

WL/AM/JB/36

"A" MINUTES OF THE BOARD OF DIRECTORS OF JERSEY BUSINESS LIMITED ("JBL")

(36th Meeting)

20th September 2017 at 9.45am

Present: Mr J Day (JD)
Mrs W Lambert, (WL) (Chair)
Mr E Lincoln (EL)
Mr G Smith (GS)
(the "Board" or the "Directors")

In Attendance: Ginny Moss (GM), Board Apprentice
Miss A Maskell (AM), AM to PM Secretarial Services (AM)

1. **Apologies** – Apologies were noted from Mrs K Le Feuvre (KLF). GS advised the meeting that he had previously discussed the agenda and board papers with KLF who was supportive of the proposed budget plans as articulated in the presentation covered under item 6 below.
2. **Chairperson - IT WAS RESOLVED** to appoint WL chairperson of the meeting.
3. **Declarations of Interest** – No additional interests were declared.
4. **Minutes of previous meeting - IT WAS NOTED** that the previous minutes dated 19th July 2017 had been circulated with the agenda and **IT WAS RESOLVED** to approve them, subject to a number of minor amendments.
5. **Matters Arising** - GS took the Board through the following action points from the previous minutes of 19th July 2017 (which were not otherwise included on the agenda):
 - 1) **Enterprise Week Presentation** – GS confirmed that he had circulated a copy of Rosie Lempriere's presentation on Enterprise Week to the Board.
 - 2) **Active portfolio clients "trading as" individuals** – GS advised that he had not yet had an opportunity to calculate how many active portfolio clients were "trading as" individuals as opposed to having established a limited company and **IT WAS THEREFORE RESOLVED** to carry this action forward.
Action: GS
 - 3) **GDPR Training** – EL reported that his colleague responsible for GDPR at BDO is happy to present to JBL for free. **IT WAS NOTED** that his session takes approximately one hour (including a Q&A session) and the Board agreed that it would be beneficial for all Board and staff members to receive the training together. **IT WAS THEREFORE RESOLVED** that EL would establish whether his colleague was free to provide the training over the lunch hour on Thursday 28th September 2017 at JBL's offices. **Action: EL**
 - 4) **Barclays Online GDPR Training** – GS confirmed that he circulated a link to Barclays GDPR online training. However, WL reported that she was unable to access this and GS agreed to re-send the link.
Action: GS
 - 5) **Security Review of JBL** – JD reported that he was waiting to hear from his contact at KPMG as to whether he was prepared to undertake a cyber security review of JBL or provide the Board/staff with a cyber security presentation and **IT WAS RESOLVED** that he would revert to the Board following his response. He confirmed that KPMG are aware that JBL have limited budget. However, he has highlighted that following the presentation, JBL advisors will be able to raise awareness of the importance of cyber security to clients and advise them to seek advice where required.

6) **Risk Register** – GS confirmed that he had amended the governance risk on the Risk Register to green and removed the reference to the financial sub-committee in the budgeting and cash flow management risk.

7) **Breaches Report** – **IT WAS NOTED** that the implementation of a Breaches Report was in progress.

8) **Quorum** – GS confirmed that the quorum for board meetings, despite the reduction of Directors, remains at two. However, it was acknowledged that all directors are made aware of, and are able to provide their comments at any ad hoc meetings arranged.

6. JBL Presentations to Economic Tourism Sport and Culture (EDTSC) Ministers re MTFP Funding – GS provided the Board with an update of his recent meeting with Dan Housego (DH) and the Minister. GS explained that both the Minister and the Chief Minister were aware of JBL's budgetary concerns and were supportive of further applications being made to the Economic and Productivity Growth Drawdown Provision Fund (EPGDPF).

GS advised the board that the Minister had indicated however that there has been challenge from some members of the Council of Ministers about JBL receiving increased budget to support more people starting their own businesses as they believe this is putting pressure on the population. GS has offered to the Minister to work with him to aid better understanding by Ministers of the role JBL play and how being focussed on driving productivity is key.

WL suggested that the Ministers also need to be made aware that without additional funding JBL is unable to support existing businesses and GS advised that funding from the EPGDPF could be used for this purpose.

Referring to his meeting with DH, GS noted that reference was made to EDTSC underspends and the availability of those. However, GS stressed that JBL cannot place reliance on this. Therefore other options must be considered on a worst case scenario basis, albeit that they do not necessarily have to be implemented at this stage.

EL acknowledged that sufficient core funding was required to take on additional full time employees. However, as this is unavailable, he proposed that consideration should be given to ways in which services can be delivered without full time employees (e.g. outsourcing to contractors or consultants) and proposed making it clear that JBL can provide support with additional funding from the EPGDPF and out sourced resource. However, GS noted that if no additional core funding is received, consideration will also need to be given to how JBL manages its cost base. That said he agreed that an application could be made to the EPGDPF for additional funding for support in a specific sector (e.g. tourism) with a view to outsourcing resource for this service.

