

WL/AM/JB/28

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

(28th Meeting)

9th March 2016 at 9am

- Present:** Ms W Lambert, (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. Apologies** No apologies were noted.
- 2. Chairperson** **IT WAS RESOLVED** to appoint WL chairperson of the meeting.
- 3. Declarations of Interest** **IT WAS NOTED** that as of 1st April 2016 WL's legal practice would be merging with Benest Corbett Renouf and an announcement regarding the merger would be made next week.
- 4. Minutes of previous meeting** The previous minutes dated 2nd December 2015 had been circulated with the agenda and **IT WAS RESOLVED** to approve them.
- 5. Matters arising** The Board reviewed the summary of action points (a copy of which had been circulated with the agenda) as follows:
- (a) Premises – **IT WAS NOTED** that Visit Jersey have taken a 12 month lease of Tradewind House and Digital Jersey are taking on additional space at the Forum. Therefore there is no longer any pressure on JBL to move premises in order co-locate with them. GS reported that the landlord of the premises at the Parade had been particularly helpful in agreeing to amend the typo of the year of expiry in the lease. He confirmed that the lease expires in December 2017 and notice to quit needs to be given by 31st March 2017. **IT WAS THEREFORE RESOLVED** that BS GS and WL would meet to discuss arrangements in this regard together with the possibility of co-location with Visit Jersey and Digital Jersey. WL added that consideration should also be given to co-locating with Locate Jersey.
- (b) **Non-Executive Director vacancies** – GS reported that 29 people had applied for the two Non-Executive Director positions which were advertised via social media. **IT WAS NOTED** that there were six female applicants and 19 male applicants and GS acknowledged that this was not a great spread of gender diversity. However, he advised that the position(s) were also advertised through the Jersey Community Relations Trust and WL wrote a piece on social media in order to highlight JBL's awareness in this respect.

IT WAS NOTED that short-listing process will now take place with interviews thereafter. **IT WAS RESOLVED** that BS, WL and GS will undertake the former and EL, JB and GS will undertake the latter and GS agreed to arrange dates for both as soon as possible.

The Board discussed the date on which the retiring directors (JF and MR) should step down and **IT WAS RESOLVED** that they would remain in post until appointments have been made.

(c) **Awards for Enterprise** – GS reported that a difficult meeting took place with the Minister and officers for Economic Development, Tourism, Sports & Culture (EDTS&C) to discuss the Awards for Enterprise and he accepted that he and WL made decisions at that meeting which should have been referred back to the Board. However, focus is now being placed on establishing a new format for 2017 and engagement will now begin with the business community and stakeholders in order to start this process early.

(d) **Online Training** – GS thanked JB for providing details of online training websites. He reported that staff have found these very useful, noting that lack of training was raised as a concern in the recent staff survey.

(e) **Risk Register** – GS confirmed that the Awards for Enterprise are now rated as amber on the Risk Register. He noted that it was previously rated as red due to financial concerns. **IT WAS NOTED** that there have been no adverse PR from sponsors or the business community about the decision not to hold the event in 2016. The Board accepted that businesses which were proposing to enter in 2016 may be disappointed. However, it was agreed that it was preferable to re-launch the awards in 2017 rather than hold a “diluted” event in 2016.

(f) **eSpark Incubator** – The Board noted that RBS have reverted to GS and are keen to progress discussions re possible eSpark incubator however, they need to undertake research to establish whether there is sufficient demand for such a centre. It is therefore proposed that the eSpark CEO and a team from RBSI will present during Enterprise Week and provide a number of workshops. In answer to a question from MR, GS confirmed that whilst Digital Jersey is engaged with and supports the initiative it does not see it as a prime objective. JBL will therefore take the lead by bringing all the necessary parties together and will be involved by providing advisory services. However, it will not completely own it because it requires funding and therefore a corporate sponsor will need to be found.

(g) **2016 meeting schedule** – GS confirmed that meeting invites have been sent to all directors for the remainder of the year.

6. Economic & Productivity Growth Drawdown

AS provided the Board with a brief background to the EPGDP. He advised that the States set aside £5m per year for 2016, 2017 and 2018 for economic growth initiatives and bids can be made to the EPGDP by States Departments or key stakeholders outside of the States of Jersey (including

**Provision
(EPGDP)**

JBL). He explained that JBL and Locate Jersey are the only two entities which fall under EDTS&C's remit which will be applicable for EPGDP funding. The Board was advised that it will be possible to bid to the EPGDP for a four year programme which will make it easier to recruit contract staff and AS referred the Board to the paper prepared by GS which sets out JBL's proposed bid, a copy of which was circulated with the agenda and which will be annexed to the EPGDP application form which is required by Treasury.

