015.

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	What we said we would do (February 2014)	What has been achieved (November 2015)
	eGaming	Pages 26 – 27	4	Support initiatives and policies to derive greater economic benefit from the eGaming sector	<ul style="list-style-type: none"> On-going activity to support the e-gaming sector 	<ul style="list-style-type: none"> ✓ C&E has continued to engage with the sector, monitoring policy, legislative and jurisdictional developments. ✓ Undertaken ambassadorial work when requested and assisted with re-location initiatives.
Objective 1: Developing our existing economic sectors	Other Economic Sectors	Pages 28 - 29	5	Continue to support the development of other sectors of the economy in line with achieving the strategic aims of the Economic Development Strategy	<ul style="list-style-type: none"> On-going activity to support other economic sectors on the Island. 	<ul style="list-style-type: none"> ✓ The Companies (Guernsey) Law, 2008 has been amended to make it more internationally competitive. ✓ Construction and Rentier sectors: investigation of opportunities in the domestic loan bank market and ongoing investigation of easier access to start-up, innovation and accelerator funds. ✓ Intellectual Property Law updates pursued, including drafting of legislation for compliance with the Paris convention (protection of industrial property), geographical indications and copyright and design legislation. ✓ IP Consultation undertaken with aim of improvements. ✓ Consultation paper on innovation patents issued October 2015. ✓ 'Business as usual' support for other economic sectors with regular industry forums to discuss key issues. ✓ Commitment to progress with the aim of securing a sustainable fishing industry for Guernsey. ✓ Dairy review completed. ✓ Policy letter prepared to allow the further growth of the aircraft registry in partnership with SGI by allowing the registration of commercial aircraft
Objective 2: Supporting emerging sectors	Mechanisms to support emerging and developing sectors	Pages 31 - 32	6	Continue to ensure that the States of Guernsey is pro-active in supporting emerging and developing sectors of the economy	<ul style="list-style-type: none"> On-going activity to support emerging economic sectors on the Island. 	<ul style="list-style-type: none"> ✓ The main focus of support for emerging sectors has been the development of an integrated Digital Strategy in order to stimulate the growth of the digital and creative sectors in the Island. ✓ The launch of the Digital Greenhouse has been a major focus with activities in 2015 including FinTech Hackathon, Summer of Innovation Competition, launch of website and regular engagement. ✓ Three new working groups established: FinTech & Digital Oversight Group, Digital Business Development Group and Data Protection Group to ensure clear objectives, coordinated activity, communication and delivery. The aim is to drive the implementation of aspects of the digital agenda and business development in a collaborative way.

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	What we said we would do (February 2014)	What has been achieved (November 2015)
	Developing the ICT / Digital Sector	Pages 34 – 36	7	Ensure that the infrastructure is in place to develop a competitive Digital / ICT provision on the Island.	<ul style="list-style-type: none"> Finalise policy options to improve infrastructure 	<ul style="list-style-type: none"> ✓ Spectrum charge States report debated in the States, but was withdrawn by the Department. There is no intention to resubmit. ✓ Review of spectrum allocation completed, 4G spectrum was allocated by CICRA, enabling 4G mobile services to be launched by the 3 mobile network operators. ✓ CICRA completed its business market and pricing review and the subsequent on-island wholesale leased line market review. ✓ Ongoing review of consumer broadband study by CICRA. ✓ A Connectivity Review for Government, Business and Islanders, was commissioned by the Policy Council, to be published in Q1 2016. ✓ Policy Council commissioned a cyber-security review. ✓ Project to map States-owned on-island fibre infrastructure completed. ✓ A voluntary broadband standards agreement was produced with support from the two fixed broadband providers. ✓ Digital wisdom forms a key part of the Guernsey Digital Greenhouse business case. ✓ Key events were run successfully in the summer of 2015 to encourage innovation (Summer of Innovation Competition, Fintech Hackathon). ✓ Worked with Skills Guernsey to identify courses and learning, and development opportunities that will be needed in digital / creative sector.

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	What we said we would do	What has been achieved
Objective 2: Supporting emerging sectors	Developing the ICT / Digital Sector	Pages 37 – 38	8	Develop Islanders' Digital Skills	<ul style="list-style-type: none"> Development of a Digital Skills Strategy to ensure that Islanders have the necessary skills to make the most of digital opportunities 	<ul style="list-style-type: none"> ✓ Digital wisdom forms a key part of the Digital Guernsey business case. In 2015, the key focus has been on securing the premises and getting it ready for opening. ✓ Key events were run in summer of 2015 to encourage innovation (Summer of Innovation Competition, FinTech Hackathon). ✓ Worked with Skills Guernsey to identify courses and learning, and development opportunities that will be needed in digital / creative sector.
		Page 39	9	Achieve diversification of the economy by encouraging and facilitating the development of the Digital Sector	<ul style="list-style-type: none"> Project to obtain funding for and establish the Guernsey Digital Greenhouse Establish means of promotion of the Digital Sector 	<ul style="list-style-type: none"> ✓ Digital Greenhouse business case prepared and submitted to T&R: Funding was secured in April 2015 for a three year project ✓ Premises secured and are due to open early January 2016. ✓ A series of events and business engagements with digital/creative community were held over the spring/summer/autumn of 2015
	Developing the Creative Industries Sector	Pages 40 - 43	10	Support initiatives and policies to develop the Creative Industries sector	<ul style="list-style-type: none"> Provide support for Creative Academy student On-going support for the creative industries sector 	<ul style="list-style-type: none"> ✓ Grant made towards 2015 'Learn Create, Produce Event'. ✓ Continued membership of Creative Industries Guernsey Group to ensure continued liaison and engagement with sector businesses. ✓ Creative Careers Explained' seminars and other Creative learning opportunities promoted to Guernsey students. ✓ In principle agreement reached to sponsor a creative industries work-based apprenticeship scheme.

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	What we said we would do	What has been achieved
Objective 3: Making Guernsey work for business – helping businesses get the best from Guernsey	Skills	Pages 47	11	Establish the Skills Strategy delivery mechanism	<ul style="list-style-type: none"> Re-align delivery mechanism Increasing workforce participation and improving the skills of the working population to be specific activities of Skills Guernsey 	<ul style="list-style-type: none"> ✓ The Skills Guernsey Agency Consortium (comprising GTA, GCFE, IHCS) have been charged by the Skills Guernsey Group to establish a delivery mechanism for the implementation of Skills Guernsey. ✓ Skills Guernsey now acts as an umbrella organization to coordinate training and development opportunities available in both the public and private sector. ✓ Directory of courses published in Q3 2015. Partners involved are: Guernsey College of Further Education, GTA University Centre, BPP Professional Education, The Learning Company, The Guernsey Digital Greenhouse, Johansen Executive Coaching, StartUp Guernsey, and Les Cotils Centre. ✓ Further detailed work required on digital skills needs, specialist IT skills, and technical skills in order to grow new Digital/Technology businesses and support mature businesses in this sector – some enhancements in the range of IT courses in 2015.
		Pages 48 - 49	12	Increase workforce participation		
		Page 50 – 51	13	Improve the skills of the working population in line with the needs of employers in all sectors		
		Page 52	14	Gather maintain and utilise skills related data	<ul style="list-style-type: none"> Conduct an Island wide skills gap analysis and implement the findings 	<ul style="list-style-type: none"> ✓ A Skills Gap Analysis was conducted in the summer of 2014, followed by industry focus groups in the autumn. A report was published in early 2015. The information has helped in the development of the Skills Guernsey course compendium. It will inform the continued work of Skills Guernsey to identify training and development requirements and has helped to shape the line-up of courses on offer by the Island's training providers

