IMPACT Jersey

Strategic Programme Plan

This Strategic Programme Plan governs the operation of the Technology Accelerator Programme, known as Impact Jersey.

The Proposition for a Technology Accelerator Fund (P.75/2022) was lodged au Greffe on 10 March 2022 and agreed by States Members on 29 April 2022. The proposition established a Technology Accelerator Fund (the 'Fund') to support the Island's future economy, make faster progress on environmental and social goals, and strengthen the technology eco-system in Jersey.

The proposition stated that the Fund would receive, from the consolidated fund, £20 million that was earmarked for a Technology Fund in the Government Plan 2022-25, and which stems from the special dividend paid to government by Jersey Telecom in 2021.

The Fund was established to support an open, accessible and high impact Technology Accelerator Programme (known as Impact Jersey), designed

and led by Digital Jersey, working in partnership with Island businesses and organisations, states-owned entities and on and off Island technology and digital experts.

The proposition called for the development of a Strategic Programme Plan to set out in further detail how the programme would be designed and professionally managed by Digital Jersey as Lead Partner.

Nesta Challenge Works was commissioned by Digital Jersey in 2022 to support the design and planning of Impact Jersey. Challenge Works are a social enterprise founded by the UK's innovation agency Nesta. They are a global leader in the design and delivery of high-impact challenge prizes that incentivise cutting-edge innovation for social good and over the last decade have run more than 80 prizes, distributed £84 million in funding and engaged with 12,000 innovators.

Digital Jersey engaged with Impact Canada as part of its global research, who provided strategic and ongoing advice throughout the design and build phase of the Scheme.

Impact Canada has seen considerable success since its launch in 2017, to understand the practicalities of such a scheme and the opportunities and risks associated with its successful execution. This special partnership is part of an ongoing engagement through our Commonwealth relationship.

This document contains the conclusions of this research discovery work, conducted in collaboration with Government and industry and sets out a framework for the delivery of the scheme, which will be known as 'Impact Jersey'.

Jersey has a vision of being a place where people can afford a home, find good work, enjoy life, love, raise a family and stay active, healthy, and financially secure throughout life. A place that cares for its community, environment, culture and heritage.

Underpinning this, we need a strong, sustainable economy for people to thrive. An economy that delivers long term growth which positively impacts Jersey's community, environment, culture and heritage[1]. However, Jersey is facing significant challenges to realising its ambition.

Technology capability has *grown exponentially* around the world.

Technology has permeated society at so many levels. It continues to be the tool with which to understand complex social, economic and environmental problems, and can bring us closer to resolving them. Research and development at scale, and the sharing of knowledge has created rapid change at a pace unseen in human history. For Jersey to take a giant leap towards realising its vision, the time is right to think differently, think beyond today and think about a potential future and help Islanders live the quality of life they deserve.

Technology acts as an enabler to better understanding and finding solutions to such problems.

Across a range of strategic priorities the Government of Jersey is taking a proactive approach to tackling these complex, longstanding challenges.

Jersey's £20m Technology Accelerator Programme will provide a new and exciting mechanism to engage and activate industry, innovators and entrepreneurs, coordinating resource effort and passion, to help tackle Jersey's most pressing and urgent challenges, and to capitalise on emerging opportunities.

Recognising that the scheme will develop over time, we will start with a range of smaller programmes so that we can be agile and responsive, building on learnings from early programmes to enable larger-scale impact and change for Jersey.

MINISTERIAL PRIORITIES

At a high level, the strategic priorities for the scheme were identified in the proposition (P.75).

Further engagement was undertaken through two Ministerial workshops, for the purpose of developing the areas of interest, aligned to Ministerial Priorities and the Common Strategic Policy as approved by the States Assembly. A long list was identified and prioritised through this process.

Impact Jersey will seek to translate priorities into actionable programmes taking into account a range of factors including:

> strategic fit with Minister's priorities

> the benefit from both local expertise, insights and entrepreneurial energy focused on the issues to be considered

> viability and route to technology solutions

> type of technology solutions that may already be implemented in other jurisdictions

> the type of delivery partners required

> programme metrics to record and monitor impact

PROPOSED STRATEGIC PRIORITIES FOR THE FUND

FUTURE ECONOMY PRIORITIES

To accelerate the use of technology in order to:

> Improve productivity in existing economic sectors

> Support the development of new economic sectors, products and services

> Help ensure islanders have the right skills for the future

> Improve supply chain resilience

ENVIRONMENTAL AND SOCIAL PRIORITIES

To accelerate the use of technology in order to:

> Help meet the housing needs of islanders

> Improve the health and wellbeing of islanders

> Provide sustainable transport solutions

> Respond to the climate emergency

THIS TABLE IS A CONDENSED LIST OF THE AREAS OF INTEREST.

Together, these example areas of interest will enable Impact Jersey to develop a pipeline of activities and challenge programmes. A well-communicated pipeline will create lead-in time and certainty for stakeholder organisations and entrepreneurs to plan, resource and bid for upcoming calls for open and challenge programmes.