GS summarised the paper and advised that the £2.3m funding request will enable JBL to accelerate a number of initiatives and bring forward ideas it already had. He reported that the application is focused around the Innovation Review and stressed the importance of JBL's proposal resulting in high growth job creation and increased GVA within high growth sectors, although he acknowledged that JBL should look to work with all sectors going forward.

GS noted that Digital is a high growth sector which will benefit from JBL's proposal. He therefore proposed seeking Digital Jersey's support of the application. WL queried whether Locate Jersey's approval should also be sought. However, AS advised that Locate Jersey will be bidding for funding of their own or in partnership with others. That said, GS acknowledged that JBL would work with Locate Jersey by providing advisory support to businesses looking to re-locate in the Island.

A lengthy discussion took place around the proposed targets for the high growth start-up programme. Concern was expressed at the £50k GVA/FTE, the number of employees (three) and the number of start-ups it is proposed that the programme would process on an annual basis (30). However, GS noted that the average GVA/FTE for Jersey is £65k, albeit that this is unfairly influenced by the financial services sector. Therefore the proposed amount of £50k may be challenged by Government. He added that it is proposed that the start-ups be given a 3 to 5 year period to reach the target salaries/ employee numbers and stressed that the additional funding will provide for dedicated business advisors and mentors to promote the programme thereby enabling it to process up to 30 start-ups per year. That said if fewer applications were received costs would be reduced. **IT WAS THEREFORE RESOLVED** to amend the paper to refer to annual applications of "up to 30".

The Board considered employee numbers in terms of high growth and whilst GS accepted that three employees was not particularly high he felt that increasing the minimum for eligibility may restrict smaller innovative companies from approaching JBL.

JF queried whether the programmes would affect 'business as usual' and expressed concern at the possibility of JBL adopting a two tier system. GS reassured him that a two tier system will not be implemented. He explained that clients in the high growth space inevitably require additional support and JBL advisors are already spending more time with these clients. WL added that JBL will still service BAU and the £2.3m is

extra funding (which will be ring-fenced) for the recruitment of additional advisors to undertake specific project work. However, she accepted that there will always be a risk to JBL's core funding.

BS suggested that further detail of the £150k grant costs was required and GS explained that these could include a range of services (e.g. branding or marketing support). However, they will not be known until an application is received from a business.

WL sought clarification of the terms "displacement" and "leakage" and GS advised that the latter refers to companies which have share ownership outside of Jersey and as a result profits do not remain in the Island and the latter describes the process whereby new businesses take on staff from existing firms. However, he accepted that it was very difficult to forecast either of these.

The Board briefly reviewed the high growth established programme and the high growth finance programme. **IT WAS NOTED** that funding was required for the high growth established programme in order to accelerate the export and productivity pilots and funding was required for the high growth finance programme to provide pre and post support to JIF clients. The Board noted that an additional resource would be recruited to assist NS with the JIF clients and they would also be used across the whole portfolio of clients. AS confirmed that JIF are not eligible to make an EPGDP bid and Tim Herbert was aware of JBL's application. Finally GS advised that funding was required to establish a mentoring programme to provide support across all programmes.

7. 4Insight Feedback on JBL

The Board reviewed the results of the recent 4Insight Survey, a copy of which was circulated with the agenda. GS reported that this was the second survey to be undertaken by JBL and it was completed by clients and non-clients. Respondents completing this survey were aware that they were answering questions on JBL whereas that had not been the case in 2014. He added that a similar survey will be undertaken on an annual basis with a view to any changes being tracked.

IT WAS NOTED that the survey was circulated to a mixture of channels including contacts of JBL, 4Insight, Chamber of Commerce and Digital Jersey and placed on social media and that there were 265 respondents compared to 201 in 2014. However, GS reported that major financial institutions were excluded.

GS advised that 64% of respondents had not previously interacted with JBL and 36% had used JBL (compared to 15% in 2014). **IT WAS NOTED** that "start-up advice" and "confidential sounding board" were JBL's two most popular services and JBL's strongest criteria was integrity, for which it scored 7.34. GS explained that a score of 7 is considered as "good" or "very good" and he noted that JBL clients gave higher scores in every category than in the previous survey. The Board noted that JBL scored lowest in the "represents the voice of business in Jersey" criteria and consideration was given to whether more should be done in this area.