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	What we said we would do	What has been achieved
Objective 3: Making Guernsey work for business – helping businesses get the best from Guernsey	Ways of achieving more effective promotion of Guernsey to businesses, investors and clients	Page 54	15	Achieve greater audience understanding and articulate Guernsey's proposition	<ul style="list-style-type: none"> Launch of a new web portal Ongoing delivery of promotional activities 	<ul style="list-style-type: none"> ✓ The need for a proactive strategy to attract high net worth individuals and relocating businesses to the Island was recognized In Q4 2014. This has been developed through the Locate Guernsey Project which secured funding in April 2015. Strategic aims 15, 16 and 17 have therefore been combined. ✓ £1.2m funding awarded over 3 years to enable the project to be established. ✓ Considerable stakeholder engagement to build the Locate Guernsey proposition ✓ Head of Locate Guernsey appointed. ✓ "Locate Guernsey" branding developed. New website, e-brochures to be available Q1 2016 as part of pro-active strategy roll-out. ✓ "Business in Guernsey" brand and social media being pro-actively used to network and distribute information and news throughout the on-island business community.
		Page 55	16	Develop a "Business in Guernsey" Identity to encourage investment in the Island	<ul style="list-style-type: none"> Launch of a new web portal Ongoing delivery of promotional activities 	
		Page 56 - 57	17	Developing channels of Communication to promote the "Business in Guernsey" brand effectively	<ul style="list-style-type: none"> Launch of new web portal Continued delivery of business promotion 	
	Support for business (financial)	Page 58 - 59	18	Investigate the establishment of an "angel" investment fund	<ul style="list-style-type: none"> Completion of investigation into establishment of an angel investment fund and possible implementation of findings 	<ul style="list-style-type: none"> ✓ The investigation by Oxford Economics was concluded. The need for a public investment fund was not proven, but greater awareness of on-island private sector investment funds was needed. This would be promoted through the Guernsey Digital Greenhouse. ✓ Evidence from start-ups, entrepreneurs and innovators suggests a fund to help develop business ideas from concept to business accelerator programme (once proof of concept has been reached) would be advantageous and would potentially be highly desirable in helping to progress sector and business development The possibility of a government backed seed/entrepreneurial/loan fund is therefore being investigated.
	Support for business (non-financial)	Page 61	19	Ensure appropriate levels of regulation and legislation	<ul style="list-style-type: none"> C&E will conduct a 'Red Tape Audit' which will examine the rules and regulations which businesses are required to follow We will investigate ways in which legislation could potentially be accelerated. 	<ul style="list-style-type: none"> ✓ A red tape audit has been conducted during the summer and autumn of 2015 and learning / actions will be implemented Q4 2015 / Q1 2016. ✓ Resources within the Finance Sector Policy Unit have been increased. ✓ Investigation into non-local traders in the construction industry completed. Work to introduce voluntary registration scheme to be completed in Q1 2016.

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	What we said we would do	What has been achieved
Objective 3: Making Guernsey work for business – helping businesses get the best from Guernsey	Support for business (non-financial)	Page 62 - 63	20	Investigate ways of overcoming barriers to doing business in Guernsey	<ul style="list-style-type: none"> C&E will work with other Departments to enhance the "local business guide" approach to new businesses establishing on Guernsey to ensure a coordinated approach, including the development of a 'one stop shop' We will examine the costs of doing business in Guernsey through continued use of competition law to ensure that consumers are not being harmed by anti-competitive or exploitative behavior 	<ul style="list-style-type: none"> ✓ Creation of a virtual 'one stop shop' under the banner of Locate Guernsey. ✓ A Locate Guernsey 'one stop team' was established in February 2015 to ensure enquiries are facilitated through a single point of contact in a timely fashion. ✓ Evaluation of housing license and immigration work permit application process and work continues with responsible departments to ensure 'business first' in terms of experience and open for business messaging. ✓ Review of merger regime – CICRA – pending November 2015. ✓ Review of block exemptions – CICRA – Pending November 2015.
		Page 64	21	Provide advice and support for business	<ul style="list-style-type: none"> Continue to provide advice and support through funding of Startup Guernsey Support for small businesses through a "phase 2" series of events called the Business Skills Programme 	<ul style="list-style-type: none"> ✓ C&E continues to fund and support Startup Guernsey. Greater integration and operational effectiveness will be achieved by sharing the premises and staffing resources available at the Guernsey Digital Greenhouse. ✓ C&E reduced the number of Business Skills Programme seminars and short courses due to market needs being met by the private sector.
	Connectivity and infrastructure	Page 66 - 67	22	The provision of reliable, sustainable and affordable air links	<ul style="list-style-type: none"> Guernsey to continue to engage at a strategic level with the UK and Europe on matters affecting access to key destinations On-going strategic development of air routes to improve connectivity 	<ul style="list-style-type: none"> ✓ UK/Europe relations continued through work of the External Transport Group and the External Relations Group ✓ C&E has conducted specialist independent research into the provision of new or enhanced air routes. This three phase research includes an analysis of the current market, as well as price elasticity and demand for travel. Options around financial viability will shortly be considered by the C&E and PSD Boards and the ETG, with findings and actions to be published Q1 2016.

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	What we said we would do	What has been achieved
Objective 3: Making Guernsey work for business – helping businesses get the best from Guernsey	Connectivity and infrastructure	Page 68	23	The provision of reliable sustainable and affordable sea links	<ul style="list-style-type: none"> Working with the existing operator to maintain and preferably develop the existing service offer at the best possible price 	<ul style="list-style-type: none"> ✓ A States report recommending the development of relevant legislation to safeguard Guernsey strategic sea links was placed before the States of Deliberation in Q2 2015. An operating agreement similar to Jersey's will be developed, with legislation expected to come into force in Q1 2016. ✓ Ongoing monitoring of performance, including reliability and customer service standards.
		Page 69 - 70	24	Ensure an adequate supply of commercial premises and investigate the affordability of commercial premises	<ul style="list-style-type: none"> C&E to contribute to formation of the Island Development plan by providing evidence based needs of industry requirements Continually review industry's evidence based premises need Carry out research to identify if there are any issues of affordability amongst the key premises types 	<ul style="list-style-type: none"> ✓ Significant work was conducted in 2015 contributing to the various consultation stages and public hearings of the Planning Inquiry into the draft Island Development Plan. C&E also contributed to the review of Use Classes. In both projects, the Department has sought to promote flexibility for economic development across the various and varied areas of its mandate. ✓ In May 2015, C&E appointed independent economists, and held workshops with property agents, users of commercial premises and relevant States departments to investigate if there were issues of affordability in the key premises types. The Board is due to receive an interim report in Q1 2016.
		Page 71	25	To ensure the provision of sustainable energy supplies	<ul style="list-style-type: none"> Proposals to be developed through the Policy Council's Energy Policy Group and the Renewable Energy Team (RET) 	<ul style="list-style-type: none"> ✓ Ongoing work to identify the opportunity to deliver an integrated energy plan ✓ Local wind resource monitored with RET owned equipment – modelling of economic potential and effect on electricity prices modelled. Next steps to investigate potential for offshore wind farms. ✓ Assessment of the potential for local macro PV ✓ Work on legislation to secure the rights to the sea bed around Guernsey.

