

MINUTES OF THE BOARD OF DIRECTORS OF JERSEY BUSINESS LIMITED ("JBL" / "the Company")

(53rd Meeting)

12th May 2021 at 9am at Jersey Business, The Parade, St Helier

Present: Mrs J Carnegie (JC) (Chair for items 3 onwards)
Mr J Day (JD)
Mrs K Le Feuvre (KLF) (Chair for items 1 and 2 only)
Mrs A McClure (AM)
Mr G Smith (GS)
(the "Board" or the "Directors")

In Attendance: Aimee Maskell, AM to PM Secretarial Services (Minutes) (AMa)

1. **Appointment of Chair of the Meeting** – KLF was appointed Chair of the meeting.
2. **Appointment of new and Permanent Chair of JBL** – **IT WAS NOTED** that following the resignation of Andy Jehan (AJ) as JBL Chair, the position was advertised externally, and interviews were recently carried out by an appointments panel consisting of KLF, Lisa Springate (as representative of shareholder IOD), Dan Houseago (SoJ) and Simon Nash (Appointments Commissioner- non voting). KLF reported that the decision of the voting members of the appointments panel was to recommend JC as Chair and this was approved by the Board, effective immediately. JC therefore took over from KLF as Chair of the meeting and, on behalf of the Board, thanked AJ for his contribution to JBL during his three years of chairmanship.
3. **Welcome and Apologies** – Apologies were noted from Allam Zia (AZ). **IT WAS NOTED** that today's meeting was AZ's last meeting in his 12-month term as Board Apprentice. **IT WAS THEREFORE RESOLVED** that GS would arrange to meet with him to notify him of this and to obtain feedback on why he only attended one meeting during his term. **Action: GS**

The Board agreed that JBL should continue supporting the Board Apprentice Scheme, albeit only the general scheme (which covers all sectors) rather than the recently launched scheme (which focusses on civil servants) as the Board cannot support two Apprentices. **IT WAS THEREFORE RESOLVED** that GS and JC would review the CVs of available apprentices and circulate names of short-listed candidates to the Board for their feedback prior to making someone an offer. **Action: JC/GS**

4. **Declarations of Interest** – There were no conflicts or declarations of interest to note.
5. **Minutes of previous meeting** - **IT WAS RESOLVED** to approve the minutes dated 10th February 2021, copies of which were circulated with the agenda, and JC signed the same.

The timeline for preparing and reviewing minutes was briefly discussed and **IT WAS RESOLVED** that following review of an initial draft by GS, he would upload draft minutes in Teams for the Board's review and amendment. **Action: GS**

6. **Matters Arising** – Updates were provided on the outstanding actions from the previous meeting (which were not otherwise included on the agenda) as follows:

(A) **Skills Review** – GS proposed progressing a Board skills review during Q3 and JC recommended completing this prior to appointing a Non-Executive Director (NED) to the Board (to replace AJ). GS advised that there was no requirement to recruit another Board member given that the Board was quorate with four Directors. However, he welcomed the Board's views in this regard. He noted that a recruitment process could be undertaken or the candidates who recently applied for the position of Chair could be approached to gauge their interest in a Director role. Alternatively, he suggested that an industry group could be established consisting of senior leaders from all sectors that could meet at quarterly events to discuss different strategies with a view to providing the Board and JBL with beneficial input from a strategic level.

In answer to a question from JC, GS advised that, unless the Board decided on another amount, the minimum number of Directors required was four and, whilst there was no formal policy regarding Directors' terms, JBL follows

best practice of up to nine years with three yearly reviews (to ensure the position is still working for both parties). JC noted that JD and KLF are due to retire from the Board at the same time and suggested that this is borne in mind if a decision is made not to increase the number of Directors at this stage. However, whilst the Board acknowledged that was not appropriate succession planning, they agreed that the number of Board members should remain the same for the time being. That said, they accepted that if a decision is made to advertise for new Directors in future, the level of remuneration may need to be revisited given that it has remained static for five years. **IT WAS THEREFORE RESOLVED** to defer appointing any further Directors at this stage (unless there is an obvious skills gap is identified from the skills review) with a view to establishing an industry wide advisory group instead. **Action: GS**

With regards to directors remuneration, JC suggested that consideration could be given to implementing an annual RPI increase, as suggested by one of the Shareholders at the AGM last year. This was welcomed by the Board and, although not a requirement under the Company's Memorandum and Articles of Association, GS queried whether this was something the Board wished to discuss with Senior GOJ Officers. JC suggested that the matter was likely to be raised at the AGM (which was scheduled to take place following this meeting), she therefore proposed seeking input from the Shareholders at that stage.