GS reminded the Board that the core budget has reduced from the requested figure of £880k to £725k and he advised that he discussed the following potential cost savings as covered in the email shared previously with the board.

The Board discussed potential future cost savings ie a "Plan B" for JBL should not receive any additional funding during the remaining MTFP. Based on the current financial position however any decision does not need to be taken until later in 2018. This is based on fact that if no extra funding is received, there will be a deficit of £42k in 2017, which has been already budgeted for. This increases to £69k in 2018 so JBL does have time to make a suitable bid to EPGDP before having to fully consider the plan B. **IT WAS THEREFORE RESOLVED** that an application should be made to EPGDPF focussed on increasing the productivity of existing businesses with the potential use of outsourced and/or contracted resource. GS added that it may be possible to allocate some EPGDPF funding to cover some of his time as he will be

involved in the development of these services. **Action: GS**

7. Economic and Productivity Growth Drawdown Provision Fund (EPGDPF) – GS reported that he sought an update from DH on the existing EPGDPF applications and he advised that EDTSC in addition to confirming JBL have met KPI's, they also need to provide clear 'Value for Money'. The recent CAG report (whilst not considering JBL) had made such comment on other third party arm's length organisation.

GS reported that in order to provide evidence of JBL's value for money going forward, GS has undertaken some desk top analysis to identify the status of businesses with which JBL had a relationship as at end of December 2016. He explained that this included a simple review to establish (a) whether a client was now trading and, if so, how many staff it employs; (b) if it is not trading whether there is any potential of it trading at some point and, if so, how many staff it forecasts employing; and (c) whether the business has no potential of proceeding (closed). The results were noted as follows:

- 40% were trading;
- 32% are closed; and
- 28% still have potential of trading.

The Board agreed that the statistic of 32% was positive as this highlights that JBL often challenges financials or business plans put forward by clients leading them to realise their proposals are not deliverable.

Regarding number of employees, the following statistics were noted:

- Trading businesses employ an average of 2.5 FTEs; and
- It is estimated that business which still have a potential of trading will employ an average of 3.4 FTEs.

The Board acknowledged that these statistics may raise concerns by certain Ministers in terms of pressures on population etc. (as noted above). However, it was agreed that not all new businesses are likely to apply for licences for off-Island resource and **IT WAS RESOLVED** to undertake further desk top research to establish a breakdown of Entitled and Licensed employees within the various businesses.

Action: GS

GS reported that further detailed analysis of 11 JBL start-up clients indicates that the average number of employees and GVA for each business were above previous estimations. This was the same with the established businesses. He therefore suggested that this should provide reassurance to EDTSC in terms of JBL's value for money, albeit that that cannot be simply multiplied across the whole portfolio as it was only reflective of businesses where JBL had a more extensive relationship with. The Board noted that to further support JBL's value for money, GS has confirmed to DH the positive results of our 2016 independent client feedback.

8. Financial Review - The Board reviewed the Management Accounts for Q3 2017, a copy of which had been circulated as part of the Board Pack. GS noted that these are straight forward and the Board agreed that they were well managed.

9. Board Skills Evaluation Process – The Board reviewed the completed Board Skills Evaluation Review Paper, a copy of which had been circulated with the Agenda and the following amendments were noted:

(a) Key Sectors – Construction – In light of both WL's and GS's construction/property management experience **IT WAS RESOLVED** to amend the assessment score to three and in light of JBL's desire to focus on the construction sector, increase the impact/criticality score to four. **IT WAS FURTHER RESOLVED** to

amend the skill assessment section to refer to focus being placed on appointing a director with construction experience when recruitment for new directors next takes place. **Action: GS**

(b) Key Sectors – Manufacturing – The Board agreed there was not a significant demand for manufacturing expertise at JBL and **IT WAS RESOLVED** to reduce the required score to two to reflect this. **Action: GS**

IT WAS NOTED that little reference was made to EL's skills in the Paper and **IT WAS THEREFORE RESOLVED** that he would provide GS with details of his operational, financial and sector experience for inclusion in a revised draft. **Action: EL/GS**

10. Operational Report – GS summarised the Operational Report, a copy of which had been circulated as part of the Board Pack.

EL sought clarifications of the KPIs and whether they had been met and GS confirmed that the KPIs are reported on a rolling basis. Referring to start ups, he explained that JBL should be dealing with 140 start-ups at any one point in time and he noted that the current number of advisors has the capacity to deal with this number.

IT WAS NOTED that as at 14th September 2017 JBL is dealing with 144 start-ups (94 active and 50 inactive) and for the year to date there have been 213 “walk ins” who have been provided with basic support but have not become an active client.

GS acknowledged that the current format was not fit for purpose as a KPI and he reassured the Board that he and DH are aware of this and have agreed to re-visit it together. In answer to a question from EL, he confirmed that he believes JBL will be able to propose what it believes are sensible KPIs and will not be pushed into unrealistically high KPIs by EDTSC.

