

PF/AM/JB/17A

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

(17th Meeting)

13th March 2014

PART A

Present:

Mr P Funk (Chairman) (PF)
Mr E Lincoln (EL)
Mr B Sarre (BS)
Mr A Sugden (AS)
Mr M Robins (MR)
Mr J Filleul (JF)
Mr A Cook (AC)

In Attendance:

Miss A Maskell, AM to PM Secretarial Services (AM)

1. **Apologies** IT WAS NOTED that apologies were received from Julian Box (JB).
2. **Declarations of Interest** IT WAS NOTED that Greenlight is sponsor for the Large Business Award at the 2014 Awards for Enterprise and on-going discussions are taking place between JBL and Webreality regarding promotional activity for Jersey Business Limited (JBL). MR advised that he has stood down from the Board of Liquid and PF tabled an updated list of his directorship interests. IT WAS RESOLVED that AC would provide the directors with their current list of declarations of interest to enable them to update them as required.
3. **Minutes of Previous Meeting held on 21st May 2013** IT WAS NOTED that the minutes dated 19th November 2013 had been circulated prior to the meeting for review. IT WAS RESOLVED to approve them (subject to a number of minor amendments and some replacement wording which MR would provide to AM) and thereafter PF would sign them as Chairman.

BS requested that future minutes include a list of actions and EL queried what the acceptable time scale was for circulating minutes following meetings. IT WAS RESOLVED that AM would include a list of actions as requested and that AC would circulate minutes as soon as possible after meetings and again with the agenda and supporting paper work for the next meeting.
4. **Matters arising** IT WAS NOTED that there were no matters arising from the minutes of the previous meeting held on 19th November 2013.
5. **Report from the Finance, Audit and Operations Sub-Committee (FA&O)** BS advised that FA&O met in early January when they considered the year-end figures. AC reminded the Directors that today's Board meeting was originally scheduled for January therefore year-end figures were not circulated to the whole Board. However, IT WAS RESOLVED that he would now circulate them now.

IT WAS NOTED that the actuals versus budget for January and February 2014 had been circulated with the agenda and AC provided the Board with a summary of the figures. He reported that as forecasted, there was a year-end surplus. However, year-end adjustments still need to be considered by the Auditors. He highlighted the negative variance of £55k in the SLA income. He explained that this was due to an agreement being reached with EDD that they would invoice JBL for £197k for Quarter 1 now (less the £55k surplus carried over from the previous year) and review the situation again at the end of June when the Quarter 3 invoice is due and the adjustments for Audited Accounts have been made. The Board acknowledged the requirement to undertake this process in two stages as the year-end figures had not been finalised at the time of raising the Q1 invoice.

IT WAS NOTED that the manpower costs are broadly in line with budget and the variance relates to the position of Financial Controller which was budgeted to start from January.

AC advised that all discussions with the EDD account manager and finance director have been positive and he has agreed to revert to them regarding the 2013 surplus. He explained that this is expected to be greater than forecasted due to work undertaken in December on the re-development of the website and re-design of the JBL brand was not invoiced until January. In accounting terms the expenditure has to be recorded in January rather than December and this explains the current variance in the January marketing budget.

Referring to the Awards for Enterprise, AC advised that he had not had an opportunity to make the relevant adjustments to the budget versus forecast document prior to the meeting. However, **IT WAS NOTED** that all sponsors have now been invoiced at the full price (£12,000).

The Board noted that overall AC does not have any concerns about the variances referred to as they are not outside of the financial framework or budget.

IT WAS NOTED that the Balance Sheet for the period December 2013 to February 2014 was circulated with the agenda and AC advised that the biggest item was the debtors. PF suggested breaking the debtors into categories however, it was agreed that this was not required as JBL is not a trading company and invoices are only prepared annually in respect of the Award for Enterprise sponsors.