(B) **Gap Analysis between JBL's Annual Report and Controller and Auditor General's (CAG) best practice recommendation** – IT WAS NOTED that year end accounts had just been completed. JD therefore agreed to prepare a gap analysis between this and the CAG's best practice recommendations and consider whether JBL requires a more detailed Annual Report going forward. **Action: JD**

(C) **Link to Marketing Campaigns and Podcasts** – GS noted that JBL's podcasts have been very well received and IT WAS RESOLVED that AM would provide up to date data on the number of listeners. **Action: AM**

(D) **JBL Presentation to Chamber** – IT WAS RESOLVED that JC would arrange a presentation to Chamber when the programme framework for Covid funding has been agreed (see item 9 below). **Action: JC**

(E) **2021 Business Plan and Covid Plan** – IT WAS NOTED that a presentation on the 2021 Business Plan and Covid Plan had now been given to staff and IT WAS RESOLVED to provide further updates when the programme framework for Covid funding has been agreed. **Action: AM/GS**

(F) **GST Exempt Status** – The Board noted that no progress had been made in applying for GST exempt status for JBL. IT WAS THEREFORE RESOLVED to carry the action forward. **Action: AM/GS**

(G) **Fiscal Stimulus Bid** – GS reported that he met with Richard Bell, Dan Houseago and the Chief Economist to discuss JBL's fiscal stimulus bid, all of whom agreed that JBL's bid was very good. However, it was refused because it involves JBL managing a "pot" of GOJ funding which falls outside of the Fund criteria and GS advised that similar bids were also refused.

(H) **2020 Customer Satisfaction Research Results** – GS advised that he has shared these with GOJ officers

7. **2020 Year to date Financial Review / Audited Accounts** – The Board reviewed the Reports and Financial Statements (Accounts) for the year ended 31st December 2020, a copy of which had been circulated with the agenda and JC drew the Board's attention to the Statement of Responsibilities on page 9.

GS confirmed that no issues had been raised by the Auditors on the Accounts and invited any questions on the same. JC referred to the £10k of holiday pay carried forward from 2020 and whilst she assumed this was due to Covid, she queried whether this had been planned. AM confirmed that it was agreed to allow staff to carry over ten days holiday last year. However, she advised that this was an exception due to Covid and that the usual policy is to only allow five days holiday to be carried.

GS thanked AM for dealing with the Accounts and Audit process with Grant Thornton, in the absence of a JBL Financial Controller and JD queried whether AM has received a Letter of Representation and Warranty (Letter of Representation) and Auditors Recommendation Report (Auditor's Report) from Grant Thornton yet. AM advised that although she received a slightly amended version of the Accounts late last night which include the Auditor's Statement she had not received the Letter of Representation or Auditor's Report.

IT WAS NOTED that Grant Thornton have been acting as JBL's Auditor for the last ten years and AM provided her feedback of working with them. She commented that they made requests very late which made it difficult for her in the last month to complete the audit. That said, she now has a clear idea of what documentation/information they require which will enable her to better manage the process internally going forward and enable JBL to have better control of how documentation/information is presented to the Auditors. She added that the Audit was a very long and drawn-out process. However, she confirmed that none of the figures have changed following the addition of the Auditor's Statement in the Accounts and advised that the latest version has been uploaded in Teams.

GS advised that the Auditor's Statement was a standard report and that no material issues were expected to be raised in the Letter of Representation or Auditor's Report. Therefore, subject to review of the Auditor's Report and Letter of Representation, the Board approved the Accounts for the year ended 31st December 2021 and JC agreed to present them to the Shareholders at the AGM following the meeting.

JC queried the timeline for the Audit and AM advised that the schedule initially agreed included a completion date of 30th April 2021. After further discussion, given that Grant Thornton had been JBL's Auditor for ten years, it was agreed that it would be good practice to put the position of Auditor out to tender; and that a change in Auditor was particularly important following JBL recent increase in funding, albeit that the appointment of a new Auditor would inevitably require more work for JBL initially (as they would need time to understand the organisation) and their fees may also be higher in the first year as a result. **IT WAS THEREFORE RESOLVED** that GS would start a tender process for a new Auditor as soon as possible, excluding Grant Thornton. **Action: GS**

8. **Q1 Report – IT WAS NOTED** that the Q1 2021 Report for submission to the GOJ had been circulated to the Board for their information and, in answer to a question from JC, AM confirmed that JBL met all its reporting requirements during the quarter. GS added that meetings between JBL and GOJ Officers are now taking place more regularly and he welcomed the positive relationship which has been developed with them and the support they are providing.