COMMON STRATEGIC POLICY THEME	EXAMPLES
Ageing Population	How can we help people live independently for longer?
Children & Families	How can we improve educational outcomes?
Community	How can we build a more connected community, including shared mobility, linking people to each other and the multitude of assets available; improve digital capability and accessibility?
Economy & Skills	How can we increase economic vibrancy through the development of new economic sectors, products and services?
Economy & Skills	How can we improve and utilise Digital Twin technology to support our economy?
Health & Wellbeing	How can we develop sustainable, secure and regenerative food production and distribution; Making it easier for Islanders of all ages to access and afford healthy, nutritious food?
Health & Wellbeing	How can we monitor and identify hazards to health and provide interventions at the earliest opportunity?
Health & Wellbeing	How can we support and increase active travel across the island?
Housing & Cost of Living	How can we enable construction sector innovation to deliver more quality homes for Islanders?
Housing & Cost of Living	How can we understand the housing market better?
Environment	How can we optimise utilisation of the Island's built infrastructure?
Environment	How can we support energy innovation?
Environment	How can we help Islanders understand and reduce their own carbon footprint
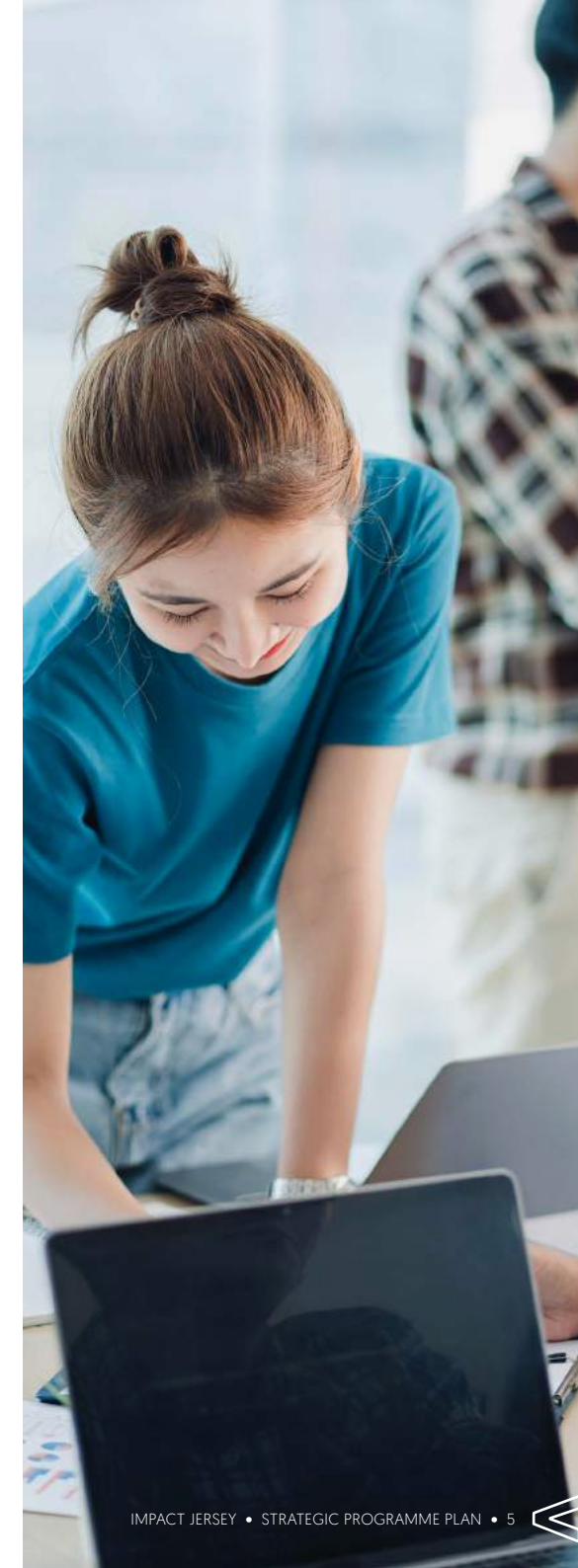
OPERATING PRINCIPLES

Impact Jersey will be aligned to the following principles. We see them as *living principles* as we look to build and operate a scheme that will continue to be *fit for purpose for years to come*. We will continue to review and refine these principles.

IMPACT FOR JERSEY

Impact Jersey will focus on initiatives which benefit the Island through the use of technology and are aligned to Ministerial priorities. We will fund projects that can help demonstrate value in a range of ways. Ideas and solutions will provide real impact across social, economic and environmental outcomes, today and in future years.

ADDITIONALITY

Impact Jersey will seek to fund initiatives that can provide real additional value for Jersey. Value isn't just about monetary return.

TRANSPARENCY

Impact Jersey will operate in an open and transparent manner with regular public updates on progress and well-defined communication and engagement plans.

LEARN, ADAPT AND SHARE

Impact Jersey will follow a 'learn, adapt and share' approach, as we continually evolve and iterate our processes and methods used in our programmes and projects. We will share our learnings publicly to make sure we can help shift the dial and strengthen our local technology and innovation eco-system.

EASE OF USE

Impact Jersey will make engagement easy and will itself make best use of technology to reduce the administrative burden for applicants.

CREATE ENDURING PARTNERSHIPS

Impact Jersey will seek out and work collaboratively with partners locally and across the world, bringing together ideas and solutions to deliver impact for Jersey and forge new and enduring public-private partnerships. The first open programme will be exclusively delivered by Jersey based businesses, whereas future programmes will seek a wider range of partners and contributors.

Overall we want to make sure that outcomes for Jersey will be front of mind and at the centre of our decision making.

OUR APPROACH

DIGITAL JERSEY WILL APPROACH THE IMPLEMENTATION IN THE FOLLOWING WAYS:

> The Scheme will operate in an open and transparent manner with regular public updates regarding progress and well-defined communication and engagement plans.

> The scheme Lead Partner/Scheme Manager, Digital Jersey, will be empowered to make day to day decisions on the execution of programmes, as approved by the Oversight Group.

> In the initial phase of the scheme (Phase 1):

  o Funding will encourage pilots/proof of concept for future scaling of the scheme over time.

  o Programmes will be open or challenge and not directly awarded.

> The Government will provide initial and ongoing steer on strategic priorities to Digital Jersey as the Scheme Manager. Digital Jersey will seek this steer through the Strategic Programme Plan, programme proposals and any revisions to these as reviewed by the Oversight Group and approved by the Minister for Economic Development, Sport, Tourism and Culture. Challenge themes will be selected to align with the strategic priorities set out by Ministers.

> The preferred funding mechanism will be through grants and service contracts rather than through loans or taking equity positions. However, commercial flexibility will be enabled to allow for future programmes to incorporate alternative mechanisms where these are appropriate. This aligns with the Proposition which states that "the purpose of the Fund is not to chase financial return on investment as an end, or to take a venture capital position in respect of high-risk innovation".

> The funding approach used for each programme will be driven by the findings in the discovery phase, and will be incorporated into the corresponding programme design and proposal submitted to the Oversight Group. There will be a range of funding mechanisms to choose from including but not limited to competitive Grants, Prize Challenges and so on. Any mechanism chosen will need to be fit for purpose.

> Communications will make clear that Impact Jersey is a Government funded scheme delivered by Digital Jersey.

> The Scheme Manager will work collaboratively with project delivery partners, allowing sufficient flexibility for those partners to bring their own methods and approaches to project delivery whilst ensuring minimum standards for monitoring and reporting.

> Appropriate and proportional governance models and controls will be put in place by both Digital Jersey and Government.