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	What we said we would do	What has been achieved
Objective 3: Making Guernsey work for business – helping businesses get the best from Guernsey	Connectivity and infrastructure	Page 68	23	The provision of reliable sustainable and affordable sea links	<ul style="list-style-type: none"> Working with the existing operator to maintain and preferably develop the existing service offer at the best possible price 	<ul style="list-style-type: none"> ✓ A States report recommending the development of relevant legislation to safeguard Guernsey strategic sea links was placed before the States of Deliberation in Q2 2015. An operating agreement similar to Jersey's is in development, with legislation expected to come into force in Q1 2016. ✓ Ongoing monitoring of performance, including reliability and customer service standards.
		Page 69 - 70	24	Ensure an adequate supply of commercial premises and investigate the affordability of commercial premises	<ul style="list-style-type: none"> C&E to contribute to formation of the Island Development plan by providing evidence based needs of industry requirements Continually review industry's evidence based premises need Carry out research to identify if there are any issues of affordability amongst the key premises types 	<ul style="list-style-type: none"> ✓ Significant work was conducted in 2015 contributing to the various consultation stages and public hearings of the Planning Inquiry into the draft Island Development Plan. C&E also contributed to the review of Use Classes. In both projects, the Department has sought to promote flexibility for economic development across the various and varied areas of its mandate. ✓ In May 2015, C&E appointed independent economists, and held workshops with property agents, users of commercial premises and relevant States departments to investigate issues of affordability in the key premises types. This work stream will continue into Q1 2016.
		Page 71	25	To ensure the provision of sustainable energy supplies	<ul style="list-style-type: none"> Proposals to be developed through the Policy Council's Energy Policy Group and the Renewable Energy Team (RET) 	<ul style="list-style-type: none"> ✓ Ongoing work to identify the opportunity to deliver an integrated energy plan ✓ Local wind resource monitored with RET owned equipment – modelling of economic potential and effect on electricity prices modelled. Next steps to investigate potential for offshore wind farms. ✓ Assessment of the potential for local macro PV ✓ Work on legislation to secure the rights to the sea bed around Guernsey.

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	What we said we would do	What has been achieved
Objective 4: Tracking the development of our economy	Tracking the development of our economy	Page 73 - 74	26	Continue the development of the economic data set in order to measure and track the performance of the economy in the Bailiwick of Guernsey	<ul style="list-style-type: none"> Revise the data collection methodology for the calculation of the Island's GDP. Use states monitoring report and other statistics to monitor the ongoing performance of the Guernsey economy Update of the Economic Development Framework – Q1 2015 	<ul style="list-style-type: none"> ✓ Policy Council has conducted a consultation with industry to improve the method of collecting information on company profits. This will involve the introduction of a compulsory system for company returns on data on profits. A Policy Letter is due to be presented to the States early in 2016. ✓ Economic Development Framework will be updated in November 2015.
		Page 75	27	Achieve a greater understanding of the various business needs in the Island.	<ul style="list-style-type: none"> Develop in liaison with Policy Council, the development and introduction of a regular collection of qualitative information about the economy and businesses on the Island. Continue to work closely with industry groups to foster closer working relationships Continue programme of business visits 	<ul style="list-style-type: none"> ✓ Policy Council and C&E are exploring the potential to commission provision of economic modelling data from 2016. ✓ C&E continues to work with industry groups ✓ Programme of business visits continues. ✓ C&E closely involved in the inter-departmental discussions regarding the proposed Population Policy regime and its impact on skills and the future award of employment-related permits under the new regime.

Part B:

Changes to strategic aims and associated actions and initiatives

5 Overview of updates and changes to strategic aims and associated actions

Introduction

The Strategic Framework for Economic Development by its very nature is intended as an evolving framework which allows new initiatives and changes of benefit to the economy to be accommodated within policy development. Whilst the overall objectives of the framework have not changed since its inception, some strategic aims and initiatives have been updated in several areas to reflect the changing nature of the economic development landscape.

The reasoning behind these changes is explained within the following section.

Objective 1: Developing existing economic sectors

Much of the research work carried out with industry in developing the existing sectors of the economy under **Objective 1** has been completed by working with and through industry. Examples include working with the finance sector in the development of the Finance Sector Strategy, the retail industry in developing the Retail Strategy, and the visitor economy through the development of the Guernsey Tourism Strategic Plan.

This demonstrates an ongoing commitment across and through government to collaborate and work with industry in order to co-create and develop ideas and initiatives in partnership. This has been stepped up over the past couple of years, and will be vital to ensure that Guernsey continues to be a competitive and compelling jurisdiction in which to do business. Even closer

working relationships will need to be developed in the coming months and years in order to achieve successful targeted development and promotion of Guernsey's business sectors. This approach is also relevant to **Objectives 2 and 3** of the Strategic Framework for Economic Development.

Objective 2: Emerging sectors to become Connected Sectors

Objective 2 of the Strategic Framework for Economic Development supports programmes and initiatives that will help the development of emerging sectors and ideas. The sectors identified as 'emerging' at the time of the publication of the Economic Development Framework in February 2014 were as follows:

- Digital and technology sectors and Creative Industries

At the end of 2015 there is an argument to say that these two sectors are no longer emergent. Indeed they are beginning to become important 'mainstream' aspects of Guernsey's economy. However they are still relatively new sectors and will require governmental policy and support initiatives to enable them to continue to develop in order to provide the maximum economic growth and economic diversification opportunities for the Island. These sectors are very much connected with other sectors in the economy and do not stand alone. They could be referred to as 'Connected Sectors'.

For instance, developments in Financial Technology (FinTech) have many overlaps between the traditional Finance Sector and the Digital and Technology sector. Similarly there are many parallels between the Creative Industries sector and the Digital Sector.

These sectors are therefore very important sectors that harmonize and connect to other sectors in the economy.

The term 'Emerging Sector' has therefore been amended to 'Connected Sector'.

For the foreseeable future **Objective 2** remains to ensure a focus on the development of infrastructure, policy, business development and skills. Ultimately, **Objective 2** will be integrated into **Objective 1**.

Digital technology as an enabler

Another important change is the reflection that Digital Technology and Innovation cuts across all sectors of the economy. In terms of the Strategic Framework for Economic Development this means that digital technology should be regarded as a facilitator across all four objectives of the Framework. This is depicted in **Figure 4** shown overleaf. It shows that digital initiatives are directly relevant to many of the strategic aims contained in the Framework and are being used to enhance work in these areas of the Framework. The Digital Plan which will enable technology to be integrated across the economy is therefore an integrated plan and is applicable to all four objectives of the Strategic Framework for Economic Development.