The Board reviewed the client contact Statistics as at 28th February 2014, a copy of which was circulated with the agenda. AC advised that he was still struggling to get the right data out of Sales Force which is why the statistics had been circulated in the old format. He explained that, although the relevant data has been uploaded into Sales Force it has not been possible to extract the relevant cross tabs and therefore it has not been possible to provide a breakdown of client type, size of client, number of employees etc.

In addition, AC reported that EDD require details regarding job creation. Therefore a client's current position regarding employment, it's potential to employ people and how many jobs it has saved also needs to be recorded. For this reason, it will be necessary to review any meetings already held and update the system accordingly.

AC stated that although he felt that the issue was resolvable, he had struggled to find the time to resolve the matter, in part this was due to the current focus on the Awards for Enterprise. However, he reassured the Board that he would get to the matter shortly.

MR proposed appointing an external resource to assist with this or providing the JBL staff with tablets for use during meetings so that the data does not have to be entered retrospectively. AC noted this suggestion but explained that the bulk of the information was already in Sales Force but that some information had not been collected originally. AC also stated that they were having difficulties in producing the queries to compile the data into useable information. **IT WAS RESOLVED** that AC would appoint some external resource to assist in the creation of the cross tabs. **IT WAS NOTED**, the use of tablets has been discussed with staff but that significant concerns had been raised at using a tablet during meetings and thereby not focussing on the client. Noting AC's response, EL stressed that the JBL staff must therefore manage their time appropriately to ensure they have sufficient time to input client details into Sales Force following each meeting as these details are what JBL will be judged on by EDD. He empathised that the reports were not being produced as required but asked the Board to bear in mind the imminent recruitment of a Financial Controller whose primary role will be to prepare management information for the Board.

AC provided the Board with a summary of client activities for 2013 and the period January to February 2014. **IT WAS NOTED** that from half way through 2013 the number of organisation in distress has significantly declined and that in general, the businesses that were being assisted were looking at start up or growth. AC reported that it was very noticeable that there can be a long time lag from when Jersey Business gets involved with a project and the project actually being delivered. AC advised that he understood that marketing companies and the media have also indicated that work has picked up since September 2013. The Board noted that JBL continues to assist start-up businesses but it also puts a lot of time and effort into helping more established, robust companies.

AC noted that advisers were regularly asked about who gets information about our clients particularly from clients that believe there proposal could be a conflict of interests with Members of the Board. This is why Jersey Business does not provide a full list of Clients in its reports. MR noted clients' concerns regarding confidentiality and suggested that a statement of reassurance should be placed on the website to ensure that potential clients were not deterred from seeking JBL's advice. AC responded that JBL already uses the slogan "free, independent and confidential" on all its

branding and would be a little concerned that Jersey Business over emphasise the issue. AC further noted that if an adviser senses a level of apprehension from clients, they deal with it accordingly. However, MR noted that whilst this approach may reassure existing clients, it may not help to alleviate the concerns of potential clients. PF stressed that the Board needs to be aware of the clients which JBL are working with and they should analyse them from a JBL point of view. However, if a Director has a conflict they should declare it and leave the room if necessary.

JF queried if there were any trends being seen in respect of sector and AC responded that clients continue to be as wide spread as ever and, in some circumstances, it is difficult to classify clients as they may fall into a number of sectors (e.g. a technological product for use in the agricultural industry).

PF reported that JBL is involved in a significant amount of activity as it has a very broad remit. **IT WAS NOTED** that JBL is currently assisting EDD with a review of the retail industry; out of the 15 grants made to the Jersey Innovation Fund thus far, JBL has advised 12 of them; JBL has been asked to consult on tax and government direction; and meet with scrutiny. The Board agreed that the shift from JBL working with start-ups to advising more established organisations on government related issues is becoming more visible. PF stressed that JBL is doing very well and it is important to get that message across and utilise the Board where possible. MR queried if all the consultation work was delivered in-house and PF responded that that was the case, although he also gets involved as people tend to contact him directly. He accepted that the Board should undertake more mentoring but believes JBL is heading towards that phase.

