

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

(16th Meeting)

19th November 2013

PART A

Present:

Mr P Funk (Chairman) (PF)
Mr E Lincoln (EL) (items 1-7 only)
Mr B Sarre (BS)
Mr A Sugden (AS)
Mr M Robins (MR)
Mr J Filleul (JF)
Mr A Cook (AC)
Mr J Box (JB)

In Attendance:

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

1. **Apologies** **IT WAS NOTED** that no apologies were received.
2. **Declarations of Interest** MR declared an interest in Carmen Health Limited and **IT WAS RESOLVED** that he would provide details to AC. AC advised that prior to the year end he would circulate the Declarations of Interest Schedule with a request that the Directors provide any updates.
3. **Minutes of Previous Meeting held on 21st May 2013** **IT WAS NOTED** that the minutes dated 30th July 2013 had been circulated prior to the meeting for review. **IT WAS RESOLVED** to approve them (subject to a number of minor amendments) and thereafter PF would sign them as Chairman.
4. **Matters arising** **IT WAS NOTED** that there were no matters arising from the minutes of the previous meeting held on 30th July 2013.
5. **Report from the Finance, Audit and Operations Sub-Committee (FA&O)** The Board noted the FA&O's report, the financials, the client statistics and the action plan time line, all of which are dated as at 30th September 2012, and had been circulated as part of the Board pack. **IT WAS NOTED** that the FA&O Committee met in October and had reviewed the documentation in detail. BS advised that the process for collecting and reporting on client statistics was being developed and the Committee's terms of reference had been approved on 30th July 2013.

In respect of the financials, **IT WAS NOTED** that the forecast indicates that there will be a £54,000 surplus at the year end. BS explained that that EDD have advised that a carryover will not be acceptable and therefore an

agreed amount will be deducted from EDD's funding for the ensuing year.

IT WAS NOTED that JBL's budget for 2014 has been sent to EDD who have broadly indicated that it will be approved. However, EDD need full documentation by way of a Business Plan before they can approve it.

BS advised that AC was currently fulfilling the role of financial controller with the long term view that a financial controller will be recruited in the future.

The use of off-island service providers was discussed and JB noted in particular the use of off Island IT service providers. He stressed that his concern was not due to a personal interest but because he felt that JBL were promoting the wrong message by using off-Island support. He explained that by using Sales Force and Office 365, data is stored off the Island which results in revenue also going off the Island and, although the numbers weren't significant, he believes the principle is. AC acknowledged JB's concerns. However **IT WAS NOTED** that JBL is currently tied into contracts. **IT WAS THEREFORE RESOLVED** that JB and AC would look at on-Island alternatives when the IT service providers' contracts expire next year.

EL referred to the location of the data and the costs involved. He noted that bringing it on-Island may not be the most beneficial for JBL. He also reminded the Board that on-Island IT professionals are being employed to help JBL use the software. **IT WAS THEREFORE RESOLVED** that AC would commit to work with members of the Board to consider IT proposals during Quarter 1 next year in anticipation of the current contracts expiring in Quarter 2.

The Board reviewed the action timeline and BS queried what the outcome had been from working with the States of Jersey Statistics Office (Action 1(e)). AC advised that the principle that had been reviewed was the by sector issue. They have also looked at trends but this work still requires completion. He explained that although the Statistics Office's work is of general interest, it does not necessarily influence what JBL is doing. AC explained that JBL are engaging with the Statistics Office in respect of the reports they produce to ensure that JBL's reports align with them, particularly by sector. **IT WAS NOTED** that 30% of businesses are recorded as "other" which is not very helpful. He added that it is important for JBL to tie in with the Statistics office but noted that JBL are only entitled to statistics which are in the public domain.

BS asked for an update on action 4(c) "Establish a "bill board" of loan seekers to fund suppliers increasing the opportunity for existing financial markets to lend". AC advised that JBL are not quite ready to pursue this. He explained that JBL's web development is moving on but, at this stage, the "bill board" is not included in the web development. Therefore the action will reach the year end at 0%. However, he stressed that JBL should not lose sight of the action but it requires a lot of work to develop

it.

MR queried whether AC anticipated this forming an integral part of JBL's website or whether it would be a stand-alone web site and AC suggested that this should be something that should come back to the Board for further discussion at a later date. MR agreed that the action should be deferred. MR suggested that it might be possible to find a third party web platform that can be configured to JBL's needs, rather than develop the required functionality from scratch within JBL's existing website.