Digital Strategy becomes a Digital Plan

Since publication of the original Framework document in February 2014, much work has been done to develop an integrated Digital Strategy. This strategy has been developed into a Digital Plan for

active implementation. Its main objective is to: *"Enable the economy of Guernsey and Islanders to flourish in the modern digital world"*.

The main areas of the Digital Plan are shown in **Figure 5**. These cover three main areas as follows:

1. Infrastructure and operating environment
2. Enabling our workforce and helping businesses
3. Promotion and marketing.

The various initiatives under the Digital Plan which are currently being implemented are set out in more detail in **Table 2**.

Figure 4: Outline of Economic Development Framework Objectives and sub themes showing the impact of digital and technology enablers across the economy

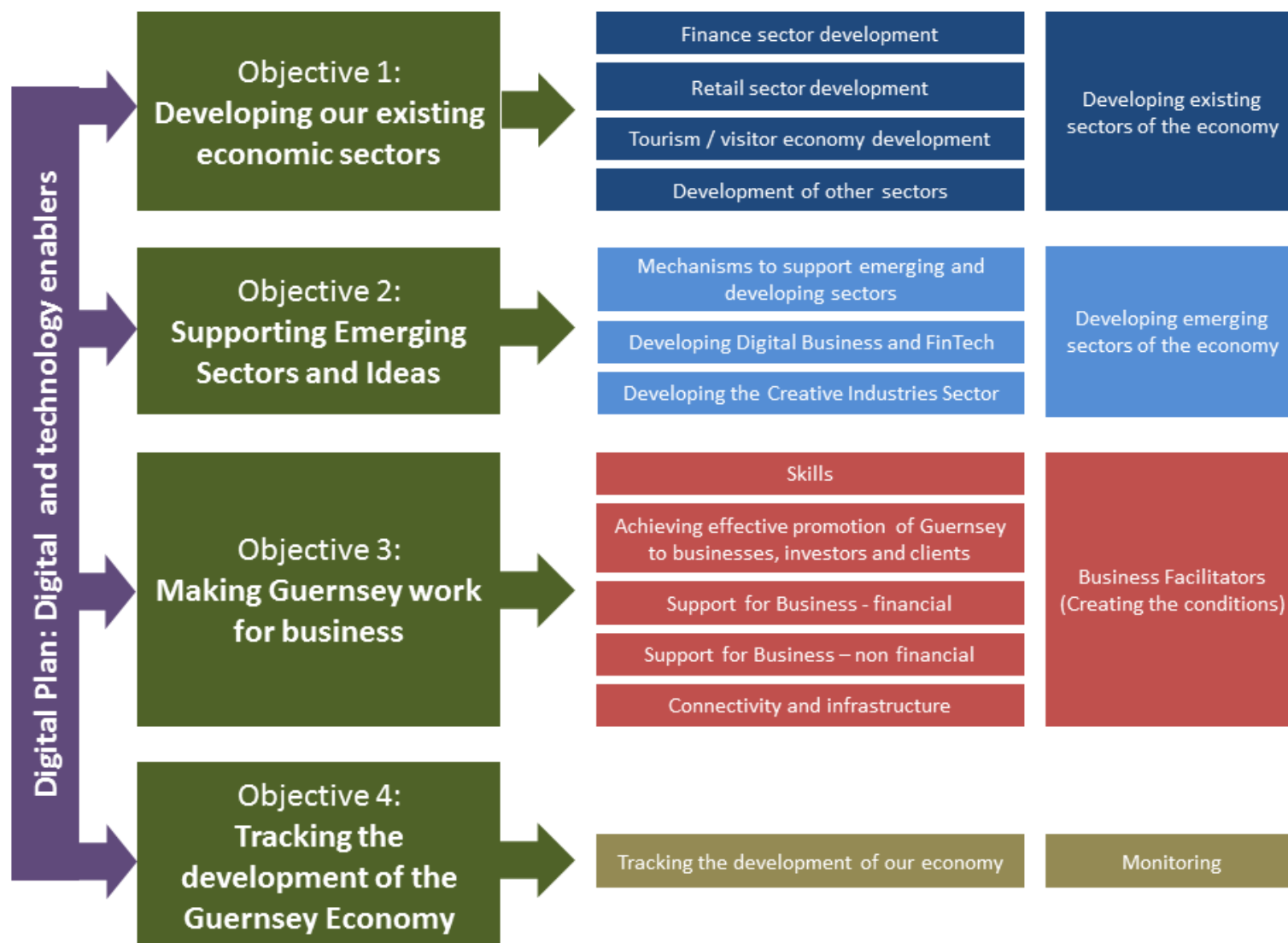
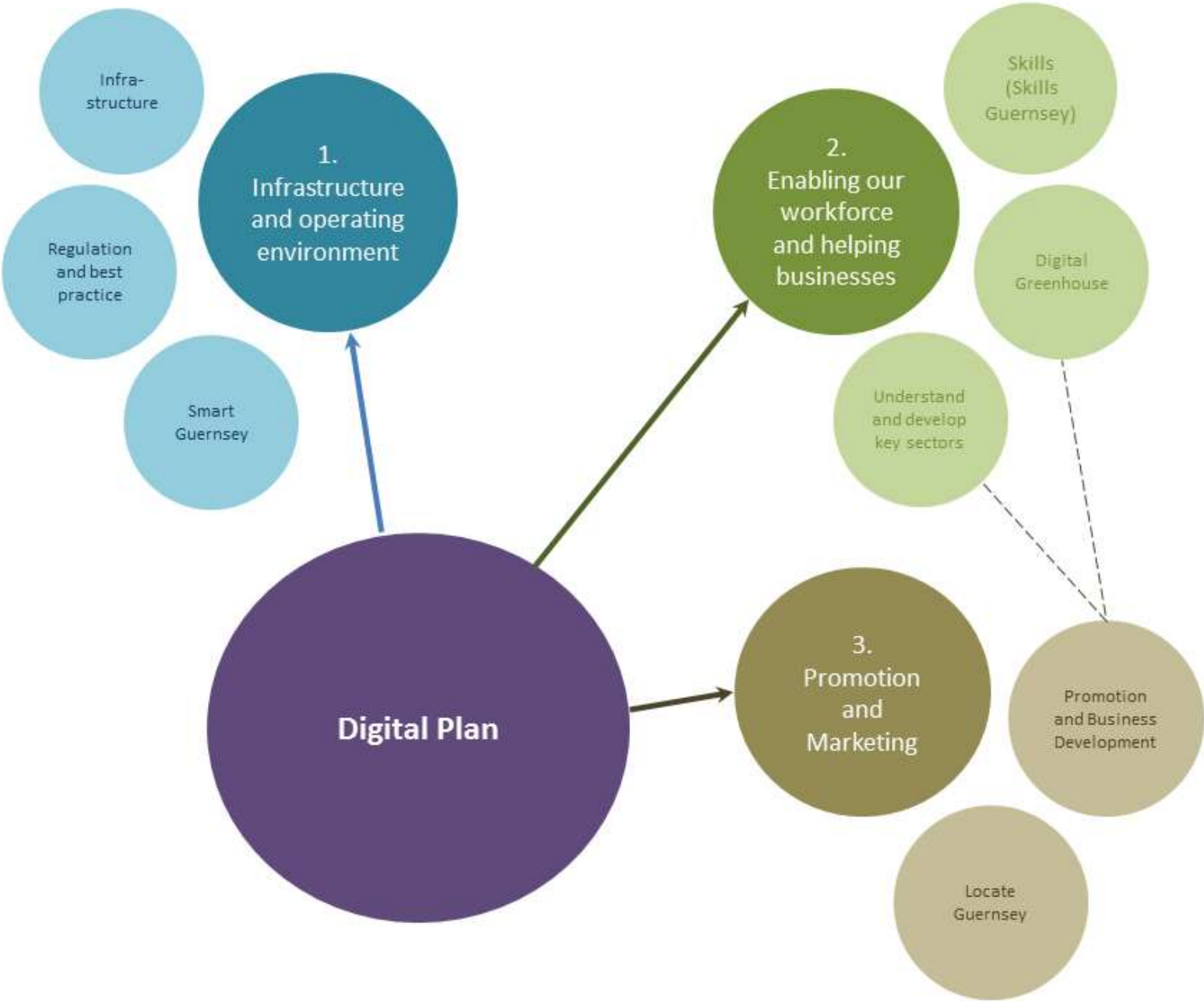