9. **Development Plan/KPI Framework/Structure Discussion** – The Board reviewed the 2021 Draft Development and Future Plan (Plan), a copy of which had been circulated with the agenda. GS advised that this outlines the JBL executives' thinking and noted that it has already been briefly discussed with GOJ Officers. He confirmed that Covid funding for 2021 has now been received and therefore stressed the importance of considering how to incorporate it into programmes for JBL and structure it accordingly.

The Board noted that JBL's Covid funding has been received as part of the GOJ's funding for recovery and investment and GS advised that the GOJ are aware that JBL may revert to them with a request to repurpose some of the 2021 budget to enable it to be spent in 2022 and onwards, particularly given the recovery programmes will need to be for a minimum of 12 months.

GS summarised the proposed allocation of grant funding set out on page 3 of the Plan and the following was discussed/noted:

(a) **Knowledge and Information Helpline** – GS advised that a data analyst resource was required within JBL. However, he acknowledged that this would more likely form part of the helpline or central services team.

(b) **1:1 Advisory Support** – GS noted that it was proposed to appoint industry leads for hospitality and construction to provide Sector specific Support in line with what we already do for Retail. KLF noted that several hospitality/tourism sector businesses in the Island are "SIC" coded as education (e.g. aMaizin Adventure Park and Creepy Valley). She therefore suggested that "hospitality" be amended to "visitor economy" or "tourism venue and attractions" to ensure all businesses are captured.

GS advised that there are three options available to JBL when looking to appoint industry leads (a) employ someone on a permanent contract to work in the business; (b) buy in expert advice; or (c) employ someone to provide temporary support. He suggested that (a) was the preferred option, noting that this worked particularly well when Lorrie Rault (LR) joined the business as an industry lead for retail. However, he stressed that long term funding will be required for these sectors.

JD queried whether it was possible to adopt a similar approach to retail whereby the relevant trade associations for hospitality (Jersey Hospitality Association (JHA)) and construction (Jersey Construction Council (JCC)) are brought

into JBL, noting that it was important for JBL not to duplicate or undermine the work of the JHA and JCC. He also queried whether an alternative solution could be for JBL to work with the JHA/JCC with a view to them providing the necessary support. GS explained that the model of having industry lobby groups such as JHA and JCC working alongside JBL industry specialists is the preferred model given importance of the role JB has in acting as intermediary between Gov and industry. AM added that whilst part of JBL's role is to work with the various membership organisations, it must also ensure any business who may not be a part of them also gets individual business support. She acknowledged that JBL has an opportunity to make changes by working with the various lobbying groups and noted that this is currently happening with Chamber of Commerce, LR's work in retail and Nick Steel's (NS) work in agri/aquaculture with the Jersey Farmer's Union (JFU) and the Jersey Fisheries Association (JFA).

(c) **Specialist Support** – GS advised that JBL previously brought expertise in to provide support on Business Improvement and Sales and Digital Strategy. However, going forward, he proposed that expertise in these two areas should be available within the JBL Team.

JC queried how JBL's Sales and Digital Strategy supports the work being undertaken by Digital Jersey (DJ) and AM explained JBL will be working on sales strategies for clients' businesses and undertaking sales and digital audits of businesses. She noted that these will ensure they are clear of who their customers are; make recommendations on what should be improved; and offer support (e.g. someone with a specific skill set who is able to give them 1:1 support) in meeting those recommendations, whereas DJ's focus is on the Digital Academy and helping individual rather than business need.

JC suggested that sales and digital were an interesting combination. He noted that they were very different and stressed that not all businesses will improve with the use of digital and that some need traditional sales advice. AM reassured the Board that whomever JBL recruits, they will be able to identify from the audits they undertake what approach should be taken by individual businesses, noting that they may not even provide digital advice. On the basis that digital improvements may not work for everyone, JC proposed including a reference to marketing in this area of specialist support. This was echoed by KLF who suggested that the area of specialist support could be renamed "Sales, Communication and Digital".

GS stressed that the audit of this area of a business is the most important part and this is what the new JBL resource will be focussing on. He noted that JBL already provides overall business audits whereas this will provide a specific, detailed audit. Therefore a level of specific expertise is required. However, he acknowledged that JBL should not be a substitute for the private sector and should only provide support where there is a partial or full market failure.

(d) **1:Many Programmes** – IT WAS NOTED that specialist support is very labour intensive. Therefore, more 1:many programmes are required. GS advised that, historically, JBL's 1:many programmes have been very successful. It is therefore proposed to employ an inhouse, long-term programme manager to set up any new programmes which the specialist support (discussed in (b) above) recommend to extend the support available in the areas of Business Improvement and Sales and Digital Strategy.