Referring to the client meetings, **IT WAS NOTED** that the current system is not able to catch repeat meetings however this will be possible when Sales Force is fully developed.

AC was asked what types of clients JBL were seeing and he advised that this has fundamentally changed in terms of clients' maturity. He explained that JBL used to see mainly small start-up clients whereas they are now seeing medium to large sized organisations. He reported that some of this was as a result of follow up calls made to entrants and winners of the Enterprise Awards. The Board noted that JBL is acting as a sounding board for these organisations because JBL can be trusted to go through their proposals with them step by step and provide constructive challenge where appropriate. AC noted that in terms of opportunity, JBL are working with companies that are significant employers and businesses of calibre.

The Board agreed that it will be important to include these details in future reporting and AC confirmed that that will be the case as details of sector and size will be recorded. JF advised that the nature of the enquiry should also be recorded and MR noted that this will enable JBL to communicate the value of the enquiries to the EDD Minister.

PF suggested that a "half way house" process be agreed whereby the Board are provided sufficient details of clients enquiries whilst still maintaining the required confidentiality. He noted that things can sometimes go wrong and therefore the Board needs to be aware of what is going on in order to provide assistance. AC explained that most established companies who seek JBL's advice ask where their information will go, particularly in respect of the Board. He advises clients that no information goes to the Board or EDD without their consent. He explained that the issue with a "half way house" process is that a client could be considering making a significant investment into a company that is in direct competition with a member of the Board. The client is likely to be aware of who the Board members are and, for that reason, may be concerned about their information reaching them.

Noting AC's point, JB suggested providing reports on a six month delay that include a random selection of cases with the clients' names removed. He explained that this would still show the type of clients JBL was dealing with and highlight the quality of work the staff are undertaking. JF added that the client statistics circulated do not do justice to the work that JBL is

currently doing although he accepted that it was a question of balance in respect of confidentiality. AC reassured the Board that reporting will improve from 1st January 2014.

The Board agreed that there is a significant amount of information available which is good news and could be distributed more widely rather than just numbers that indicate the amount of meetings held or enquiries received. **IT WAS THEREFORE RESOLVED** to ensure that the size and type of the client/company and the nature of the enquiry is recorded going forward.

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

MR provided the Board with an updated from the E&C. **IT WAS NOTED** that the Awards for Enterprise would take place on 13th June 2014. MR advised that a marketing plan in respect of the Awards has been produced by Orchid.

The Board noted the withdrawal of the Large Business of the Year Award sponsor due to the introduction of an internal policy which restricts the company from participating in jointly sponsored events. However, a firm offer has been received from another company and AC suggested discussing this further in AOB. MR advised that the sponsor of Small and Medium Business Award has also withdrawn. However, the E&C are hopeful that an alternative has been found, subject to their final approval in January 2014.

IT WAS NOTED that the process for bringing sponsors on board was set out in a flyer, the wording for which had been agreed. AC advised that that this would be sent as soon as Orchid had produced the creative aspect of the document.

IT WAS NOTED that a sponsor was still required for the host and although the Board accepted this was always difficult they agreed that it would be preferable to have one.

IT WAS NOTED that in order to ensure that the website included the additional function in respect of the Awards for Enterprise prior to their launch, the E&C agreed to update the existing website rather than build a new one. With this in mind AC sought a number of quotes, the lowest of which was received from JBL's existing web development supplier, Switch Digital. AC is therefore currently working with them to update the website accordingly.

IT WAS NOTED that two of the Awards will change in 2014. These are the Exporter of the Year (which will change to Award for International Sales) and the Ambassador Award. The Ambassador Award was previously sponsored by the Guiton Group and they have now passed this responsibility to the JEP. AC advised that he has met with the JEP and it has been agreed that their award will be based on an organisation's CSR. The award will be renamed the "Business in the Community Award" to ensure that it does not conflict with any others.

The Board noted that process to enter this category will be in line with all the other awards. Entrants will then be short listed to five finalists by a judging panel put together by the JEP. Those five finalists will appear in the paper each day and readers of the paper will be able to vote for their favourite via the JEP's website.

MR advised that JBL will build on the Awards evening in 2014 by holding seminars and presentations in the week leading up to the gala dinner with the hope that it will become more of an "Enterprise Week" as opposed to just one evening.