> The Scheme Manager will provide regular reporting to the Oversight Group to ensure transparent assessment of progress and outputs.

> An evaluation report on each programme will be presented to the Oversight Group. An evaluation partner may be engaged (as determined on a case by case basis) to provide independent review of the outcomes/benefits of programmes implemented.

> Digital Jersey will present to the Government's Senior Responsible Officer for the scheme, concepts and ideas which are intended for the development of Programme proposals.

> Where possible, the Scheme will aim to support a diverse and inclusive environment, recognising that there will be a competitive nature to receiving grants, and that successful bids will be based on evidence and merit against required criteria.

> A complaints process will be created with final decision taken by the Digital Jersey Board.

> Where possible Digital Jersey will collaborate with Arms Length Organisations and other partners to maximise the opportunities for Jersey e.g. working with Jersey Business to ensure small medium enterprises are match-fit to apply for funding, working with Jersey Finance and the GoJ External Relations Department to optimise international reach.

> Risk is a core and fundamental element for business and technology programmes around the world. Jersey's scheme will be no different. We will make sure that risk mitigations and management protocols are in place, and that each programme shall articulate the risk settings for that programme.

> The first open programme will only be made available to Jersey organisations.

> For organisations from other jurisdictions, it will be important to ensure a supportive and business friendly environment and that a key understanding of the Jersey context and customs are reflected in each specific programme setting.

> A preference will be given during application assessment towards open source solutions but this will not be mandated.

PROGRAMME DESIGN

To address these strategic priorities Impact Jersey has been designed to deliver *two specific types of programme*[2]. The different programme types allow for both *open innovation* to address a wide range of problem statements but also *challenge innovation* which targets a specific problem statement.

Innovators, entrepreneurs and organisations will be invited to help accelerate the resolution of our key strategic priorities. The main mechanism to address these issues will be through the formation of Programmes. Programmes may be made up of a number of projects ranging in size, scope and complexity.

01. OPEN PROGRAMME

An "open programme" is designed to be the main mechanism to stimulate the innovators and entrepreneurs, who may understand Jersey's unique challenges, and who could be well placed to address these. This type of programme will ensure that Jersey entrepreneurs and businesses can bring their ideas to the table. We anticipate that this will operate in a similar way to Innovate UK Smart Grants, with smaller allocations of funding released to help stimulate and support the implementation of technology solutions that meet our strategic priorities. The challenge statement would be wide and inclusive to enable many different types of solutions to be brought forward.

02. CHALLENGE PROGRAMME

The second type of programme, a Challenge Programme, has been designed to address specific (and often more complex) challenges and would typically require larger project delivery, financial and non-financial support. It is assumed that more often than not the technology required is already operating successfully in other parts of the world and the challenge programme will seek to accelerate the adoption of such technologies.

Each programme will consist of one or more projects that together contribute to delivering the identified programme outcomes.

Programmes may be developed openly, using a public call for contributors to help define and determine the programme.

Projects may be delivered by partners who have been selected through a competitive process, and also may be directly awarded to an organisation or consortium identified during the programme development.

Challenges would be developed by Impact Jersey from Strategic Priorities set by Government, and based on detailed research to enable them to be framed in such a way as to elicit as wide and innovative a range of solutions as possible.

[2] A programme is a strategic allocation of money to achieve a specific objective.

IMPACT JERSEY • STRATEGIC PROGRAMME PLAN • 9

There are three different approaches to challenge programmes

FOUNDATIONAL

A cross sectoral programme, that supports Jersey's innovation capacity with an objective that could include research, data gathering, building skills, or system infrastructure.

THEMATIC

A programme type that provides a small number of larger grants to Projects related to a broad sector or priority relevant to Jersey.

CHALLENGE

This type of programme will have a pre-defined and specified challenge, with a larger allocation of funds to procure or curate a specified solution to a challenge.

Foundational example:

Gathering construction emissions data to inform future investment decisions, for both public and private organisations. The data and trends could inform later challenge programmes.

Thematic example:

Focusing on Agri-tech solutions to inform and create new business models, services, or products and increase productivity.

Challenge example:

Through the use of technology, how can we increase the independence of people living with dementia?
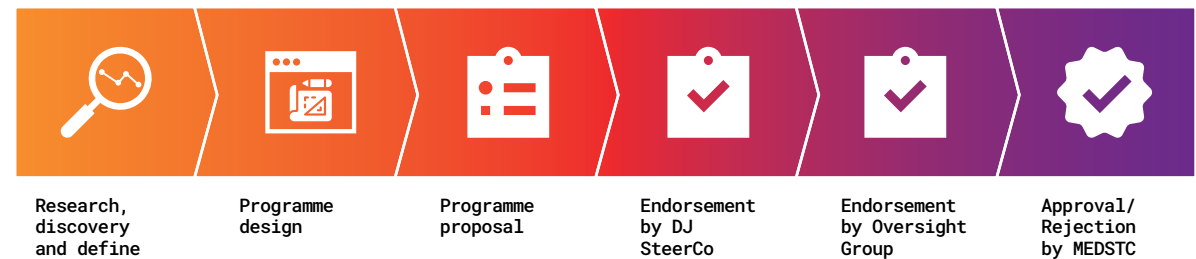
PROGRAMME PROPOSAL PROCESS

GOVERNANCE

The Government of Jersey, through an Oversight Group, has **overall responsibility for the Technology Accelerator Fund**. This group will recommend a programme for approval by the Minister for Economic Development, Tourism, Sport and Culture in order to release funding for the programme.

Digital Jersey has lead operational responsibility for all aspects of Impact Jersey including developing programmes for approval and then for overseeing delivery and evaluation.

The governance framework that has been developed provides for specific roles for a sub-committee of Digital Jersey's Board of Directors [Steerco] to make determinations on behalf of the Digital Jersey Board.

Programme proposals will be endorsed by the Digital Jersey Steerco, and submitted to the Oversight Group to make recommendations to the Minister who will make the decision to approve or reject the proposal.

Research, discovery and define	Programme design	Programme proposal	Endorsement by DJ SteerCo	Endorsement by Oversight Group	Approval/ Rejection by MEDSTC

*The Oversight Group is composed of the Director General for the Economy, the Treasurer of the States, the Group Director of Strategy and Innovation, and an independent member to be appointed by the MEDTSC.

