

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

(32nd Meeting)

10th January 2017 at 8.30am

- Present:** Mr J Box (JB)
Mr J Day (JD)
Mrs W Lambert, (WL) (Chair)
Mrs K Le Feuvre (KLF)
Mr E Lincoln (EL)
Mr B Sarre (BS)
Mr G Smith (GS)
Mr A Sugden (AS)
(the "Board" or the "Directors")
- In Attendance:** Miss A Maskell (AM), AM to PM Secretarial Services (AM)
Ms V Moss, Board Apprentice (VM)
- 1. Apologies** No apologies were noted. VM was welcomed to the meeting and WL advised that she would be attending JBL meetings for the next 12 months as part of the Board Apprenticeship Scheme following Gavin Price's move to the UK. **IT WAS NOTED** that GS had circulated VM's CV to the Board and **IT WAS RESOLVED** that he would also provide the Board with her email address. **Action: GS**
- 2. Chairperson** **IT WAS RESOLVED** to appoint WL chairperson of the meeting.
- 3. Declarations of Interest** EL confirmed that Greenlight has completed its transaction with BDO which he referred to at the previous meeting and **IT WAS NOTED** that BDO are Economic Development, Tourism, Sport and Culture's (EDTSC) Auditors.
IT WAS NOTED that AS' responsibilities at EDTSC have changed slightly in the last few days, albeit that this has not been confirmed formally. The Board were hopeful that AS will be able to remain on the Board however, it may be necessary to manage conflicts accordingly by asking him to step out of certain discussions as appropriate.
- 4. Minutes of previous meeting** **IT WAS NOTED** that the previous A minutes dated 5th October 2016 had been circulated with the agenda and **IT WAS RESOLVED** to approve them subject to a minor amendment
- 5. Matters Arising** GS took the Board through the action points, a copy of which had been circulated with the agenda, as follows:
- 1) **JBL Structure/Shareholder Review** – GS reported that there was no update in this regard and **IT WAS RESOLVED** to carry the action forward on the understanding that the matter would be resolved by the AGM. **Action: GS**
 - 2) **Board make up, role, structure, capacity, time and remuneration** – **IT WAS RESOLVED** that GS would progress this proposal now initial budget has now been agreed. **Action: GS**
 - 3) **Construction Page on Website** – GS advised that he has had some early discussions with the Jersey Construction Council in this regard and they are keen

to engage with JBL. Consideration is therefore being given to appropriate content for inclusion on the webpage.

4) **Delegated Authorities – IT WAS NOTED** that a Delegated Authority document was recently approved by the Finance and Audit Committee (F&A). However, following a concern raised by WL, **IT WAS RESOLVED** that F&A would further review the high level payment limits and the difference between the different types of payments as they may not be necessary. Given later discussions on F&A, GS will now bring this back to main board. **Action: GS**

5) **Board Apprentice Replacement** – As noted above, VM had been appointed to replace Gavin Price.

6. Economic and Productivity Growth Drawdown Provision Fund (EPGDPF)

GS provided the Board with an update on the status of JBL's application to the EPGDPF. He reported that JBL received support from the States' chief accounting officers prior to the application being submitted to the Ministerial Group (EPOG), all six of which have now approved it. Phil Ashley will now draw up a Ministerial Decision for the Ministers to sign it off. However, whilst he expressed the hope that the funding would be received relatively soon thereafter, he was not entirely sure of timeline.

GS reported that the funding will be delivered in tranches and in order to demonstrate credibility, JBL will engage external support to monitor and comment on the results of the programme. He advised that he proposes to engage Regeneris, a UK based company which is currently advising the States as part of the Jersey Innovation Fund (JIF) review. He noted that he has been impressed by their work during the JIF review and advised they have extensive experience of growth programmes.

WL queried what immediate action will be taken upon receipt of the first tranche of funding and GS advised that (together with Nick Steele (NS) and Alexia McClure (AMc)) he will map out what the programme will look like and what resource will be required. He reported that he has discussed the possibility of secondment with a number of banks in the Island and noted that one may be able to provide support for two or three days a week. Whilst he is hopeful that they will fund this, there is a budget available to pay for resource if necessary.

In answer to a question from KLF, GS confirmed that the budget also includes Regeneris' fees (c£15k) for support pre, during and post-programme. **IT WAS THEREFORE RESOLVED** that he would prepare a presentation for the Board on the proposed implementation of the programme with a view to them providing their input. WL welcomed the Board having an opportunity to provide their input on the programme, particularly as any projects funded by the EPGDPF were likely to be heavily scrutinised and become high profile. **Action: GS/All**

JD queried whether the EPGDPF funds would be segregated from a book keeping point of view and GS confirmed that whilst the same bank account would be used, a separate profit and loss account would be run. He explained that whilst it was not possible to include a percentage of hard costs (e.g. rental, utilities, staff etc.) in the expenses of the programme, more resource will be required to manage the programme and that has therefore been costed as part

of the budget, details of which he agreed to include in his presentation to the Board. **Action: GS**

KLF expressed concern that it may be difficult to attract the right candidate to work on the programme due to the lack of longevity of the role. WL warned that caution must be taken in this regard in the event that the role becomes redundant because this will require all existing JBL staff to be included in any redundancy process. However, GS explained that JBL has a role available for another advisor in any event.