Figure 5: Key workstreams of the Digital Plan



Digital Plan – summary of progress

The Digital Plan has a number of key workstreams and these are shown below in **Table 2 below**.

Table 2: Digital Plan workstreams and work areas

Digital Plan Workstream	Work area	Work area	Work area
Infrastructure and operating environment	Infrastructure <ul style="list-style-type: none"> Island wide 4G network rolled out. Connectivity Review commissioned to review the Island's long term connectivity requirements for government, businesses and individuals. Cyber-security review commissioned. 	Regulation and best practice <ul style="list-style-type: none"> Broadband standards agreement. Ongoing liaison with CICRA. Mapping of States owned on-island fibre infrastructure. Data protection and IP Voluntary broadband standards agreed 	Smart Guernsey: <ul style="list-style-type: none"> Initiative to improve government digital service commenced. E-census launched. New www.gov.gg website developed and tested.
Enabling our workforce and helping business	Digital Greenhouse <ul style="list-style-type: none"> Funding obtained. Premises secured and due to launch Jan 2016. Website launched. Events and activities held during summer and autumn 2015. Identification of training courses and events underway. 	Skills <ul style="list-style-type: none"> Cyber security MBA Launched Digital Greenhouse to work with Skills Guernsey on provision of skills and training opportunities. Guernsey's first Hackathon run in October 2015 (FinTech Hackathon). 	Understanding and developing key sectors <ul style="list-style-type: none"> FinTech review completed and Published. eGaming – regular liaison with AGCC. Creative Industries – ongoing financial support for skills needs. Investigate access to investment/loan funds (public/private initiative)

<p>Promotion and marketing</p>	<p>Promotion and business development</p> <ul style="list-style-type: none"> • Research digital sector development opportunities. • Support relocation opportunities through Locate Guernsey. • Establishment of the Digital Business Development Group. • Establishment of the FinTech Development Oversight Group. 	<p>Locate Guernsey</p> <ul style="list-style-type: none"> • Work with Locate Guernsey team to promote Guernsey as a destination for digital entrepreneurs. • Work with Guernsey Finance to promote Guernsey as a destination for Digital entrepreneurs. 	
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Part C:

Next steps – future developments

6 Developments and next steps

Explanation of NEW and amended initiatives

Table 3 is the updated Economic Development Framework. This update incorporates a number of new or amended Strategic aims. Further information about these initiatives is given below:

FinTech and Digital Oversight Group

The Commerce and Employment Department (C&E), acting through the Finance Sector Policy Unit (FSPU) commissioned PricewaterhouseCoopers C.I. LLP (PwC) to carry out a strategic review of opportunities for Guernsey in the FinTech sector. A key recommendation of the PwC Strategic Report (the 'Strategic Report') was to establish a business development group to directly target and manage potential opportunities.

Another key recommendation contained in the Strategic Report was in relation to data protection and regulation. It was recommended that top quartile data regulation be established in the Bailiwick, providing a strong level of data privacy for individuals and compliance standards for business.

Group structure

C&E has decided to establish an oversight group to provide strategic guidance, and support, in respect of the recommendations set out in the Strategic Report, to examine and develop required changes in the Bailiwick's infrastructure, policy and legislation as appropriate. The FinTech and Digital Oversight Group (FDOG) will be the overarching group.

Initially there will be two sub-groups; a Digital Business Development Group (DBDG) and a Data Protection Group (DPG).

Other sub-groups and working parties may be established, from time to time, to advise on or develop proposals relevant to the digital sector. Terms of Reference for these groups are shown in **Appendix 2**.

Tourism Strategy

The Guernsey Tourism Strategic Plan 2015 to 2025 was launched during the second quarter of 2015. This followed work in 2014 between the Director of Marketing and Tourism and the Chamber of Commerce's Hospitality and Tourism sub-group Chairman, Luke Wheadon. The Strategy has been presented to and received approval from the Commerce and Employment Department and is supported by the Culture and Leisure Department.

A copy of the Strategic Plan can be downloaded from the following link:

<http://www.guernseytrademedia.com/content/guernsey-tourism-strategic-plan-2015-2025>

Digital Plan / Digital Greenhouse

An overview of the Digital Plan is given in Section 5 of this document. A significant part of the Digital Plan are initiatives relating to enabling our workforce and helping businesses. The Digital Greenhouse project will be a key part in achieving these aims. This three year project, funded through the Economic Development Fund, achieved approval for funding in April 2015 following submission of a Business Case to the Treasury and Resources Department.

A number of activities and events have been run during the summer and autumn of 2015 (including the FinTech Hackathon and the Summer of Innovation competition). Work has also proceeded to secure a suitable venue for Digital Greenhouse. This has been achieved in the fourth quarter of 2015 with the Digital Greenhouse due to open its doors in early January 2016.

The Digital Greenhouse will provide a focus and space for business to develop in the technology and creative sectors through the provision of co-working spaces and by acting as an innovation hub. Regular events will be held at the Digital Greenhouse, including the facilitation of learning and development opportunities and skills training through dedicated facilities at the Greenhouse.

The Digital Greenhouse will also provide a focus for the development of a greater understanding of community understanding of technological opportunities.

Further information on the Digital Greenhouse can be found via the Digital Greenhouse website at www.digitalgreenhouse.gg

Locate Guernsey

Locate Guernsey received funding of £1.2m from the Economic Development Fund in April 2015. Locate Guernsey is a business development and promotional entity to attract High Net Worth Individuals and businesses to Guernsey, resulting in economic benefits for the States and the wider Island economy. Locate Guernsey also acts as a 'one-stop shop' to smoothly facilitate relocation by liaising across government departments and industry.

Locate Guernsey has a dedicated website which can be found at www.locateguernsey.com

Investment/loan fund

In 2012 an investigation was commissioned by the Policy Council and carried out by Oxford Economics into the desirability of the establishment of a publicly funded angel investment fund. The investigation concluded that there was sufficient private sector funding available locally, but that the pathway to this funding was not always well signposted. It was recommended that the Digital Greenhouse would be an ideal venue to connect businesses seeking funding with angel investors in the Island.