**6. Report from
the Events and
Communications
Sub-Committee
(E&C)**

(a) Awards for Enterprise - AC summarised progress on the Awards to date. He advised that the launch and re-brand was well received and that significant time and effort is being put into the sponsors and entrants. He acknowledged that opportunities for sponsors were not utilised enough last year and that the time spent focusing on entrants will increase as they become finalists.

IT WAS NOTED that the 2013 actuals, 2014 budget and 2014 Forecast for the Awards for Enterprise was circulated with the agenda and AC advised that he will update the forecast column as time progresses until it becomes the 2014 actuals.

IT WAS NOTED that 104 entries were received at the first stage closing date and that the sponsors of all awards have now been invoiced at a total of £143k. A sponsor for the host has not yet been found but AC advised that he continues to work on this. AC stated that he will be looking at dealing with the host sponsor in a different way next year which he hopes will make it easier to find a sponsor.

The Board agreed with AC's lower expectations regarding the number of attendees (700 in total, 200 free/500 paid). **IT WAS NOTED** that the 200 unpaid attendees consisted for VIPs and sponsors. MR queried whether the event benefited from the event manager selling tickets directly last

year and AC responded that the absence of the event manager selling tickets directly this year would not negatively impact the event as ticket sales will be managed internally. However, the Board acknowledged that the announcement of the finalists does affect ticket sales although the biggest driver of ticket sales is the history of it being a good event.

Consideration was given to increasing the price of tickets following the announcement of finalists, "early bird" or group discount and **IT WAS RESOLVED** that AC and MR would discuss it in more detail outside of the meeting.

IT WAS NOTED that event management costs have been reduced to £10k (compared to £28k last year). The position went out to tender and Claire Thorne has been appointed. In addition, eight to ten "hosts" will be present on the night to assist people getting to their tables.

AC advised that Natasha Kaplinsky has been booked as the host for the evening. He explained that, as is typical in booking celebrities, that whilst the contract is binding on JBL it is not binding on Natasha. However, the process requires JBL to provide a contract at the time of enquiry. He acknowledged that he had reservations about her being too similar to Kate Silverton but has received good feedback about her as a presenter and host.

The Board noted that the format would be similar to last year. The event would take place on 13th June at Fort Regent. It would start at the earlier time of 6.45pm and actions are being considered to reduce the "bottle neck" experienced at the entrance of the hall last year. AC explained that the proposal involves a champagne reception taking place in the piazza outside of the hall for paid guests and a separate champagne reception taking place on the ramparts for VIP guests and sponsors. This will provide three separate entrances for guests to enter the hall as opposed to one as was the case last year. **IT WAS NOTED** that AC has discussed this proposal with the existing suppliers who have embraced the idea.

Film production for the Awards was discussed and AC advised that Spike Productions has been sold to PBS Media and the principals of Spike are no longer with the company. Nevertheless, **IT WAS RESOLVED** that AC would approach PBS Media for a quote when the work is put out to tender. The Board agreed however, that the film production should not be a price driven decision as quality must be ensured. **IT WAS NOTED** that the tender process for the film production had not yet began but when it did AC to include Freedom Media, Orchid and PBS Media in Film Production tender.

AC explained his proposed approach for the video to the Board. **IT WAS NOTED** that he would like to increase the content to include the usual 30 second clips of the finalists but also add some footage and recording of the chairman of each judging panel. He proposed that on the night the sponsors would be invited on stage, their recording would be run, plus the recording of the list of finalists; and the sponsor would then announce the

winner. The Board approved this proposal and agreed that this would control what is said during the evening and keep the event to time. Furthermore, the announcement and receiving of the Awards could also be recorded and the full film used on the website/social media after the event.