However, it was agreed that JBL does not have sufficient resource to become the voice of individual business sectors and should therefore continue to focus on providing advice across all sectors and building up expertise where possible.

GS noted that a “lack of follow through” was mentioned by some respondents. He advised that advisors are now being more pro-active with clients which not been in contact for over six months. WL and MR both reported receiving isolated complaints from clients who had not received follow up and GS reassured them that he is able to see the level of activity on individual clients and can therefore performance manage advisors accordingly. EL suggested using the Salesforce system more to assist with this process which GS agreed with albeit he cautioned the question of Adviser capacity given the growing client base and a restricted funding budget.

IT WAS NOTED that JBL’s received a net promoter score of 31.57 and GS reported that this was the highest score 4Insight have seen in Jersey by some way.

Respondents’ preferred channels for receiving advice and information from JBL were discussed and **IT WAS NOTED** that the email newsletter was the most popular. The Board agreed that the use of videos by JBL has proved popular and MR suggested that the response to these should be measured in order to teach other businesses about the benefits of video. GS confirmed that the videos were being measured and **IT WAS RESOLVED** that he would bring details of this to the next Board meeting. **IT WAS NOTED** that Alexia McClure was presenting to Chamber the following day on JBL’s use of social media and how it has helped the organisation. The Board agreed that respondents’ preference for receiving advice and information by way of blogs and social media was low and focus should be placed on increasing this. However, it was acknowledged that blogs may have been misleading as respondents were only able to pick their top three preferences.

Referring to subjects respondents would like more information on in the next 12 months, WL noted that export development was low (10%). However, GS advised that although it was only 10% it was still valuable and BS suggested that this highlights that there is a need to improve export development in the Island.

The Board noted from the results that a large number of people attended JBL events, albeit that the Awards for Enterprise may have skewed the statistics and it was agreed that it would be interesting to establish how many respondents branded the Awards for Enterprise as a JBL event. GS suggested that the key motivator to attending an event (“relevant to business sector”) was unsurprising and advised that the 2016 Enterprise Week is more industry specific compared to 2015 which was more high level.

The Board noted the recommendations proposed by 4Insight in response

to the survey results and GS summarised what action was being taken to meet these. He accepted that although capacity and resources were an issue, JBL needs to be more pro-active in order to address client relationship issues. As noted above, videos are being used as recommended by 4Insight. He reported that JBL will deliver additional programmes if it is successful in receiving increased funding. He acknowledged that apart from himself and Alexia, the JBL staff are not attending enough network events in order to promote the work of JBL but that there was now a programme to increase attendance. GS also requested the board be more pro-active in promoting JBL and their role as a NED, when they attend relevant events.

8. Enterprise Week The Board reviewed the draft schedule of events for Enterprise Week , a copy of which was circulated as part of the Board Pack. **IT WAS NOTED** that Enterprise Week will be launched by Senator Farnham on Friday 13th May 2016 and will close on Friday 20th May 2016. GS advised that media promotion will start next week, albeit not to the level of detail in the schedule circulated. The Board congratulated GS and the JBL team on a very good programme of events and speakers. GS referred to Ian Skinner's presentation on the States' long-term strategic plan and proposed inviting him to JBL to present this the staff and Board. The Board welcomed this suggestion and **IT WAS RESOLVED** that GS would make the necessary arrangements.

EL queried whether there were any lessons learnt from last year's events that need to be considered and GS advised that focus would be placed on taking outputs from the events and ensuring that messages are rolled out as soon as possible thereafter. He added that it was difficult to get confirmed numbers for events last year until the last minute. Therefore in order to encourage attendance details of the events will be promoted earlier this year. More will also be done with JBL's own contacts.

9. Finance & Audit Sub Committee The Board noted the Finance Minutes dated 18th January 2016, copies of which had been circulated with the agenda.

10. 2015 Draft Audited Accounts The Board noted the draft Report and Financial Statements for the year ending 31st December 2015, a copy of which was circulated with the agenda.

GS summarised the year end position for the Directors. He reported that there was a net deficit of approximately £51k. He confirmed that this was a planned loss, details of which are reflected in the report and accounts.

GS explained that the management accounts are prepared on a cash basis and the unspent £44,826 from the 2015 top up grant has been rolled into 2016. Therefore the total grant for 2016 will be £844,826. Referring to 2015 income and expenditure, GS advised that (excluding the Awards for Enterprise) income was £706k and expenditure was £716k. Therefore, JBL will be in a better position in 2016 with income of £844,826.