IT WAS NOTED that the organisation of "Enterprise Week" will be managed by an events manager and **IT WAS RESOLVED** that this will be put out to tender when the seminars/presentations have been finalised. JB queried whether this would require the budget to be increased and AC advised that this would not be necessary having regard to the fact that the organisation of the evening event will change significantly. He explained that the marketing would now be dealt with by Orchid (within the marketing budget) and the ticket sales would be administered via JBL's website (using Ticket 365, a local company). In addition, the primary suppliers used are now very familiar with the event. He therefore anticipated that a large part of the event manager's role would be organising the seminars/presentations during the week.

MR advised that the tender in respect of market research was won by 4Insight who have already carried out a survey, the results of which have been circulated to the Board and reviewed by the E&C.

MR noted that the E&C did not believe these contained anything they were not expecting. However, they agreed that they were not comfortable with some of the measurements of performance as they could drive counter-productive behaviour in the future. For example, if there is a more positive economic environment in the future, JBL could still be pushing to advise businesses which no longer need its help.

AC provided a brief update on JBL's communications and PR. He advised that he had recently given a radio interview in which he endorsed the need for more licences to allocated for highly skilled workers to come into the Island. In addition, he reported that Global Entrepreneurship Week was taking place this week over five full days with nine secondary schools taking part. **IT WAS NOTED** that this event was currently EDD's responsibility with a view to JBL taking it on for 2014. A discussion took place as to whether this could be scheduled to coincide with Enterprise Week but AC explained that it is a global event over 130 countries and therefore the date cannot be moved. Finally, AC advised that JBL were jointly hosting "Dynamic Dubai" with the Chamber of Commerce on 27th November at which there will be a presentation by the Government of Dubai Department of Tourism and Commerce Marketing.

7. Business Plan 2014

IT WAS NOTED that a draft Business Plan had been circulated as part of the Board pack and the Board agreed that the objectives included therein should be aligned to the annual market research survey and also fed into

the Marketing Plan. MR advised that the importance of this alignment was discussed at length at the recent E&C Meeting and he read an excerpt from the minutes of 27th September in order to provide the Board with a summary of those discussions.

MR expressed concern about how JBL is measured and believes that the business plan should be the driver of this. AC referred the Board to Page 17 of the draft Business Plan which sets out the Target Outputs for 2014. He explained that JBL's Marketing Partner, Orchid, needs to be aware of these figures so that they can assist in achieving the goals and this is why they were included in the Marketing Plan.

IT WAS NOTED that EDD's requirements are set out in the Enterprise Action Plan (previously the Enterprise Strategy) the main objective of which is to create 1000 jobs and AC advised that he has aligned the figures in the Business Plan with these requirements. He added that targets relating to meetings and enquiries are included as indicators of progress towards the fundamental requirement of JBL by EDD to create High Value Employment.

AC advised that JBL needs to undertake a customer satisfaction survey and **IT WAS NOTED** that a draft of the survey was almost complete which he will circulate to the Board for their input. The Board agreed that it is important to find out if JBL has added value to a clients' business and that may not involve the creation of a job.

MR expressed concern that as confidence in the economy increases the number of enquires and face to face meetings may fall which based on the Target Output figures, may be interpreted as JBL failing. However, AS advised that this would not be seen as a failure because companies would still continue to grow and require JBL's advice. EL advised that it is important to survey non-JBL clients to provide evidence that they have been offered the opportunity to receive assistance from JBL even if they have not taken it up.

The Board noted that it is important to include some public KPIs in the Business Plan because the Business Plan is appended to the Partnership Agreement with EDD. However, it was agreed that full details of the market research were not required.

AS provided further details of the Enterprise Action Plan and advised that from EDD's point of view, JBL's success or failure will be determined the creation of 250 jobs over a two year period. He explained that EDD have an objective to create 1000 jobs over two years but they cannot do this alone. They are therefore tasking bodies such as Locate Jersey, JBL, Digital Jersey to help them. EDD require JBL to report back to them so that they can report back to the Council of Ministers. He stressed that qualitative reports are not an issue for EDD as they are only interested in the raw data of how JBL is moving towards the creation of 250 jobs.

JF expressed his concern that in order for a business to succeed JBL may need to advise it to employ no/less staff which is contrary to the Enterprise Action Plan. JB added that there will be immigration issues if the jobs to be created are “quality” jobs as there will be skills gaps that will require recruitment from off-Island. AC advised that according to the Enterprise Action Plan, 250 of the 1000 jobs will be available for individuals off Island. However the remaining 750 will only be available locally. The Board agreed that the politicians will need to deal with this issue to ensure that applications are not turned down by the Population Office.