Despite the conclusions from this piece of work, it became apparent during 2015 that there was an additional requirement for the establishment of a public/private investment/loan fund. This would provide a means for businesses to access funds to seed – fund new ideas and achieve proof of concept for business ideas. This type of funding is not always of immediate appeal to angel investors. Investigations into the feasibility/desirability of such a loan/investment fund are currently underway.

Introduction of an enhanced mentor programme and investigation into accelerator programme

Proposals from StartUp Guernsey are currently being considered for the introduction of an enhanced Mentor Programme. Whilst this is currently provided by StartUp Guernsey, there is an acknowledgement that there would be considerable business benefits from enhancing this scheme to achieving a more effective and responsive mentoring facility.

Linked to this and the possible development of an Investment /loan fund is the introduction of an accelerator programme. This initiative would provide a programme of help, advice and mentoring for promising start-up or growth businesses in Guernsey. There might also be links to grants and start-up loans from the investment fund.

Air and sea route connectivity

A three phase approach has been taken in order to investigate the feasibility of enhanced provision of air routes to/from Guernsey. The first phase has been a research phase, involving specialist advice from airline industry consultants, examining factors such as price elasticity, potential demand and the effect of the possible erosion of existing air routes due to competing demand. Phase 2 has involved further detailed analysis around financial viability.

Options being investigated include new direct routes to UK and Irish destinations, triangular routes with Jersey to European destinations, continued development of charter services, investigations into code sharing, interlining or franchise options, and enhancing the demand and capacity on inter-island routes.

Phase 3, (to be implemented during 2016) will involve the implementation of recommendations arising from the completion of phase 2 of the study.

In terms of sea links, work will continue in developing legislation to safeguard Guernsey's strategic sea links. During 2015 the Department has also had regular engagement with Condor Ferries to understand and respond to the challenge of introducing a new vessel on the Northern route. Regular and pro-active engagement with Condor will continue in 2016.

Red tape audit

The aim of the red tape audit was to identify where Guernsey could improve the way in which Businesses interact with government regulations and processes. This work has now been completed and the focus in 2016 will be to examine where improvements can be made to avoid duplication of effort, and streamline processes. Improvements are already underway in a number of areas.

Construction industry

C&E recognises that construction represents 6% of the economic output of the Island and is an important source of employment for many islanders. Although the Department has supported the industry with regular liaison through the Construction Industry Forum and Construction Sector Group, the intention in 2016 is to step up the level of engagement with the sector, and to raise awareness of its importance through a 5 point plan.

eGaming

During 2016, engagement with the industry sector will be increased with roundtable discussion with businesses and the Alderney Gambling Control Commission.

Primary industries – Agriculture and Sea Fisheries

Support for primary industries will continue with on-going support for the Fishing Industry in Guernsey, particularly concerning representation over fishing rights. Implementation of the Dairy Review will continue during 2016.

Energy - renewables

Work will continue to investigate options for renewable energy in Guernsey, including the use of wind power and photo-voltaics.

Academia

This has been identified as a new initiative to be developed during 2016. The work will focus on building stronger connections with universities and business centres in order to build relationships, attract high calibre personnel and to help to develop core skills in Guernsey. Enhancing links with academia will enable Guernsey to benefit from the cultural and technological shift in the way in which learning and skills training are being delivered, enabling high

standards and accreditations to be achieved. The aspiration is to become market leaders in key areas and close followers in others. These links will contribute towards building and enhancing Guernsey's reputation.

Future Economic Development Framework Updates

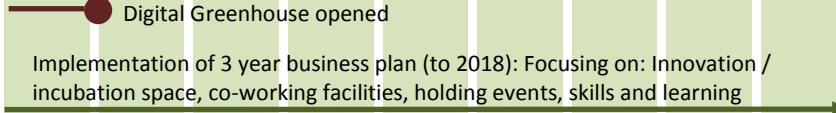
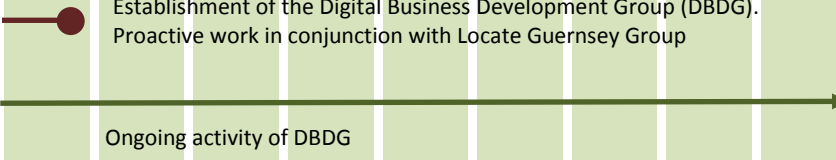

Future updates of workstreams, projects and initiatives will be provided by way of a progress report for the newly elected Committee for Economic Development. This will be provided in 6 months' time (in May 2016), and will be published.

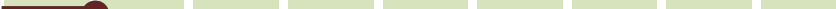

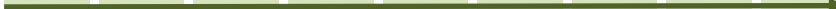
During the autumn of 2016, it is the intention to organise a business leader summit in order to engage and report on progress to date, before evolving the objectives of the Strategic Framework for Economic Development and their associated workstreams as required.

Now that significant progress has been made into researching and evidencing key objectives of the strategy, it is the intention to take a policy letter to the States setting out the strategic direction for economic development. This will be achieved during the first year of the next States of Deliberation.

Table 3: Developments and next steps – summary of updated strategic aims

Key to boxes		Strategic aim unchanged		New Strategic Aim	Amended Strategic Aim								
	Area	Page reference in Feb 2014 framework document	Strategic Aim No	Description of Strategic Aim	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
Objective 1: Developing existing economic sectors	Finance Sector Development Strategy	Pages 20 – 21	1	Ensure the continued support, development and diversification of the financial services sector through ongoing implemenation of the Finance Sector Development Strategy.	Ongoing implementation and delivery of strategy								
		NEW	2	Promote and support the development of FinTech (Financial Technhology) opportunities in the Island through the FinTech Development Oversight Group	Establishment of the FinTech and Digital Oversight Group (FDOG) Ongoing activity of FDOG								
	Retail Sector Development	Pages 22 – 23	3	Support the continued development of the retail sector in Guernsey as an important economic sector	Ongoing implementation and delivery of strategy Support for retail training programme								
	Tourism / Visitor Economy Development	AMENDED	4	Develop a tourism offering that delivers a unique archipelago experience, exceptional value for money and world class customer service. Achieve growth of 13% in visitor numbers by 2020 and +30% by 2025.	Ongoing implementation and delivery of plan, focussing on product development, transportation and bed stock								
	eGaming	Pages 26 – 27	5	Support initiatives and policies to support the eGaming sector in order to derive greater economic benefit from the sector.	Ongoing support for the sector Set up eGaming forum								
	Other Economic Sectors	Pages 28 - 29	6	Continue to support the development of other sectors of the economy in line with achieving the strategic aims of the Economic Development Strategy	Ongoing activity, including public/private initiatives such as Locate Guernsey and the Digital Greenhouse to enable growth and diversification within existing sectors New Aircraft Registry initiative to allow registration of commercial aircraft Work to enable certain Guernsey IP rights to be extended to international agreements								