PROGRAMME DELIVERY

It is important that an empowered Digital Jersey is then able to make operational decisions in accordance with agreed programme proposals.

These decisions will be auditable, justified and effective. The diagram below shows a simplified implementation process.

| Mobilisation | Engagement | Launch | Application | Independent judging panel | Deploy Projects |
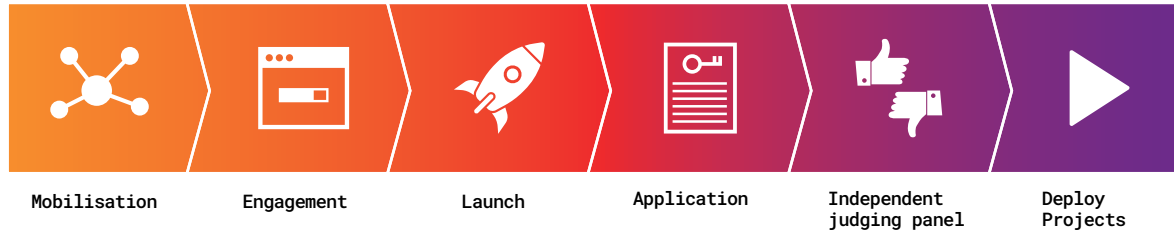
Once the Minister has approved a Programme Proposal, a number of activities will be triggered.
The following steps are illustrative of the key steps that will be undertaken to implement a Programme.

Mobilisation	This is a key stage that will ensure all the potential resources that are required for programme delivery are ready to go. Activities include: implementing website requirements, plan detailed communications and engagement activities, develop application guidance and materials for potential applicants, engagement with programme delivery or evaluation partners and more.
Engagement with Stakeholders	Impact Jersey will undertake engagement and activation steps with key communities of interest that would be likely to apply to the programme. This is to ensure that Impact Jersey can notify as many people and organisations as possible and provide guidance for the application process. This is usually done through a mix of marketing activities.
Launch [Applications Open]	The programme will be launched with the application process open.
Independent judging panel [Applications Closed]	The application window will be closed, and eligible applications will be taken through to an independent judging panel for assessment. The decisions will be announced to winners and unsuccessful applicants. As part of a learning opportunity, feedback can be provided to unsuccessful applicants.
Deploy Projects	At this stage, all successful applicants under the programme will commence their projects.

Each programme will have a specific set of objectives and measures of success. The eligibility criteria and requirements for applications will be defined and communicated publicly well in advance to ensure applicants will have a clear understanding of how to apply and when. Guidance documentation will also be provided. Processes will be proportionate, for example, the more complex and higher level of funding required for the project, the more due diligence and assurance requirements will be put in place.

Assuming applicants pass the required eligibility criteria and due diligence processes, their entry will be assessed against the assessment criteria. Awards will be made in a timely manner and in general awards will be via a grant to the delivery partner. Digital Jersey will oversee all project delivery, evaluate and report regularly and transparently on progress against the objectives and measures of success.

The first phase of the Impact Jersey scheme is expected to complete in Q1 2024. An evaluation of the first open programme will also take place in 2023, with a second Open Programme launching early in 2024.
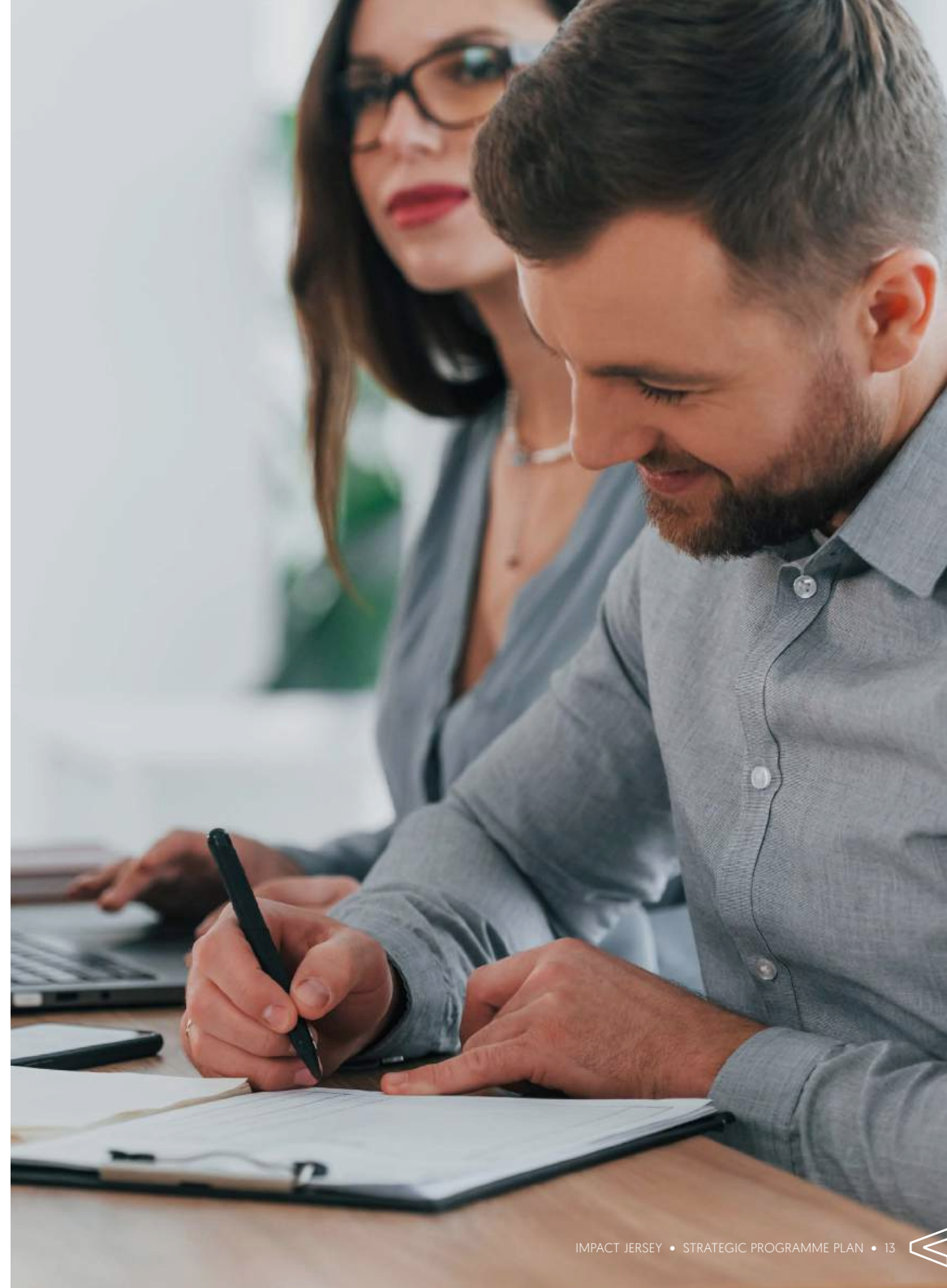
EVALUATION