(e) **Marketing and Communications** – GS acknowledged that JBL needs to promote itself more going forward and therefore suggested that more resource was required to do this.

JC noted that, going forward, consideration may also have to be given to the ALOs merging their support services. She suggested that JBL may be able provide the "hub" for this and proposed mentioning this to the new GOJ CEO when she meets with him next week. **Action: JC**

GS acknowledged that JBL will require workspace to deliver the proposed allocation of Covid grant funding. He added that JBL would also like to develop an area for the business community, and he reminded the Board that JBL has budget available to create a "business hub". It was agreed that GS would prepare a paper outlining options in this regard for further consideration. **Action: GS**

JC referred to Chamber's plans to redevelop Chamber House on Pier Road and noted that this includes the proposed refurbishment of premises currently being used for car parking in Ordnance Yard into Chamber's offices and a community "hub" for members. She therefore suggested that another possible option could be for a mixture of ALOs to use the four floors of Chamber House. However, AM stressed the importance of JBL establishing its requirements first and she proposed undertaking a feasibility study in this regard. She noted that in addition to

flexible working space, JBL also requires space to run its programmes and highlighted the importance of making the most of any space it occupies.

KLF suggested that consideration could be given to modelling JBL's future workspace on the recently opened Santander Café and GS advised that whilst no decision was required regarding premises in the short term, if JBL wants to utilise the Covid funding as outlined above, more space will be required to enable it to take on the additional resource.

JC noted that the proposed allocation of Covid grant funding requires seven additional staff and she queried whether Board approval of the same was required at this stage. GS reminded the Board that although they previously approved a 12-month Covid Plan (which covers the additional resource), anything more long-term is not covered in the plan (or funded) and he advised that the final page of the Draft Development Plan sets out the long-term funding required. In answer to a further question from JC, GS confirmed that the worst-case scenario would be that JBL would only be able to recruit the additional seven staff for a period of 12 months. He added that this would restrict JBL in terms of the quality of candidate it would be able to appoint.

AM stressed the importance of discussing, at this stage, what JBL needs to do to ensure the seven additional staff become a long-term funding requirement. It is therefore proposed to present the Development Plan and proposed allocation of Covid grant funding to the GOJ at a meeting scheduled in July, together with JBL's 2022 Business Plan so that there are no surprises when JBL requests an increase in its 2022 budget. She added that it is also proposed to renegotiate JBL's partnership agreement from three to five years and she highlighted the value in starting these discussions in July rather than waiting until later in the year.

GS acknowledged that JBL may not be successful in negotiating an extension to the partnership agreement and that an annual review in some form is likely to remain. The Board supported JBL's proposal to negotiate with GOJ at an early stage to ensure the seven additional roles are funded long-term: not just for the initial 12-month period and it was agreed that GS should highlight to the GOJ that the Covid recovery period was likely to be longer than 12 months. It was also agreed that he should provide the GOJ with an overview of what JBL will look like going forward.

Finally, GS advised that the Board's input will be required on the external and internal outputs set out in the draft development plan in due course. He explained that whilst these have been reviewed by GOJ officers in draft, further feedback is awaited from them on what they require JBL to report on. Therefore, upon receipt of GOJ feedback, JBL will set up an appropriate framework.

10. **Procurement Policy** – The Board reviewed JBL's procurement policy, a copy of which had been circulated with the agenda and **IT WAS RESOLVED** to approve the same, subject to ensuring that feedback is provided (when appropriate) to any unsuccessful applicants in a tender (or short-listed interview) process, albeit wording in this regard does not need to be explicitly included in the Policy. **IT WAS FURTHER RESOLVED** that AM would place a copy in Teams together with all other JBL policies and a copy of the Staff Handbook. **Action: AM**

11. GS reminded the board that under the delegated authority as CEO he was empowered to recruit additional permanent/ temporary staff provided this was within the agreed budget. As some of the additional roles in the Covid recovery budget may be external contractors (in order to keep within the 12 month funding window) he viewed these as coming within his delegated authority which the board agreed with.

