

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

(26th Meeting)

29th September 2015 at 9am

- Present:** Mrs W Lambert, Chair (WL)
Mr E Lincoln (EL)
Mr B Sarre (BS)
Mr J Filleul (JF)
Mr J Box (JB)
Mr M Robins (MR)
Mr A Sugden (AS)
Mr G Smith (GS)
- In Attendance:** Miss A Maskell, AM to PM Secretarial Services (AM)
- 1. Chairman** **IT WAS RESOLVED** to appoint WL chair of the meeting.
- 2. Declarations of Interest** MR declared his interest in medtech.je.
- 3. Minutes of previous meeting** The previous A minutes dated 9th July 2015 had been circulated prior to the meeting and **IT WAS RESOLVED** to approve them, subject to a minor amendment. The previous B minutes were also approved.
- 4. Matters arising** GS highlighted a number of salient points from the summary of action points (a copy of which had been circulated with the agenda) as follows:
- (a) Reserves – GS advised that EDD are aware of JBL’s low reserves and have agreed to consider its cash position. **IT WAS THEREFORE RESOLVED** that upon confirmation of the 2016 budget at £800k GS will seek formal agreement of the retention of reserves of £80k.
- (b) Sales Force –GS advised that due to Vikki Pennington’s (VP) impending departure the replacement of Sales Force had become a lower priority. The Board therefore agreed to re-visit the implementation of an alternative system when the current Sales Force contract was due for renewal.
- (c) Enterprise Awards – GS provided the Board with an update on his recent meeting with the EDD Minister (LF). It was agreed that the event needs to be changed so it is financially sustainable and that JBL cannot underwrite it, but that this was preferably for a 2017 event to allow adequate time. LF therefore proposed that JBL organises the 2016 event as normal and agreed to review the question of how this would be supported to avoid JBL having to underwrite any potential deficit.
- After some discussion, it was agreed that the Board supported the proposal for JBL to support the 2016 event provided we were not expected to underwrite any potential deficit. Furthermore, it was agreed that planning for the 2017 event must begin as soon as possible with the support of the previous Events Sub Committee members.

5. **Finance and
Audit Sub
Committee**

The Board noted the Finance and Audit Committee minutes dated 5th August 2015, a copy of which had been circulated with the agenda. BS highlighted that whilst JBL was working to a 2016 budget of £800k, this has yet to be confirmed and that confirmation will not be forthcoming until the MTFP has been approved by the States of Jersey. AS stressed (particularly in light of VP's departure), that JBL diarise the preparation and submission of their invoice to EDD in December in respect of their 2016 funding.

6. **2015/2018
Business Plan**

The Board reviewed the draft Business Plan 2016 to 2019, a copy of which had been circulated with the agenda. GS reported that he took LF through this document at his recent meeting

WL expressed concern about the values (as set out on the first page of the Business Plan) proposed by the staff. She suggested that they were too generic and advised that she strongly disagreed with the absence of a reference to the business community. A long discussion ensued and it was agreed that it was not the Board's responsibility to draft the values and that GS would therefore take the matter forward.

GS summarised the High Growth Programme (as set out on page 11 of the Business Plan). Consideration was given to charging for some of JBL's services and MR suggested that a fee could be justified for this programme. The Board agreed that fees could be performance linked whereby a charge is only levied if JBL delivers certain objectives. GS accepted that a fee could be included, however he does not propose that revenue is the main theme of them. He therefore suggested that the programme should be offered free for the first year and thereafter, if successful, a charge based on certain targets being met could be levied and **IT WAS RESOLVED** that he would include a reference to this in the Business Plan.

GS reported that he recently attended the opening of a start-up incubator in Brighton run by E-Spark. He reported that the incubator provides access to advisors who act as "sounding boards" to new businesses. **IT WAS NOTED** that he has mentioned the possibility of re-creating something similar in Jersey to LF and Philip Ozouf (PO). However he proposed that the incubator should be sector agnostic, not just focused on digital businesses (as is the case with Digital Jersey's start-up incubator/hub).

AS noted that the Enterprise Strategy will feature proposals such as start-up incubators and JB suggested that GS liaise with Barclays who have a tech fund, albeit not for start-ups.

Referring to page 17 of the Business Plan, GS noted that it is difficult for JBL to gain access to different types of statistics. Therefore the Business Plan proposes that a Research and Development Plan should be scoped during 2016 with a view to launch in 2017. The Board supported this plan, noting that the information collated could be used by all organisations. It was agreed that a central data statistics point was very important because, currently, there was a large amount of information

that is not used or shared across the States and the States funded bodies.

The Board discussed the Genuine Jersey Development Programme and **IT WAS RESOLVED** that AS would table a paper to the next meeting for the Board to review. AS reported that the States of Jersey provides Genuine Jersey with £130k funding, they generate approximately £35k-40k from membership fees and the remainder of their £200k budget is generated from advertising and joint events.