Every Programme will have a
clear objective and purpose
and a clear evaluation and
impact structure will be
built around it. An impact
evaluation framework will
be developed based on advice
from an expert external
evaluation partner.

Whilst each programme will have its own objectives and different mechanisms through which impact will be measured, Impact Jersey will have some overarching research questions to consider.

For illustrative purposes, examples of relevant research questions could be:

> To what extent has Impact Jersey improved conditions for innovation and accelerated adoption of technology in Jersey?

> To what extent has Impact Jersey developed Jersey's skills and knowledge base in the digital sector and increased digital literacy in the community?

> What contribution has Impact Jersey made to supporting Jersey's economic, environmental and social priorities?

> How effective has Impact Jersey been in providing innovation support that leads to the creation of technology and infrastructure to support growth and productivity in Jersey?

ANTICIPATED SCHEME BENEFITS

As stated in P.75/2022,
the anticipated high level
benefits will include:

> Improvements in economic productivity
  and the delivery of environmental social goals
  through the faster adoption of technology.

> Economic benefits associated with the funded
  programmes, including indirect (spill over)
  effects such as signalling benefits, and direct
  benefits of new intellectual property.

> System benefits such as improved collaboration
  between organisations, improved use of
  availability of data and enhanced digital
  and technology skills.

> Opportunity to create new sources of data
  that currently do not exist, and ensure data led
  and quality decision making for future policy
  consideration and private industry investment
  across multiple sectors including and not limited
  to transport, agriculture, financial sector, building
  and construction, urban development, land
  management and planning as well as marine
  spatial planning.

In general benefits from challenge
programmes can be described
in the following areas:

POTENTIAL JOB CREATION

The programme can stimulate new jobs in the technology sector,
which will have a positive ripple effect on other industries.

> Increased economic growth

> Improved productivity

POTENTIAL SOCIAL BENEFITS

> Improved quality of life

> Increased access to new technologies

> Increased digital capability

POTENTIAL ENVIRONMENTAL BENEFITS

> Development of sustainable technologies

> Reduction of emissions

Overall, a well set up, resourced and empowered Impact Jersey
will have a wide range of positive impacts for Jersey. It will help
to drive economic growth, improve social well-being, and protect
the environment. It is a crucial investment in the Island's future.

IMPACT JERSEY MANAGEMENT

MANAGEMENT

Impact Jersey will be managed by Digital Jersey and will follow the governance principles as set out to the right. Digital Jersey will manage all aspects of Impact Jersey's functions including research and development, planning, reporting and monitoring. This will include processes for the discovery, design, mobilisation and deployment of the programmes.

WORKSTREAM

A Workstream Lead will be assigned with responsibility for all deliverables of each workstream. A working group will meet, chaired by the Scheme Lead, to co-ordinate delivery and manage progress with Workstream Leads. This working group will report to a Steering Committee within Digital Jersey regularly who will provide steer and oversight of the scheme performance. Quarterly meetings will be held with the Oversight Group.

Governance & Finance	This workstream will manage the financial and governance requirements of both Impact Jersey and its underlying programmes. This will include any legal and contract management requirements arising from the scheme and its programmes and the management of regular reporting to the relevant boards and oversight groups.
Communications & Marketing	This workstream will develop the communications strategy and plan for Impact Jersey as well as individual communications plans for underlying programmes. This workstream will include all marketing, PR and event management activity.
Programme Design & Planning	This workstream will conduct the necessary research and development to support the discovery and design stages of programme development. This workstream will develop the programme proposals for approval and will set out the scope, objectives, metrics and risk. This workstream will also be responsible for evaluation approach, method, processes and will identify lessons learned to be taken forward to future programme design.
Programme Delivery	This workstream will manage the programmes once they enter the mobilisation stage (that is when they have received Ministerial approval) and through the delivery stage. This workstream will develop the processes and solutions necessary to support the smooth delivery of the programmes and will report progress frequently.
Stakeholder Engagement	This workstream will identify the stakeholders involved for Impact Jersey and develop and implement a plan for engagement throughout the programme.

PROGRAMME PROPOSAL BUDGETS

For each programme approved by the Minister, a programme budget and financial governance process will be agreed which will include:

> All costs associated with design, delivery and evaluation of the programme
> Procurement approach
> Funding mechanisms
> Mechanisms for managing transfer of funding (up to a ceiling) between projects and levels of contingencies; and
> matters requiring referral back to the Oversight Group for approval.

MANAGEMENT FEES

FINANCIALS

Expenditure from the Fund will be approved by the Accountable Officer and will be allocated for overall scheme management and to fund each approved programme.

Fees payable from the Fund to Digital Jersey under a contract for services in order to deliver end-to-end management of the scheme. This will include:

> Developing Programme proposals for submission to the Oversight Group
> Programme administration (including communications and provision of website)
> Programme financial management and contract management
> Internal governance, including DJ risk management and Board reporting
> Reporting to the Oversight Group

The contract will be agreed as soon as possible following the approval of the Strategic Programme Plan. In total fees will not exceed £1m in the first contract period.

FINANCIAL GOVERNANCE AND BUDGET

FINANCIAL GOVERNANCE

RISK MANAGEMENT AND GOVERNANCE OVERVIEW

The key financial risks of this scheme relate to programme activity – these risks were identified in P75:

a. Risk of funding being misused or misappropriated by recipients

b. Risk of funding not achieving its objectives set out in the programme plan

These risks are addressed by the governance arrangements outlined below.