GS advised that no material issues were raised during the Audit and that reserves remain at approximately 10% of the £800k grant, in line with EDD expectations. He explained that the debtors and deferred income on the balance sheet are high because JBL invoiced the States for the first half of its 2016 grant (£400k) in 2015 and it is therefore showing as debit and a credit in the accounts.

WL noted that the dates of her appointment to the Board and as Chairperson were incorrect and **IT WAS RESOLVED** that GS would correct these. **IT WAS NOTED** that BS had provided GS with his comments on the accounts and GS had dealt with them accordingly.

11. Operations Report

GS summarised the Operations Report, a copy of which had been circulated with the agenda. **IT WAS NOTED** that the staff handbook required updating and **IT WAS RESOLVED** that GS would appoint a law firm to provide regular updates in this regard.

GS advised that work is underway to establish an advisory panel of HR, legal and accountancy professionals to support JBL clients. He explained that this has been promoted via social media and noted that the Law Society has also kindly circulated details in its monthly newsletter. The Board noted that GS will meet with anyone who expresses an interest in being on the panel with a view to listing brief details of a range of advisors on the JBL website. However, he stressed that it would be made clear that JBL would not be recommending any of the advisors. The Board agreed that this process would avoid the perception of JBL favouring a specific advisor and GS noted that he has already received 15 expressions of interest. Concern was expressed about whether meeting all interested parties was a valuable use of GS' time. However, GS suggested that by meeting with them he will be able to ensure that JBL gains value from them in the future. He also suggested that it will increase JBL's awareness. That said, he accepted that he would need to manage their expectations because the rate of referrals is quite low.

MR proposed positioning the advisors as "content partners". He explained that they should be placed on the panel in return for providing content for social media or speaking at an event within a given period. GS welcomed this proposal and noted that some professional firms have their own newsletters for which JBL could provide content.

The 2015 KPIs were noted. **IT WAS NOTED** that the KPI in terms of start-ups was significantly exceeded and GS acknowledged that consideration needs to be given to the way in which data for start-ups is recorded.

The Board reviewed the client "dashboard" as at the end of December 2015. GS reported that there are currently 207 active portfolio clients and he clarified that JBL have had an interaction with these clients in the last six months. **IT WAS NOTED** that the portfolio clients are split into three categories: (a) start up; (b) trading; and (c) unallocated. The Board noted that there are 314 'in-active portfolio clients' and GS explained that these were clients who had not needed JBL services within the last six

months. Subject to having the resource capacity he was keen for JBL to become more pro-active with this group of clients and that this number as a % of the total portfolio clients would be a good measure.

EL queried whether it was possible to create a category for clients who no longer required support and GS responded that invariably when contact is made with an inactive client they raise an issue which requires assistance.

12. Risk Register

The Board reviewed the Risk Register, a copy of which was circulated with the agenda. As noted above the handbook requires amendment and a review process is in progress. Therefore HR/training is currently rated as amber. **IT WAS NOTED** that the EDD grant reduction and the Awards for Enterprise also remain on amber.

13. Any Other Business

“Brexit” – JB suggested that consideration may need to be given to the possible implications of the UK exiting from the EU and queried whether the States of Jersey were preparing for this. AS confirmed that although government (headed up by the the External Relations team) are looking into the matter they are not sharing their thoughts publically. He suggested that the only implication for JBL will be the export market. However, he believes that the impact of a possible exit will not be understood for some time as it will take two to three years to agree.

14. Date of Next Meeting

IT WAS NOTED that the next meeting was the AGM scheduled to take place on 4th May 2016 at 11am. Subject to the appointment of new directors it was proposed that MR and JF would step down following this meeting.

There being no further business to discuss, the meeting was closed at 11.05am.

W. Mansel

Chairman

6.6.16

Date Signed

Actions

- 1) BS and GS to meet to discuss future premises / possible co-location with DJ/VJ/LJ
- 2) GS to arrange short-listing / interview dates for the appointment of NEDs x 2
- 3) GS to table an analysis on the measurements from the video initiative to the next meeting
- 4) GS to arrange for Ian Skinner to present to the Board and staff on the long-term strategic plan
- 5) GS to update the dates of appointment for WL in the 2015 Report and Financial Statements
- 6) GS to appoint a law firm to provide regular updates on the staff handbook