AC advised that although the Partnership Agreement is for a term of three years, he has only prepared one years’ worth of figures (broken down into months) in the Target Outputs because the Partnership is renewed on an annual basis. However, he stated that the annual figures were derived from a three year plan.

JB queried how JBL determines whether their work has created a job and AC advised that he is having on-going discussions with Locate Jersey, Digital Jersey and EDD about this. He added that there is concern that figures could be overstated due to duplication between the various support bodies. Furthermore AC has included a target for “other jobs” as all the jobs that JBL assist in creating may not be “high value”. BS suggested adding a further category for “jobs protected”.

IT WAS NOTED that EDD, as the primary funder of JBL, has provided a clear target for JBL to reach. Therefore the Board and Executive should try to achieve those targets. However, the Board noted that JBL also has other objectives that it needs to meet and all of them need to be measured. JF expressed concern that the main factor in JBL receiving its funding is based on whether JBL creates jobs. He stressed that job creation is a by-product of the work that JBL does and therefore is not ultimately in control of it.

PF noted that EDD have arrived at the target of 1000 jobs and are using the resources of bodies such as JBL to achieve it. He stressed that even if the Board felt it was an unrealistic figure it was not up to them to make that political argument. **IT WAS THEREFORE RESOLVED** to expand on the KPIs on page 9 of the Business Plan by providing a detailed summary of the targets highlighting the Board’s concerns. In particular, it was agreed that this would include the following:

- 1) Job creation is not the principal driver for the work that JBL does;
- 2) JBL does not have control of job creation;
- 3) Adding value to a business may involve advising it to employ no/less staff;
- 4) A business does not need to create jobs to be successful;
- 5) JBL has other objectives that also need to be measured.

IT WAS FURTHER RESOLVED that AC would amend the Target Output figures into quarters as opposed to months.

**8. Jersey Business
Investment Fund**

MR queried how far advanced the Investment Fund was and AC advised that it was at a very preliminary stage and that a considerable amount of work was still required to be undertaken. PCF questioned the targets included in the Business Plan for the Investment Fund and questioned if these were necessary as these would need to be estimates as there is no previous data to relate them to. He therefore suggested removing the Investment Fund figures from the Business Plan until the process has been further refined and submit a separate note within the Business Plan advising that further consideration is being given to the Investment Fund. Thereafter a detailed paper can be submitted when the process has been finalised.

AC explained that if a budget was included in the Business Plan then some targets need to be put against it. **IT WAS THEREFORE RESOLVED** to remove the figures from the Business Plan and Budget for Quarters 1 and 2 to provide sufficient time to undertaken the further work required to set the Investment Fund up.

The Board agreed not to discuss the set up and process of the Investment Fund at today's meeting and **IT WAS RESOLVED** that a further meeting to specifically consider the Investment Fund would be organised. **IT WAS NOTED** that although conflicts may arise, the Board would need to be provided with full details of those who apply to the Investment Fund as this would present a bigger risk to JBL and therefore they would need to be aware of all the facts.

9. Risk Register

IT WAS NOTED that the Risk Register as at 30th September 2013 was circulated as part of the Board Pack.

**10. Election of
Directors and
Company
Secretary**

IT WAS NOTED that AC has been appointed as Company Secretary.

PF advised that the Company required a Deputy Chairman. He therefore proposed to advertise the post, which any of the current Directors could apply for. **IT WAS NOTED** that Hassell Blampied have been asked to assist with the recruitment and have agreed to undertake a comparability review at a cost of £500 and thereafter to prepare an advert and short list candidates at a cost of £1,000. PF advised that the appointment will be overseen by Julian Rogers at the Appointments Commission.

**11. Any Other
Business**

IT WAS NOTED that EL's company, Greenlight have offered to sponsor the Large Business Award. AC advised that he did not anticipate there being any issues with this internally as Jonathan Atkinson would be dealing with the sponsorship but he sought the Board's guidance. The Board did not have any objections in principle although MR suggested that EL may need to step down from the E&C due to a conflict and BS queried whether JBL should ensure that the opportunity to sponsor the award has been made available to others before accepting sponsorship from a member of the Board.

AS advised the Board that the Freedom of Information Law will become effective from 1st January 2013 and JBL will be subject to it.

15. Date of Next Meeting

IT WAS NOTED that the meeting dates for 2014 had been circulated to the Board and that PF had some amendments. **IT WAS RESOLVED** that AC would circulate them to the Board once those amendments had been received.

16. Termination

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



Chairman

10 December 2014

Date Signed