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
Objective 2: Progressing development of connected sectors	Mechanisms to support emerging and developing sectors	Pages 31 - 32	7	Continue to ensure that the States of Guernsey is pro-active in supporting emerging and developing sectors of the economy	Ongoing activity								
	Technology and Digital Innovation	NEW	8	Develop and implement an integrated digital work plan in order to enable the economy and Islanders to flourish in the modern digital world.	Implementation of digital work plan, including trade missions and tactical business developments under the FDOG and Digital Business Development Group (DBDG).								
	Digital Greenhouse	NEW	9	Provide a facility in order to stimulate, inspire and promote the growth of the digital and creative sectors in the Island									
	Digital Business	NEW	10	Support the promotion and development of Digital Business in the Island and the promotion of the Island as a digital/creative relocation or start-up destination of choice. To be achieved through the Digital Business Development Group in conjunction with industry.									
	Developing the Creative Industries Sector	Pages 40 - 43	11	Support initiatives and policies to develop the Creative Industries sector									

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
Objective 3: Making Guernsey work for business – helping businesses get the best from Guernsey	Skills	Pages 48 - 49	12	Increase workforce participation	Ongoing activity								
		Page 50 – 51	13	Improve the skills of the working population in line with the needs of employers in all sectors through the Skills Guernsey initiative	Ongoing activity								
		NEW	14	Improve digital skills, knowledge and community “digital wisdom” through the Guernsey Digital Greenhouse facility.	 Digital Greenhouse opened Implementation of 3 year business plan (to 2018): Focusing on: Innovation / incubation space, co-working facilities, holding events, skills and learning								
		NEW	15	Improve links with academia	 Grow connections with academia through government, training providers and the Education Department in order to put Guernsey in the spotlight for potential research, test bed and pilot projects. A clear focus is innovation and development to attract sector expertise to the island, to train staff, and relocations of businesses to grow on-island experience and skills base and therefore create greater awareness of Guernsey's offering.								
	Ways of achieving more effective promotion of Guernsey to businesses, investors and clients	NEW	16	Locate Guernsey: Promote Guernsey as a destination for High Net Worth Individuals and those looking to relocate a business to Guernsey through the “Locate Guernsey” project. Build networks and partnerships.	 Head of Locate Guernsey in post Implementation of Locate Guernsey Business Plan (3 year project)								
	Support for business (financial)	NEW	17	Ensure consistency of promotional message across the various brands to ensure consistent messaging that Guernsey is “Open for Business” and that reasons to do business from Guernsey and with Guernsey remain compelling.	Ongoing activity								

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
Objective 3: Making Guernsey work for business – helping businesses get the best from Guernsey	Support for business (financial)	AMENDED	18	Investigate the establishment of a new seed / innovation fund for small businesses and SMEs in Guernsey.	Completion of investigation				Possible implementation, depending on findings				
	Support for business (non-financial)	AMENDED	19	Help to understand processes involved in establishing and running businesses in Guernsey through a "Red Tape Audit". Investigate ways of streamlining processes	Completion of Red Tape Audit								
		AMENDED	20	Provide ways of overcoming barriers to doing business in Guernsey	Work with service providers to investigate potential to streamline processes for existing and new businesses. Alignment with public sector "Smart Guernsey" and customer service initiatives.								
		AMENDED	21	Provide advice and support for business including mentor schemes and accelerator programmes	Operation of "One Stop Shop"								
					Ongoing delivery of business advice through StartUp Guernsey at the Digital Greenhouse								
	Connectivity and infrastructure	Page 66 - 67	22	The provision of reliable, sustainable and affordable air links	Completion and presentation of air route development research and associated recommendations				Implementation of agreed recommendation				

	Area	Page reference in framework document	Strategic Aim No	Description of Strategic Aim	2015 Q4	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4
		Page 68	23	The provision of reliable sustainable and affordable sea links									
		Page 69 - 70	24	Ensure an adequate supply of commercial premises and investigate the affordability of commercial premises									
		Page 71	25	To ensure the provision of sustainable energy supplies									
Objective 4: Tracking the development of our economy	Tracking the development of our economy	Page 73 - 74	26	Continue the development of the economic data set in order to measure and track the performance of the economy in the Bailiwick of Guernsey									
		Page 75	27	Achieve a greater understanding of the various business needs in the Island.									

Appendices

7 Appendix 1: Objectives of the Strategic Framework for Economic Development

Strategic Framework for Economic Development – Objectives

Objective 1:

Developing our existing economic sectors

Our existing economic sectors provide the backbone of our economy and we will continue to support and develop these important parts of the economy. The development of opportunities for economic growth in the existing sectors of the economy is therefore being addressed in a number of related strategies, including:

- The Finance Sector Development Strategy;
- The Retail Strategy; and
- The Tourism/Visitor Economy Strategy;
- Initiatives and strategies for developing other economic sectors

Objective 2:

Supporting emerging sectors

This second objective relates to the support and development of emerging sectors of the economy. We will develop opportunities to diversify the economy to create a more “broadly” balanced economy. This part of the Economic Development Framework therefore identifies ways in which emerging sectors and innovative ideas can be supported and developed. In order to do this, the Framework will:

- Identify mechanisms to support emerging and developing sectors; and
- Set out ways of developing emerging sectors, including, ICT / Digital and the Creative Industries sector.

Objective 3:

Making Guernsey work for business – helping businesses get the best from Guernsey

This objective of the Framework identifies ways in which Government will help to make Guernsey an even more attractive environment in which to do business. We set out a number of “Business Facilitators”. These are the conditions and infrastructure that needs to be in place to maximise economic opportunity across all economic sectors. Business Facilitators include areas such as infrastructure, legislation and regulation, people and government support.

Ensuring that these conditions are in place is an important part of the Government's support for all aspects of business in the Island. The Business Facilitators identified are:

- Island Skills Strategy;
- Promotion of Guernsey business and enterprise;
- Financial support for businesses - investigation of an angel seed fund;
- Non-financial support for businesses – improving the co-ordination of business and enterprise support, regulation, legislation and seeking to remove barriers to business; and
- Reliable, accessible and affordable provision of infrastructure (transport links, commercial premises and energy sources), in order to encourage and support enterprise and business success.

Objective 4:

Tracking the development of our economy

The fourth objective of the Economic Development Framework relates to ways in which the development of our economy will be monitored. This will also ensure that we have a means of tracking the effectiveness of our Economic Development Framework.

Although there is currently a good suite of basic economic statistics available, particularly those relating to the labour market, there will be added benefit in developing a greater understanding of individual economic sectors.

We recommend that qualitative data as well as quantitative data on the performance of the Island's economic sectors should be collected in order that we can:

- Measure economic growth; and
- Understand business needs.

Tracking our economy will enable government to be more responsive to changing needs and circumstances enabling government policies to be implemented rapidly.

8 Appendix 2: Terms of reference for the Digital Business Groups

FINTECH AND DIGITAL OVERSIGHT GROUP, DIGITAL BUSINESS DEVELOPMENT GROUP AND DATA PROTECTION GROUP

1. The FinTech & Digital Oversight Group (FDOG)

1.1 Mandate

FDOG is sponsored by C&E and, is mandated to:

1. monitor progress of the implementation of the recommendations in the Strategic Report, (status reporting will be provided on a quarterly basis);
2. formulate and develop policy initiatives required in support of the Strategic Report;
3. work with relevant officers within the States to prepare new legislation and/or legislative changes deemed necessary in support of the Strategic Report, to be taken forward by C&E;
4. establish sub-committees and/or working parties to advise on, evolve or develop policy deemed relevant to the Strategic Report; and
5. commission expert legal advice/engage consultants to advise on specific areas for development, as appropriate.