Enterprise Week was discussed and **IT WAS NOTED** that a business to business event will take place during the day on the Tuesday and Thursday at Liberty Wharf together with seminars on Monday, Tuesday and Wednesday from 5.30pm to 7.00pm. AC advised that the Monday seminar would focus on youth and entrepreneurship and Rod Bryans was assisting in this regard and the Wednesday seminar would focus on work/life balance. AC explained that it was proposed that the Tuesday evening topic would focus on EDD's initiative to launch "Jersey Retail" which was subject to the views of the Board. **IT WAS THEREFORE RESOLVED** to discuss this in more detail at item 8 of the agenda.

(b) Other Communications & Events - IT WAS NOTED that marketing of JBL has improved from last year and AC is working with JB to implement a tool (GeckoBoard) to record hits, likes and followers on the website, facebook and Twitter/Linkedin.

(c) Marketing Plan – The Board agreed that although they were happier with the measurement framework included in the latest draft of the Marketing Plan, it was received too close to the meeting to enable them to review it thoroughly. **IT WAS THEREFORE RESOLVED** that they would revert to AC with any comments by email.

7. Jersey Business Investment Fund

IT WAS NOTED that there was a meeting scheduled for Tuesday 18th March at 9am in order to review JBL's plans for an investment fund. The Board agreed that based on the notes already circulated, this proposal needs to be moved forward to the implementation stage and **IT WAS RESOLVED** to discuss it in detail at that meeting.

9. Jersey Retail Proposal by EDD

The Board noted that EDD are currently looking at ways to support the retail sector and Mike King and Cedric Bird met with Chamber of Commerce and the Town Team for their views on how to progress this initiative. The result of these meetings was a retail seminar which was held in February with a number of principals from the retail industry attending. A variety of thoughts and views were expressed at the seminar and following it a number of proposals have been established such as Chamber working with EDD to create a web based platform (similar to Amazon) for use by local retailers. AC advised that JBL are not involved with this but the concept of creating a retail champion ("Jersey Retail") was also discussed whereby someone is appointed to work with the retail and tourism industries in order to schedule events and run workshops (on social media and customer service).

IT WAS NOTED that a paper is close to being finalised by EDD which will set out the key points raised at the seminar together with details of the funding available from EDD in order to progress the various initiatives. AC explained that the proposal is for JBL to take on the brand of "Jersey

Retail” and run it from the Parade offices. However, he stressed that any associated costs in this regard would be funded by EDD in addition to those already received for JBL.

AC explained that JBL’s website could be expanded to include “Jersey Retail” and the only additional resource would be someone with marketing/admin experience who could deal with clients as well as promotional issues. He acknowledged that this would save costs compared to launching a totally separate body and believes it would be a positive extension for JBL.

IT WAS NOTED that £200k funding would be provided for 2014 and AC has proposed that EDD determine a promotional budget of £200k per each year thereafter. MR queried if the skills development workshops would have to be funded from the £200k per year and AC advised that this would be the case. He explained that it is proposed to run nine days of customer service workshops at a cost of £1k each and four one hour social media workshops at a cost of £250 each). He stressed that the main focus would be organising a calendar of events and if the hospitality and retail industries work together with commercial organisations, there should be little cost involved in doing this.

IT WAS RESOLVED that AC would put together a paper for the Board’s review once the EDD paper was finalised. However, he sought the Board’s opinions in principal on the proposal. EL expressed concern that by expanding JBL’s framework may lead to brand dilution. He stressed that JBL already offers assistance to retailers and therefore required a greater understanding of why a separate brand was required. In addition, he referred to JBL’s ability to measure success. He noted that JBL is currently struggling to report on its key KPIs and if “Jersey Retail” is not correctly resourced, this challenge will continue and lead to criticism of JBL. MR added that unfortunately the retail industry is managing decline and therefore if a subsidiary of JBL is established it could put JBL in a position where it can only report negative results. He stressed that he was not implying JBL should not get involved but he believes the risks should be considered very carefully. JF agreed with MR and EL and suggested that JBL should proceed with caution.

