

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

(22nd Meeting)

11<sup>th</sup> March 2015

- Present:** Mr P Funk (PF) (Chairman)  
Mr E Lincoln (EL)  
Mr B Sarre (BS)  
Mr J Filleul (JF)  
Mr J Box (JB)  
Mr M Robins (MR)  
Mr G Smith (GS) (CEO, JB)  
*Mr A. SUGDEN (AS)*  
Mrs W Lambert (WL)
- 1. Apologies**
- 2. Declarations of Interest** **IT WAS NOTED** that there were no additional declarations to add.
- 3. Minutes of Previous Meeting held on 18<sup>th</sup> November 2014** **IT WAS NOTED** that the minutes dated 18<sup>th</sup> November 2014 had been circulated prior to the meeting and **IT WAS RESOLVED** to approve them.
- 4. Matters arising** PF reviewed the action points from the previous minutes which were not covered in the agenda as follows:
- 1) **Finance Audit & Operations (FA&O) sub Committee-** these were recirculated to board members 30<sup>th</sup> December 2014.
  - 2) **Directors Question & Answer Sessions – IT WAS NOTED** that these have now been scheduled in the diary with the first one taking place already. Feedback from the staff has been very positive
  - 3) **Approval process for appointment of new Chairman, Deputy Chair and CEO to the board of JB – GS** confirmed that both EDD and the Appointments Commission had been advised of the proposed changes at JB. In accordance with clause 13.3 of our M&A's it was acknowledged that the board may appoint a director as Chairman. This would also be the case for Deputy Chairman. With regard to GS's appointment the board noted that in accordance with our M&A's this had been agreed by a quorum of board and was effective from 2<sup>nd</sup> January 2015.
- 5. Sub-Committee update** GS referred the board to his email dated 17<sup>th</sup> February 2015 outlining the changes that had been agreed by the board. With regard to the FA&O committee **IT WAS NOTED** that this would continue in its current form except that the Operations report would instead be covered off at main board as part of the CEO update. In terms of members on the Finance &

Audit sub-committee it was agreed this would initially be BS/ EL, GS and AS but that we would look to rotate the Directors when appropriate

**6. Report from the Finance, Audit and Operations Sub-Committee (FA&O)**

**IT WAS NOTED** that various papers from the previous FA&O meeting on 20<sup>th</sup> January 2015 had been circulated. In view of the subsequent update from GS on the 2014 Audit and 2015 budget it was agreed any points would be discussed under the next agenda item

**7. 2014 Audit and 2015 Budget**

GS presented the draft 2014 audited accounts advising that no material issues had been identified by our external auditors and that once the Chairman's and CEO's statements had been included these would be signed off.

A discussion then took place on the paper from GS analysing the 2014 financial performance of JB. **IT WAS NOTED** that whilst costs had been maintained within budget, given that the total EDD grants paid were £51,000 less than the agreed budget, this has resulted in a net deficit of £58,000 and a decline in cash reserves to £117,000.

GS advised the board that agreement had now been reached with Economic Development Department (EDD) for a core grant to JB of £615,000 plus an additional £80,000 top up grant specifically for Retail. In addition GS advised that EDD had now seconded one of their team to JB for 12 months to act as an adviser in the team. This was covered in the 'JB Business Review 2014 and Plan 2015' document circulated previously to the board.

The board reviewed the 2015 budget plan in some depth and considerable concern was expressed at the fact that we would have had 2 years with material deficits and that this was not sustainable. On the basis that there continue to be very significant challenges on the EDD budget **IT WAS RESOLVED** that GS would prepare an options paper for the board to help facilitate wider debate both in board and with Government about the future priorities over the next 3 years for JB.

A discussion then took place concerning potential initiatives where JB could generate income for services/ programmes delivered similar to the proposal presented to FA&O regarding the Innovation Fund. GS suggested that the new 'Developing Sectors/ Initiatives' forum be tasked with progressing this and then reporting back to board with their recommendations. The board were clear that any proposal to charge for our services represented a major shift in JB's strategy and any decisions would need full consideration by the board. **IT WAS RESOLVED** that GS would submit a discussion paper for the next board to more fully discuss this.

BS questioned whether there should be some form of specific board checks of JB's operating and financial systems. GS pointed out that we have external auditors who clearly are required to conduct very thorough review of JB and that any director was welcome to meet with them. GS also

pointed out that as part of the role of JB's EDD contact point (now Sean Pritchard), that EDD are required to have independent meeting with our auditors on an annual basis as well

**8. Awards for Enterprise**

GS presented the summary paper which detailed the current position with the awards and also provided a verbal update on the Enterprise Week events which were progressing well

A lengthy discussion then took place concerning the financial challenges running such an event poses for JB. It was accepted that it was now unlikely we would gain any additional sponsorship and that we would be faced with a material deficit. In summary, sponsorship income has reduced by £80,000 and whilst we are projecting an increase in ticket income of £6,000 and a reduction in costs of £26,000 we are still left with a projected deficit of c£45,000. The board felt that JB could not support the same format for the awards evening event going forward albeit recognising that the value of the process to applicants of the awards was clear and that JB's involvement in this aspect was core. **IT WAS RESOLVED** that GS would circulate the latest budget to the board as well as preparing a discussion paper on the future of the Awards for 2016 and beyond, for discussion at next main board.

**9. Risk Register**

GS presented the draft 'Risk Register' commenting that he viewed this as a very important tool for the board to be able (at a glance), review the various risk issues across JB and where appropriate to seek further detail and input from the CEO.

**IT WAS RESOLVED** that the board would revert to GS with any additional key risk areas that they would wish to see focus on such that he can then build out and develop a more fulsome Risk Register for JB. It was agreed that this should be presented to the board as a standing agenda item going forward

**10. Any Other Business**

AS updated the board on a review that EDD were undertaking on 'Access to Finance' with the support of external consultants. He advised that the EDD team have just asked GS to assist them given his previous background and of course the importance that this subject is for JB and our clients

GS advised the board that he has been asked by EDD to assist on two confidential commercial matters in the past couple of weeks. PF felt this was a real positive for JB showing the confidence EDD have in our capabilities and was core to our activities. He also reaffirmed the importance that such requests are also discussed with the JB Chairman which they had been

Collectively the board took the opportunity to pay tribute and say thank you to PF for all the work, guidance and support he has given during his tenure as Chairman of JB ahead of the handover to WL scheduled for the 2015 AGM in April this year

Actions:

- 1) GS to prepare an options paper for the board to help facilitate wider debate both in board and with Government about the future priorities over the next 3 years for JB
- 2) GS to prepare discussion paper on potential income initiatives for JB
- 3) GS to circulate the latest budget to the board as well as preparing a discussion paper on the future of the Awards for 2016
- 4) The board to revert to GS with any additional key risk areas that they would wish to see focus on such that he can then build out and develop a more fulsome Risk Register for JB



Chairman



Date Signed