FDOG will have an advisory and consultative role only. FDOG is not a decision making body and will ultimately be accountable to the C&E board through C&E officers.

1.2 Objectives

The objectives of FDOG may change, from time to time, as deemed appropriate and in response to changes in the commercial or public sector, and or external environment. The initial objectives of FDOG will be to:

1. benchmark the Bailiwick's current position against each of the recommendations contained in the Strategic Report;
2. benchmark each of the opportunities, threats, weaknesses and challenges identified in the Strategic Report against the current legislative work-streams, to assist in identifying what changes/amendments need to be made;
3. recommend and progress implementation of any policy initiatives or legislative amendments which are necessary; and
4. identify strategic issues which require cross departmental/committee involvement and co-ordinate the same.

1.3 Reporting

FDOG will report through C&E and will work to its direction and mandate. The mandate can be amended and/or revoked at any time by C&E at its sole discretion.

1.4 Chairman and members

FDOG will consist of the individuals listed below or their appointed alternatives. It is recognised that the members of FDOG may not be able to meet all the requirements of the mandate and will require support from within the organisations which they represent and/or the wider business community. All such support shall be provided formally on an arms' length basis.

Organisation	Proposed individual(s)
States of Guernsey -political	C&E Minister
C&E	(i) Chief Officer –Jason Moriarty (ii) Director of FSPU and/or Member of FSPU (Darren Stephens and Mat Desforges both to attend initially)
States of Guernsey	Chief Information Officer – Colin Vaudin
Industry Representatives x 3 or 4	(i) Accountancy Rep - Nick Vermeulen (ii) Legal Rep - Stephen Ozanne. (iii) Cyber rep - Mike Loginov (iv) GIBA nominated representative - Carl Rosumek
Guernsey Financial Services Commission	Gillian Browning – Director Fiduciary & Innovation

The Chairman will be the Minister of C&E.

The quorum for meetings of the FDOG will be four (4) members, subject to a minimum of one (1) member from each of the above organisations being in attendance. Where a member is unable to attend a meeting of FDOG they have the right to appoint an alternative to attend in their place.

Additional representatives may be permitted to attend, present or report at FDOG meetings in relation to specific topics or issues, at the discretion of the Chairman.

The Secretariat, key government contact and Officer responsible for FDOG is Mat Desforges.

2. The Digital Business Development Group

2.1 The Mandate

DBDG is a sub-group of FDOG and:

1. will work closely with existing development and promotional bodies within the Bailiwick, including, but not limited to, Guernsey Finance, the Digital Greenhouse, Startup Guernsey, Locate Guernsey and the Chamber of Commerce and provide assistance to such bodies to:
 - (i) identify potential opportunities, prospects and target markets for relevant FinTech and digital opportunities;
 - (ii) assist, as far as possible, in the provision of a red carpet support for business prospects;
 - (iii) assist with identifying and evidencing promotional and development opportunities (events, one to one and tactical promotions), both on and off-island as appropriate, which are aligned to Guernsey FinTech and wider digital strategies;
 - (iv) identify and develop a model for possible public private partnership opportunities for “sector” awareness building and promotions; and
 - (v) join up promotional ideas and ensure alignment with regard to working to a common and consistent message and purpose.
2. will report to and take direction from FDOG and will ultimately be accountable to relevant C&E officers and to the C&E board.

For the avoidance of doubt, Locate Guernsey will be responsible for the facilitation, coordination and management of new business enquiries into the island. .

2.2 Objectives

The objectives of the DBDG will be to:

1. directly target and manage potential opportunities, both on and off island, for FinTech and the digital sector within the Bailiwick;
2. articulate Guernsey's strategic vision for FinTech and ensure that the Bailiwick's strengths and benefits are consistently shared with relevant parties; and
3. proactively identify target companies which are a strategic fit for the Bailiwick.

2.3 Chairman and Members

DBDG will consist of the individuals listed below or their appointed alternatives. It is recognised that the members of the DBDG may not be able to meet all the requirements of the mandate and will require support from within the organisations which they represent and/or the wider business community. All such support shall be provided formally on an arms' length basis.

Organisation	Proposed individual(s)
C&E	Chief Officer
Guernsey Finance	Chief Executive – still being confirmed
Head of Locate Guernsey	Andrew Carey in interim
(Interim) Director of Digital Greenhouse	Mike Culverwell
Startup Guernsey	Jennifer Strachan
Chamber of Commerce – Council member	Marc Laine
Others	<i>TBC and to be discussed at meeting1</i>

The Chairman will be Chief Officer, C&E.

The quorum for meetings of the DBDG will be three (3) members, subject to a minimum of one (1) member from each of C&E, Guernsey Finance and Locate Guernsey.

Where a member is unable to attend a meeting of DBDG they have the right to appoint an alternative to attend in their place.

Additional representatives may be permitted to attend the DBDG meetings in relation to specific topics or issues at the discretion of the Chairman.

The Secretariat, key government contact and Officer responsible for DBDG is Liz Hodder.

3. The Data Protection Group

3.1 Mandate

The DPG :

1. Is a separate consultative body which will provide comment, advice and will review the EU proposals for changes in data regulation, to ensure that the Bailiwick maintains its declaration of adequacy for data protection regulation and will consider FDOG's proposals;
2. may commission expert legal advice/engage consultants to advice on specific areas for development; and

The overall mandate for DP is with the Home Department. C&E and associated groups interest in DP is to progress the business development opportunities related to DP.

3.2 Objectives

The objectives of the DPG will be to:

1. benchmark the Bailiwick's current data protection legislation from a UK/European international perspective against PwC's recommendation to develop the Bailiwick as a trusted location for international data;
2. identify and recommend legislative and policy changes for the development of the Bailiwick as a trusted location for international data; and
3. formulate and communicate the data protection strategy for the Bailiwick.

3.3 Chairman and Members

DPG will consist of the individuals listed below or their appointed alternatives. It is recognised that the members of the DPG may not be able to meet all the requirements of the mandate and will require support from within the organisations which they represent and/or the wider business community. All such support shall be provided formally on an arms' length basis.

Organisation	Proposed individual(s)
C&E	Principal Assistant
Home Department	Chief Officer/Deputy Chief Officer
Data Protection Commissioner	Emma Martins
Law Officers	Robert Titterington
Industry Representative	Alexandra Gill
External Relations Group	Jo Reeve

The Chairman will be the Chief Officer/Deputy Chief Officer of the Home Department.

The quorum for meetings of the DPG will be three (3) members, subject to a minimum of one (1) member from each of C&E, Home Department and the Data Protection Commissioner.

Where a member is unable to attend a meeting of DPG they have the right to appoint an alternative to attend in their place.

Additional representatives may be permitted to attend the DPG meetings in relation to specific topics or issues at the discretion of the Chairman.

The Secretariat, key government contact and Officer responsible for DPG is Guillaume Saunal.