The Board agreed that it was important to fully understand the set up proposed before the risks can be mitigated. PF suggested that in principal, JBL is in support of helping the industry as a visible sector of the economy. However, the question of how and when it does that needs to be defined. AC explained that he is unable to provide any further information until the EDD proposal has been released.

JF expressed concern that there will be an overlap with other stakeholders such as Tourism and the Town Centre Manager. Furthermore, he is worried that important initiatives such as parking may fall under the remit of “Jersey Retail” but not be addressed.

10. Risk Register

IT WAS NOTED that the Risk Register as at 31st December 2013 was circulated as part of the Board Pack. AC advised that this was reviewed by FA&O at their meeting in January and it remains unchanged. However, the primary risk continues to be the Awards for Enterprise due to the potential reputational consequences it presents for JBL. AC invited the Directors to bring forward anything that they believe requires updating on the Register. EL noted that whilst the document circulated was still of value he does not believe it constitutes a risk register. He stressed that a risk register should be living document which includes risks that JBL is currently facing such as the elections in October and the proposed creation of "Jersey Retail". AC pointed out that the risk register was originally prepared in this way but was not well received by the Board and was therefore reduced to the format now circulated. However, **IT WAS RESOLVED** that AC would ask the newly appointed Financial Controller to review the Risk Register and include it as part of his/her reporting requirements.

PF advised that whilst he did not agree with the comments made, he accepted that a review needs to be undertaken. **IT WAS THEREFORE RESOLVED** that this would be done via the FA&O Committee.

11. Annual General Meeting 20th May 2014

Consideration was given to changing the timing of the AGM (currently scheduled for 9am on 20th May). After discussion, it was agreed to stick to the scheduled timings. Consideration was also given to opening the AGM up to the public. However, it was agreed that this would not be appropriate in light of some of the agenda items to be discussed (e.g. Directors' salaries). Instead a presentation to States members was proposed and **IT WAS RESOLVED** that E&C would arrange this.

11. Any Other Business

Chief Ministers Visit – AC advised that Senator Gorst was visiting JBL the following day. **IT WAS NOTED** that the visit is being made at his request and he has not requested a presentation or a meeting with the Board. AC explained that the recent amendments to the JBL Trust documentation were signed off by Senator Gorst which may have promoted his visit.

Young Enterprise - **IT WAS NOTED** that Young Enterprise require £2k to enable the local finalists of the Competition to attend the UK finals. AC advised that whilst such a grant fell outside of his authority under the existing JBL grant framework, the Board has the ability to approve such support. The Board unanimously approved this proposal.

Government Funding – AS advised that two weeks into 2014 the States began "MTFP2" which considered growth funding for 2016 to 2019 and identified a short fall of £100m. Therefore growth projections for all States' funded bodies were requested and the shortfall was reduced to £85m. This exercise will be on-going and Senator Ozouf hopes to lodge MTFP2 with the budget. This may mean that EDD does not receive any further funding and will have to prioritise from other areas. However, AS believes that JBL's funding request was appropriate and reassured the Board that any carried forwards and funding for this year has been agreed. The Board noted that by the next meeting the 2016 to 2019 funding should

have been identified.

- 12. Date of Next Meeting** **IT WAS NOTED** That the next meeting was scheduled for 20th May at 9.00am
- 13. Termination** There being no further business to discuss, the meeting was closed at 10.55am.

Actions:

- 1) AC to circulate year-end figures to the Board.
- 2) AC to appoint external resource to assist with the creation of cross tabs in Sales Force
- 3) AC and MR to discuss possible discounting of Awards for Enterprise tickets
- 4) AC to include Freedom Media, Orchid and PBS Media in Film Production tender.
- 5) All directors to provide comments on the Marketing Plan by email to AC.
- 6) AC to ask the new Financial Controller to revise the Risk Register into a "living" document.
- 7) E&C to arrange a presentation to States Members on JBL.



Chairman



Date Signed