12. **Risk Register** – The Board reviewed the Risk Register a copy of which had been circulated with the agenda and JC summarised the changes made to the Facilities Management risk, the Strategy Planning risk, the EDD Grant Support risk and the Budget and Cashflow Management risk. Referring to the latter, **IT WAS NOTED** that the 2021 Covid funding had now been received and it had been agreed with the GOJ for JBL to keep a level of reserves this year. **IT WAS THEREFORE RESOLVED** to reduce this risk from red to amber. **Action: GS**

13. **Any Other Business**

(a) **Pilot Productivity Scheme (PPS)** – GS summarised a paper circulated with the agenda on the PPS. He advised that this formed part of the GOJ's Covid Recovery Scheme and that the Economic Development Department had allocated approximately £325k to same to be delivered and spent within 2021. The Board noted that JBL are working closely with the GOJ on the PPS and GS confirmed that it will be a GOJ initiative which JBL will support.

However, a paper has not yet to be finalised for Ministerial and GOJ approval.

GS explained that the PPS is a 50/50 funding arrangement. It is therefore hoped that the initiative will equate to £650k-worth of productivity. He added that JBL will work with the GOJ to try and ensure that the PPS continues for more than one year, noting that it is anticipated that there may be funding left over from the Fiscal Stimulus Fund to enable this type of funding going forward. However, he noted that the PPS will be very focussed on productivity initiatives.

JD expressed concern about historic issues around the Jersey Innovation Fund and queried whether the GOJ will be able to ensure a timely turnaround of applications submitted. GS advised that, assuming applications are within the PPS' criteria, he was confident that the GOJ will be able to process applications quickly in a similar way to the recent co-funding scheme. He added that although it will not be a JBL decision as to whether applications merit support, the GOJ were unlikely to reject an application if it meets the criteria and has the client has been supported by JBL.

IT WAS NOTED that applications will be accepted for a maximum of £60k (£30k of GOJ funding) and a minimum of £5k (£2.5k of GOJ funding) and KLF queried what type of initiatives GS anticipates applying. GS suggested that applications will be considered for all initiatives which improve productivity (e.g. updating a website to include delivery capability or HR resourcing). AM added that it is proposed to contact businesses who have previously completed JBL's business improvement programme to establish whether they wish to make an application.

The timescale for applications was discussed and AM advised that a closing date of mid-September has been agreed.

In answer to a question from AMA, GS advised that at this stage the Gov were proposing to exclude self-employed individuals. That said, GS reminded the Board that the PPS was only a pilot at this stage, therefore, the exclusion of self-employed people could may be revisited in the future.

(b) Springboard – GS referred to Springboard Jersey, an awards-based crowdfunding platform and explained that JBL's involvement with the initiative was by way of a partnership with Digital Jersey whereby JBL would offer advisory support to any businesses using the platform. However, he stressed that following a referral from Springboard Jersey, JBL would create its own relationship with the business concerned. However, he added that the only the marketing aspect of the site would be launched initially rather than the awards based crowdfunding aspect, which would be later in the year.

14. **Date of Next Meeting - IT WAS NOTED** that the next meeting was scheduled for Wednesday 14th July 2021 at 9am.

There being no further business to discuss, the meeting was closed at 11.40am.


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Chairperson


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Date Signed

Actions:

- 1) **AZ** – GS to notify AZ that his term as Board Apprentice has come to an end and establish why he only attended one meeting
- 2) **Board Apprentice**- GS and JC to review the CVs of available apprentices and circulate names of short-listed candidates to the Board for their feedback prior to appointment
- 3) **Board Minutes**- Following initial review, GS to upload draft minutes in Teams for the Board's review and amendment
- 4) **Skills Review**- Undertake same during Q3.
- 5) **Industry Group** – Consider establishing this later in the year (instead of appointing a replacement NED for AJ)
- 6) **Gap Analysis** - JD to prepare a gap analysis between this and the CAG's best practice recommendations and consider whether JBL requires a more detailed Annual Report going forward
- 7) **JBL Podcasts** – AM to provide up to date data on the number of listeners

- 8) **Presentation to Chamber** – JC to arrange a JBL presentation to Chamber when a programme framework for Covid funding has been agreed
- 9) **Update to JBL Staff** – AM/GS to provide further updates when the programme framework for Covid funding has been agreed
- 10) **GST Exempt Status** – AM/GS to look into JBL's eligibility for GST exempt status
- 11) **Auditor** - GS to start a tender process for a new Auditor as soon as possible (excluding Grant Thornton)
- 12) **Merger of ALO Support Services** – JC to mention JBL as a possible “hub” for the merger of ALO support services at her forthcoming meeting with the GOJ CEO
- 13) **Future JBL Office Space / Potential Shared ALO Workspace** – GS to prepare an options paper to present to the board/ GOJ in due course
- 14) **JBL Policies/Staff Handbook** – AM to upload copies into Teams
- 15) **Budget and Cashflow Management risk** – GS to reduce from red to amber