Digital Jersey will apply its standard financial governance arrangements to management of expenditure. A scheme of delegation for authorisation of all activity (including supplier engagement, authorisation of expenditure and entering into contracts) will be developed for Impact Jersey. A dedicated bank account will be set up for receipts and payments, and all expenditure and income will be separately recorded and accounted for on Digital Jersey's financial system.

As an additional measure of openness and accountability, Digital Jersey's accounts are externally audited annually and published on the Digital Jersey website.

PROGRAMME FUNDING

For programme activity, P.75 set out two key controls for ensuring good financial governance:

a. ensuring funding is deployed and governed in line with the Public Finance Manual
b. utilising the Fund for direct payments rather than higher risk loans or equity investments[3]

In the Programme Proposal presented to the Oversight Group, Digital Jersey will set out the planned financial arrangements.

Digital Jersey will report quarterly on all programme activity including governance arrangements and financial management, to the Oversight Group (OG). The OG will be responsible for ensuring that Digital Jersey adheres to the programme proposals in respect of all these matters.

In the first phase of the scheme (2023 approvals), the funding allocated to programmes will be allocated to applicants in the form of grant payments.

Other funding mechanisms, where they are considered appropriate in future phases will be based on the agreed risk appetite for that particular programme and the scope and objectives of the programme. Where appropriate Digital Jersey will obtain professional advice on funding mechanisms and it will be for the Oversight Group to approve the funding structure. A key focus will be to ensure simplicity by design to avoid opaque or complex arrangements that could be more susceptible to manipulation.

Funding for costs incurred directly by Digital Jersey to run programmes (such as project management, evaluation and stakeholder engagement) will be explicitly articulated in the programme proposal. As an estimate (based on design partner advice) it is expected that these costs will be in the region of 10% of any programme. It is not the intention that Digital Jersey will build any funding reserve from Impact Jersey programmes, and therefore any unspent funds will be returned to the Fund at the close of the programme or when it is clear the funds are not required, whichever is earlier.

MANAGEMENT FEES

Digital Jersey will provide administration and governance services to the Government of Jersey under a management fee arrangement. The contract will be agreed as soon as possible following the approval of this SPP.

The Proposition approves management costs capped at a value of £1m over the first three years.[4]

There will also be a range of non-recurrent set up costs that are incurred in the first 12 months as the scheme is designed and governance and reporting structures are set up. A summary of anticipated cashflows for 2023 (covering the first phase of proposals) is set out in the next section.

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[3] Although it is recognised that, where they have an interest, States Owned Enterprises may wish to take an equity stake in support of that interest using their own capital, and private organisations may also wish to invest as a positive spill over benefit of the Fund.

[4] From the Proposition: "The Accountable Officer will make payments from the Fund to the Lead Partner to meet appropriate costs incurred in designing, delivering, and assuring the good governance of the Technology Accelerator Programme. The scope and nature of these anticipated costs will be set out in the strategic programme plan, will be reviewed on an ongoing basis, and will be capped at a value of £1m over the first three years (equivalent to 5% of the Fund value)."

ESTIMATED DRAWDOWN OF FUNDING 2023

Given the innovative nature of the scheme, and the importance of developing detailed and well- researched programme proposals, it is not possible to give a detailed breakdown of programme spend at this stage. Programme budgets will be incorporated into programme proposals and will be subject to approval by the Oversight Group.

However, in line with the cashflow forecasts set out in the Government Plan 2023-2026, which estimated spend for 2022 and 2023 at a total of £3,730,000, the anticipated management fees and indicative phase 1 programme budgets are set out below.

PROGRAMME BUDGETS – PHASE 1 (2023 APPROVALS)

The first phase of programme proposals will be brought forward for approval in 2023 and will be largely delivered in 2023 and 2024. No programme proposals have yet been drawn up in detail, and therefore programme proposal budgets are indicative and based on the recommended programme range of £500,000 to £2,500,000 as advised by the Design Partner. Once the first phase of programme proposals has been agreed and programmes have commenced, further proposals will be developed for approval in 2024.

The table below provides an early indicative approach to anticipated funding for programmes to the end of 2023.

	2023 PROGRAMME ALLOCATION (£)	ANTICIPATED PHASE 1 PROGRAMME CASHFLOW 2023 (£)	2024 (£)
Phase 1 Programme Proposals			
Programme 1	600,000	600,000	
Programme 2	1,500,000	300,000	1,200,000
	2,100,000	**900,000**	**1,200,000**

Table: Indicative programmes for phase 1 (2023 approvals). Actual programme funding requirements will be set out in detail in programme proposals and subject to approval by the Minister.

MANAGEMENT FEES

It is estimated that a full year running cost for the programme, after initial set up, will be approximately £300,000 per annum. This will cover additional staff costs as well as legal & professional fees, advisory fees, marketing, communications and administration.

	2022 FEES (£)	2023 FEES (£)
Digital Jersey management fees		
Non-recurrent set up costs	153,200	205,000
Recurrent programme management costs (part year)		197,000
2022 grant carried forward to 2023	76,800	(76,800)
	230,000	**325,200**

Table 4: Management fee for 2023 [5]

RISK

Digital Jersey's role as scheme manager entails *taking on and managing* kinds of risk that are distinctive to this kind of initiative, some of which are irreducible.

Risk cannot be completely eliminated but the irreducible risks (of individual Programmes, and of the scheme overall) can be identified and distinguished from those that can be managed through good governance and management.

The overall risk exposure of the scheme at any moment in time will be capped through limits on the budget and duration of individual Programmes.

The Impact Jersey scheme has a risk appetite that is aligned with its objectives of supporting high-risk, high-reward innovation projects that have the potential to create significant social and economic value. In the first 12 months of operation, the scheme will focus on low risk investment to allow time for the embedding of governance and control processes to mitigate the risks as set out in this document. The following principles guide the risk appetite of the scheme:

ACCEPTANCE OF RISK

The scheme is willing to accept a higher level of risk than other types of investment to achieve its objectives.

RISK TOLERANCE

The scheme has a moderate to high risk tolerance, depending on the specific opportunity and its potential rewards.

RISK AWARENESS

The scheme is aware of the risks inherent in undertaking challenge programmes, and has the expertise to assess and manage these risks.

RISK MANAGEMENT

The scheme has robust risk management processes in place to monitor and mitigate risks associated with its funding.