The Board briefly discussed the Enterprise Strategy and reviewed the organisation chart prepared by AS, a copy of which was circulated with the agenda. **IT WAS NOTED** that GS would be part of the Strategic Group who would have responsibility for putting strategy together and have oversight of it. AS advised that the Enterprise Strategy will be a high level strategy of the States of Jersey which will feed down to organisations and they will be expected to reflect it into their business plans. He added that JBL will have input into all the Theme Groups (Digital, Tourism, International, Business Support and Rural).

The importance of including Jersey Finance Limited (JFL) in the Enterprise Strategy was discussed and AS noted that JFL was included in the International Theme Group. He advised that consideration has been given to creating one organisation encompassing all services currently undertaken by the individual organisations. The Board agreed that this could have a number of advantages but that there was a danger this could create an external EDD. It would need further exploration if raised by EDD again

BS proposed that if all organisations are to work closely together, they should all be located in the same premises. The Board supported the use of shared office space and closer collaboration with JBL, Digital Jersey and Locate Jersey. **IT WAS RESOLVED** that GS would ask BS to assist in providing ideas of potential office space if required.

The Growth Fund was discussed and **IT WAS NOTED** that this would be the responsibility of Treasury. AS reported that States funded organisations will be able to apply for funding of long term programmes of activity via the Enterprise Strategy Economic Group. Thereafter if the applications meet certain criteria they will be referred to a panel consisting of the CEO of the States of Jersey, the Economic Advisor and the Treasurer to adjudicate. However, the additional funding should not be regarded as a way to maintain existing funding.

7. Innovation Review

IT WAS NOTED that a link to the Innovation Review had previously been circulated to the Board. The Board agreed that the Innovation Review was a good report, but some concern was expressed as to how quickly the recommendations would be enacted on. AS reassured the Board that an Action Plan Committee has been put together consisting of Joe Moynihan, AS, Greg Boyd and Dougie Peedle and they are looking at how to deliver

the actions as quickly as possible. GS welcomed the opportunity to join the Committee together with the CEO from Digital Jersey.

In answer to a question from JF, AS reported that the timescale for completing the Action Plan was the year end. He added that a number of actions have already been dealt with.

AS advised that a report entitled "Access to Finance Study" was due to be published on Monday 12th October and **IT WAS RESOLVED** that he would circulate a copy to the Board.

8. Operations Report

The Board noted the Operations Report as at 31st August 2015 which includes a half yearly report against deliverables which is presented to EDD. GS advised that the latter is prepared based on a template created by Sean Pritchard and indicates that JBL is on track in meeting its targets and shows how busy the organisation is.

9. Risk Register

The Board noted the risk register a copy of which had been circulated with the agenda. Re Business Continuity, GS advised that he had not yet had an opportunity to create the business continuity plan which would now be rescheduled for Q1 2016

10. Any Other Business

Jersey Innovation Fund (JIF) – The Board discussed the JIF process and the funding decisions made to date. The Board expressed concern that JIF was making decisions as a lender rather than as an investment fund and noted that whilst some applicants have failed to gain funding due to the lack of economic benefit they can provide to the Island, consideration has not been given to the way in which their success could have raised Jersey's profile. **IT WAS NOTED** that some applicants have received funding elsewhere and therefore cannot be regarded as a failed application per se.

The Board acknowledged JIF's concern in investing public money and accepted that Jersey is a risk adverse jurisdiction. However, **IT WAS NOTED** that the Financial Direction which governs JIF accepts a 50% failure rate. It was therefore agreed that in order to create a jurisdiction of entrepreneurial flair, failure must not be seen as an issue and the fact that businesses may fail should be embraced because failure is part of development. **IT WAS RESOLVED** that GS would feed back the Board's concerns to JIF.

Board Member Succession – The replacement of Directors due to retire was discussed and **IT WAS RESOLVED** to retain the current number of Directors (seven) going forward. **IT WAS NOTED** that any future appointments would require Appointment Commission oversight and **IT WAS RESOLVED** that AS would contact them on JBL's behalf.

Board Apprentice Scheme – **IT WAS NOTED** that GS and WL recently met with Carsten Koppen who provided JBL with the necessary contractual documentation. GS advised that whilst these require some amendment

JBL remain very supportive of the initiative and it is proposed that a board apprentice will join the Board from January 2016.

2016 Meeting Schedule – IT WAS RESOLVED that AM would prepare a draft meeting schedule for 2016 for GS review.

11. Date of Next Meeting

IT WAS NOTED that the next Board meeting was scheduled for 2nd December 2015 at 9.00am.

There being no further business to discuss, the meeting was closed at 10.50am.

Actions:

- 1) GS to seek formal agreement of £80k reserves upon confirmation of £800k budget for 2016
- 2) GS to include a reference in the Business Plan to the High Growth Programme being free for the first year with a view to a charge being levied for it after that, if successful.
- 3) GS to liaise with BS re property options
- 4) AS to provide a copy of "Access to Finance Study" to the Board
- 5) GS to feedback the Board's views on JIF to JIF board
- 6) AS to contact the Appointments Commission regarding Director recruitment
- 7) AM to prepare a 2016 meeting schedule

.....*W Lambert*.....

Chairman

.....*3rd December 2015*.....

Date Signed

