£5.3m. support for investment & innovation

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Carrie Harding, Senior Business Advisor, talks about Government of Jersey grants and the practical help available.

Since the Great Financial Crisis in 2007/8, Jersey has suffered from a productivity puzzle with output per hour and output per worker stalling. This issue is not unique to Jersey but is prevalent in many countries across Europe.

Such anemic growth undermines living standards, and without economic growth, either taxes must rise or public services decay. This reality is exacerbated by the demographic challenges facing the island.

Jersey's reliance on finance is another idiosyncrasy. While finance is a highly productive sector, its recent outperformance has been boosted by external factors such as monetary policy. High interest rates widen the net interest margin, inflating profits and productivity. However, relying on such conditions continuing would be remiss. Excluding the finance sector, Jersey's productivity has been declining since 2019.

Staff shortages, surging energy prices, and higher labour input costs following the introduction of the Jersey living wage mean that the need for productivity-enhancing measures in Jersey has never been greater. However, these challenges also present a significant opportunity to transform and revive Jersey's productivity landscape.

What is Jersey Business doing to boost productivity?

Better Business Support Package

Next month, Jersey Business, on behalf of the Government, will begin issuing £5.3m. in productivity and skills grants to help businesses facing these challenges. Eligible businesses can apply for up to 50% matched grant funding for initiatives to enhance productivity, streamline operations, and improve skills.

Of the total grants, £3.3m is allocated to accelerate productivity-boosting projects that result in increased output or improved quality of finished goods or services. Ideas and initiatives that eliminate waste or reduce other costs will also be considered. It is hoped that this support may nudge business owners to pilot AI tools tailored to specific workflows, leading to productivity upticks. Included in the productivity grants, £1m. is ringfenced for sectors in the Visitor Economy, allowing much-needed investment in hospitality, tourism, transport, and retail sectors. The final £2m. is set aside for Apprenticeship and Skills grants to help fund home-grown talent and development.

Skills

Improving the skills of the workforce and adopting new ways of working will help to increase productivity. Alongside the available apprentice and skills grants, our Business Improvement Programme and Leading Growth Programme are designed to help business owners and senior leaders accelerate their business growth. In 2024, Leading Growth received an overall NPS of 72 and a CSAT score of 98%. The Business Improvement Programme also had consistently high customer feedback, with an NPS of 89 and a CSAT of 100%. These programmes enabled business leaders to develop their leadership skills and realise significant annual cost savings from process improvements. Last year, the average annual forecast saving per business at the end of 2024 was £50,000.

Business successes

La Mare Wine Estate invested in modern machinery via the Productivity Support Scheme grant, leading to a five-fold increase in chocolate output. This enhancement allowed old machinery to be used for corporate events, opening another revenue stream. Ancillary benefits included improved staff wellbeing due to greater flexibility in annual leave. Being able to fulfil orders more quickly meant they could be more prescriptive with when they worked, reducing the need to be ‘always on’.

Lysaght, a global intellectual property law fi rm, successfully implemented Optical Character Recognition (OCR) technology, which matched text in

scanned documents and images previously completed manually. With the help of the Business Improvement Programme, the team identified the productivity project, quality tested the product, and implemented the technology, saving over 1,000 hours, allowing workers time to focus on more value-adding activities and to improve customer service.

2025 presents a pivotal opportunity to solve Jersey's productivity puzzle. With the support and programmes provided by Jersey Business, including targeted grant funding, businesses can accelerate the adoption of productivity-focused activities.

Ready to understand how your organisation could benefit from boosting productivity? Have you already identified a relevant solution for your business needs that will enhance your productivity? Our Business Support Team is on hand to support you through your productivity journey.

You can find out more at www.jerseybusiness.je

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