TRANSPARENCY

The scheme will be transparent in its risk appetite and communicate clearly with government and stakeholders about the associated risk in each programme proposal put forward by Impact Jersey.

IMPACT

The scheme seeks to fund projects that have the potential to create significant social and economic impact, and is willing to take calculated risks to achieve these objectives.

Risk will be managed at two levels, the overall Scheme and at the individual Programme / project level. Each programme proposal will include a Risk Appetite Statement which will clearly articulate the acceptable risk tolerances based on the type of programme, its specific objectives, known inputs, and variables. This approach will ensure both strategic and delivery level risks are identified, assessed and managed throughout. A full risk register, managed in accordance with Government of Jersey protocols, has been set up. A summary of the risks identified in the planning stage are set out on the following page.

IRREDUCIBLE RISKS	
Lack of uptake for the Fund	Accept – ensuring priorities are clearly identified and that marketing and communication is done well
Expected outcomes not realised in the short to medium term	Accept – Programmes and projects will be approved individually with measurable success criteria [where possible].

MANAGED RISKS	
Programme does not reach innovators in the market	Mitigate - A stakeholder engagement plan and communications strategy will be developed to maximise engagement with potential and existing innovator groups
Decision making on programme proposals is not timely delaying progress, reducing momentum and disengaging stakeholders	Mitigate – The governance approach and decision-making path via the Oversight Group should mitigate this risk.
Conflicts of interest [perceived or actual] arise which tarnish the perception of a fair and transparent execution	Mitigate – All and any conflicts of interest to be declared for mitigation prior to the presentation of programme proposals to the Oversight Group for approval. Oversight Group will be made aware of any such declarations and the actions taken to resolve prior to the commitment of funding and in the case of an approved programme, as soon as practically possible should such a conflict arise.
The programme engages with a delivery programme partner or other party who is found to be fraudulent or corrupt	Mitigate – Due diligence processes will be defined and pre-agreed with the Steering Committee prior to the approval of a delivery partner engagement. Funding will be released in stages to reduce the overall financial impact.
The cost to deliver an individual Programme exceeds the amount approved in the Programme Proposal	Mitigate – Each programme will follow a staged approach to gather the relevant information to ensure the problem is understood and defined. At each stage the likely benefits and the confidence of realising those benefits will be assessed and in some cases a decision may be taken to park a programme if it is no longer viable. The expenditure against the programme will be reported monthly to SteerCo and quarterly to the Oversight Group. Only that funding which has been approved will be released for expenditure.
The fund is used for purposes other than that intended by the States Assembly and contrary to the proposition [P.75/2022]	Mitigate – All funding requests will be approved through the Oversight Group and regular financial reporting of the usage of funds for the purpose approved will be undertaken.
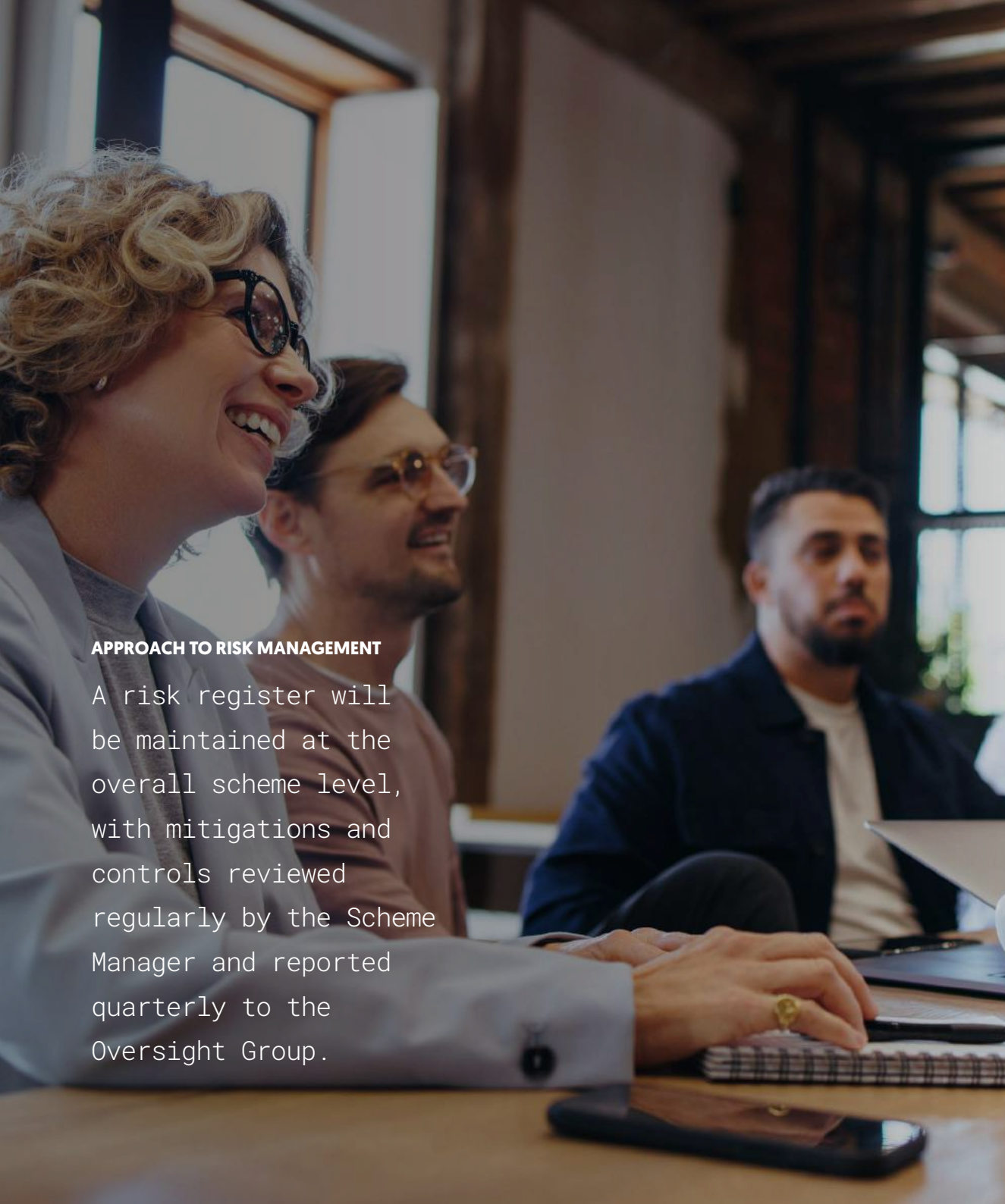
APPROACH TO RISK MANAGEMENT

A risk register will be maintained at the overall scheme level, with mitigations and controls reviewed regularly by the Scheme Manager and reported quarterly to the Oversight Group.