Referring to trading portfolio clients, GS reported that JBL's KPI is for JBL to have 275 trading portfolio clients with 90 of them receive one to one support. However, he confirmed that as at 14th September 2017 JBL has 174 active clients and is therefore well above this KPI. **IT WAS NOTED** that copies of the six monthly reports as at the end of June 2017 were circulated with the agenda and **IT WAS RESOLVED** that GS would amend the minor typos noted by the Board therein. **Action: GS**

GS drew the Board's attention to the success of the recent incorporation pilot, noting that 15 participants had now attended the incorporation and administration of a limited company workshop at a cost of £75 each, all of which had provided excellent feedback. He reported that no issues have been raised about JBL charging for this which demonstrates that clients are prepared to pay for some of JBL's services. It has therefore been decided to charge a fee of £75 for similar courses (e.g. social media training). He acknowledged that whilst this will not cover all of the course costs, it will cover the cost of the third party presenter.

The Board noted the portfolio client analysis as at 14th September 2017 and GS reported that, as expected, activity was quiet during the Summer but has now started to pick up again and whilst the advisors were busy, they were managing. He added that he is ensuring they are tougher with clients who demand too much time in order to ensure they have sufficient time to spend with clients with more growth potential and he noted that the team are accepting of this.

11. Risk Register - The Board reviewed the risk register, a copy of which had been circulated with the agenda and GS reported that JBL had been subject to a further phishing attack. He provided the Board with details of what follow up actions were taken to deal with it after seeking advice from C5 Alliance and the Board agreed that the best mitigation was to provide on-going education for staff. **IT WAS RESOLVED** that GS would prepare and circulate a full report from a risk perspective. **Action: GS**

The following risks were discussed:

(a) **Business Continuity** – EL queried why this risk had reduced from three to two in the last quarter and GS advised that he was unsure why it was rated at three previously, noting that it is a low risk on the basis that all of JBL’s information is stored in the cloud. He has therefore amended the risk score to a more appropriate level.

(b) **Governance** – In answer to a question from EL, GS advised that this risk had been reduced from three to two during the last quarter following receipt of a clean audit.

12. Any Other Business

(a) **2018 Election** - EL queried whether consideration should be given to JBL undertaking any proactive action leading up to next year’s election, noting that Chamber were proposing to highlight which elected representatives were pro-business. He accepted that whilst Chamber cannot advise people who to vote for, it can seek to establish their views and understanding of business. GS suggested that this was an appropriate activity for Chamber to undertake. However, due to JBL’s funder being the States of Jersey, he did not believe it was appropriate for JBL to do the same. That said he welcomed the opportunity for JBL to be engaged and **IT WAS THEREFORE RESOLVED** that EL would keep JBL updated with any activities arranged by Chamber in this regard. **Action: EL**

WL stressed the importance of highlighting to States Members that JBL supports existing businesses, not just start-ups and **IT WAS RESOLVED** that GS would establish from the Minister which Council of Ministers members were concerned about JBL with a view to working with them to raise awareness of JBL and extend an open invitation to JBL to find out what it does, noting that any knowledge gained could be used as part of their election process.

(b) **2018 Meeting Dates** - Meeting dates for 2018 were briefly discussed and **IT WAS RESOLVED** that AM would replicate 2017’s dates for 2018 and forward them to GS for review prior to sending out invitations. **Action: AM/GS**

(c) **New Chair** - **IT WAS RESOLVED** that WL and GS would liaise regarding the recruitment process for the appointment of a new Chair. In particular, GS would engage the Appointments Commission in the process. **Action: GS/WL**

13. Date of Next Meeting - **IT WAS NOTED** that the next meeting was scheduled for Wednesday 8th November 2017 at 9am.

There being no further business to discuss, the meeting was closed at 11.25am.



Chairperson



Date Signed

Actions:

- 1) GS to confirm how many active portfolio clients are companies and how many are individuals “trading as...”
- 2) EL to provide confirmation of a lunch and learn session on GDPR by BDO on 28th September 2017
- 3) JD to revert to the Board following receipt of a response from KPMG

- 4) GS to apply for further EPGDPF funding to increase the productivity of existing businesses with the use of outsourced resource
- 5) GS to provide a further review of the desk top analysis to break employees down into entitled and licensed
- 6) GS to update the Skills Review Paper (x4)
- 7) EL to provide GS with relevant skills for inclusion in the Skills Review Paper
- 8) GS to prepare and circulate a full risk report on the recent phishing attack
- 9) EL to keep JBL updated on any election activity undertaken by Chamber
- 10) AM to provide GS with proposed meeting dates for 2018
- 11) WL/GS to liaise regarding the recruitment of a new chair
- 12) GS to engage the appointments commission in the recruitment of a new chair