Any new risks identified or issues arising (either as realised risks or otherwise) which have a residual High impact (scoring 15 and above) on the overall programme will be escalated to the Senior Responsible Officer via a Risk/Issue Exception Report within 24 hours. An exceptional meeting of the Oversight Group may be recommended where a decision is required to address the resolution of the issue/risk.
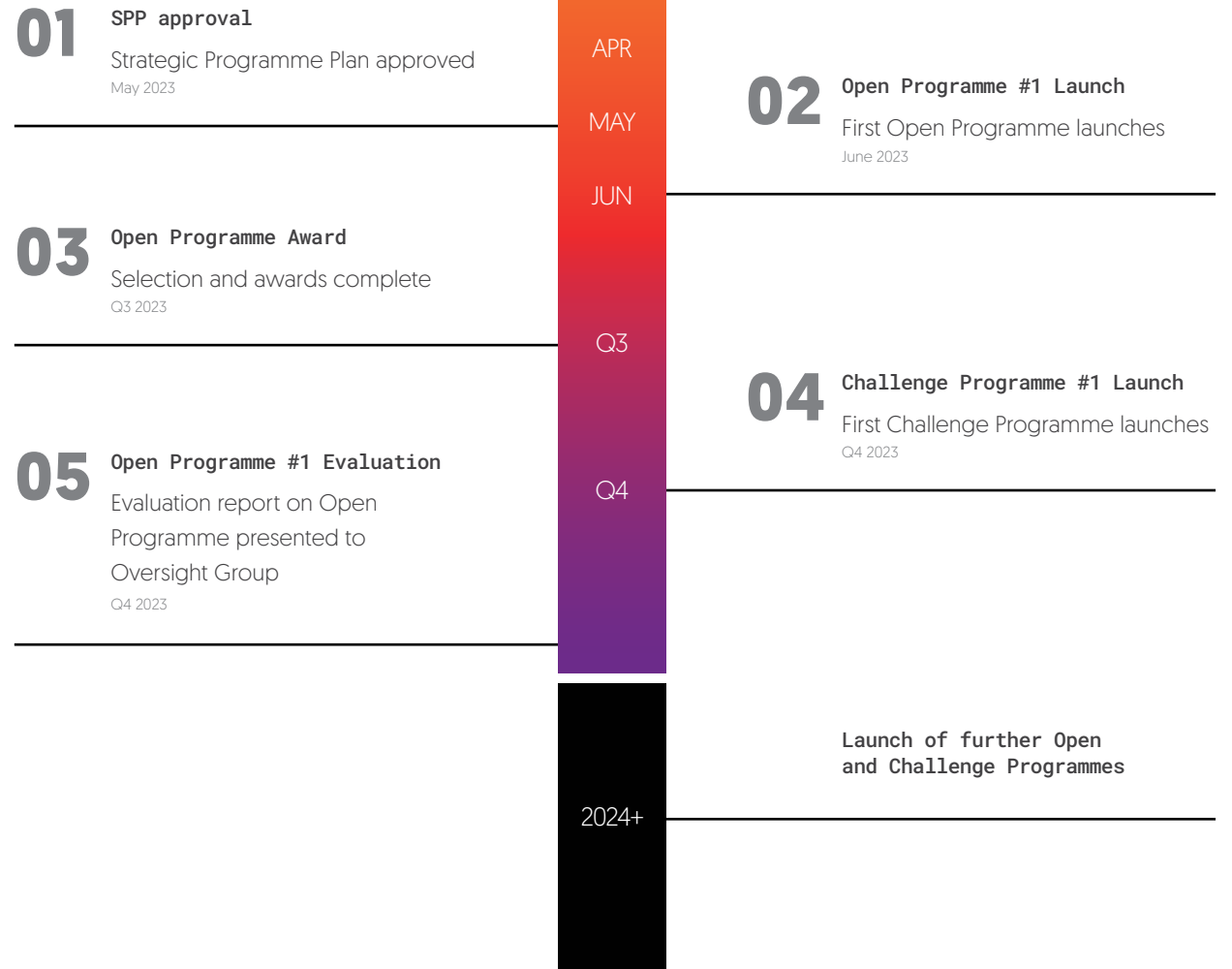
Each programme will present via the Programme Proposal, a view of the risk profile and key risks and risk appetite statement of the proposed programme for Oversight Group approval.

Once a Programme Proposal is approved, the Programme Manager assigned to manage the Programme (or the Scheme Manager where such a Programme Manager is not assigned) will maintain a risk register for the Programme. As with overall scheme programme risks, new issues/risks which have a residual High rating (scoring 15 and above), will be escalated to the Senior Responsible Officer (via the Scheme Programme Manager for consolidated and reporting purposes).

The risk scoring model used will mirror the Government of Jersey Risk Management approach for consistency and ease of comparison.

TIMELINE

The programme is *expected to run for a number of years*. There will be an initial phase which will see the launch of two to three programmes in the first 12 months of operation.

01 SPP approval

Strategic Programme Plan approved
May 2023

02 Open Programme #1 Launch

First Open Programme launches
June 2023

03 Open Programme Award

Selection and awards complete
Q3 2023

04 Challenge Programme #1 Launch

First Challenge Programme launches
Q4 2023

05 Open Programme #1 Evaluation

Evaluation report on Open Programme presented to Oversight Group
Q4 2023

Launch of further Open and Challenge Programmes

JAN
FEB
MAR
APR
MAY
JUN
Q3
Q4
2024+

NB: These timelines are subject to change

SUMMARY

Impact Jersey is a unique scheme that presents a significant opportunity for the Island to learn, adapt and solve some of our most pressing and complex challenges. *The scheme will provide wide ranging benefits for Islanders*, and provide future generations with a significant head start in the way they compete internationally, increasing productivity and *Islanders' quality of life*.