AS proposed negotiating JBL's contract in respect of the EPGDPF funding to include any closure costs. WL suggested that whilst closure costs were a concern, the potential of existing staff being included in a potential redundancy process was more of an issue. Consideration was therefore given to appointing an advisor for the programme on a short term or fixed contract basis, although care would be needed to attract the right calibre candidate and **IT WAS RESOLVED** to discuss this in more detail once GS, AMc and NS have mapped out the programme. **Action: ALL**

The Board congratulated GS on the time and effort he had given to securing the EPGDPF funding for JBL.

7. Finance and Audit Sub Committee Update

1) **Profit and Loss (P&L) Account and Balance Sheet** – BS noted that (due to the meeting being deferred in December 2016) the P&L and Balance Sheet circulated with the agenda were only up to the end of October 2016.

GS advised that year-end figures have not yet been received and **IT WAS RESOLVED** that he would circulate these together with a summary on the same within the next two weeks. **Action: GS**

GS reported that JBL's reserves are forecasted to be between £135k and £140k at the year end and confirmation is still awaited from the States as to whether these can be retained. The Board noted that in light of Mike King's (MK) resignation, John Richardson (JR) has been appointed JBL's Accounting Officer.

2) **2017 Budget** - GS reported that whilst JBL's P&L forecast for 2016 is as planned, there are key challenges regarding the 2017 budget and a significant amount of work has taken place in this regard. He explained that a figure of £734k went into the MTFP (Medium Term Financial Plan) in respect of JBL however following discussion with MK, it was agreed that JBL should work to the planned budget of £880k. MK advised that underspends were likely to become available from the EDTS&C budget during the year allowing for the JBL's budget to be topped up to £880k. GS explained however that he has prepared two alternative budgets one based of £734k (in case the agreed top-up was not made available) and one £880k, these had been reviewed by F&A and were included in the main board pack._

The Board noted that GS had provided F&A with a detailed explanation of the impacts on our services that would result from a reduced budget of £734k. Even allowing for a reduction in services delivered **IT WAS NOTED** that this would still result in an approximate deficit of £55k in 2017.

AS reported that a first half year payment for JBL of £440k has been signed off, albeit that this has not yet been received.

8. Premises

IT WAS NOTED that discussions have recently taken place at F&A and between the landlord and BS regarding the premises in view of possible co-location with other delivery partners being considered going forward. BS reported that the landlord has 'in principle' agreed to annual rolling breaks in March each year. He explained that a six month rental fee will be charged for exercising this option. However, this will only be incurred if exercised. The Board agreed that this would provide JBL with added flexibility and **IT WAS RESOLVED** that GS would contact Steven Crane to prepare a letter of confirmation for execution by JBL and the landlord in this regard. **Action: GS**

9. BDO Internal Audit

IT WAS NOTED that a copy of the BDO Internal Report (which has now been signed by EDTS&C) had been circulated with the agenda. GS reported that an overall rating of three was attached to the report upon completion ("*reasonable reliance can be placed on the adequacy of the internal control environment to manage inherent risk*") and he summarised the findings from the Report which place responsibility on JBL as follows:

4.5 – Conflict of Interest Policy – GS advised that he was prepared to draft a Conflict of Interest Policy as recommended and he sought the Board's views in this regard. After a brief discussion, **IT WAS RESOLVED** that GS would prepare a policy for the Board's approval. **Action: GS**

4.6 – Corporate Governance Review and Internal Control Environment – The Board noted that controls have now been adopted whereby, prior to submission of the annual return of the corporate governance statement to EDTS&C would also be reviewed by a member of the board in addition to GS.

4.7 – Performance Assessment of Directors – **IT WAS NOTED** that a performance assessment process for Directors is now being implemented and GS advised that he was still awaiting the return of some Directors' forms.

4.8 – Delegation of Authority – As noted above this was discussed by F&A and would be re-visited in light of concerns raised by WL.

4.9 – Risk Register – Completeness – GS confirmed that the recommendation to include payment control deficiencies has now been incorporated on the risk register.

10. Operations Report

The Board reviewed the Operations Report as at 30th November 2016, a copy of which was circulated with the agenda and GS highlighted the following salient points:

1) **Desk Space** – **IT WAS NOTED** that a review and re-modelling exercise has been undertaken on the office area and as a result an additional four work stations will be installed.

2) **KPIs** – GS advised that whilst these will not change in 2017 they will incorporate the high growth programme.

3) **Enterprise Week** – In answer to a question from WL, GS advised that some plans have been made regarding Enterprise Week. He noted that

provisional dates of 15th – 19th May have been agreed and it is hoped that the Chief Minister will open the event. He added that following confirmation of the dates, consideration will be given to appropriate speakers. **IT WAS RESOLVED** that GS would provide the Board with the dates of any JBL events for the year (including provisional dates) for inclusion in their diaries. **Action: GS**

4) **Portfolio Clients** – **IT WAS NOTED** that as at the end of November 2016, there were 455 portfolio clients. Referring to the sector split of Portfolio clients, GS reported that although this was broad it was becoming more focused. The Board noted 139 services were delivered to Portfolio Clients as at 30th November 2016 compared to a total of 139 for the whole of 2015. However, GS highlighted that “NRC – start up advice” would be removed from this graph going forward.

The Tourism Development Fund (TDF) and JIF were briefly discussed and GS confirmed that JBL will continue to support TDF clients (even though it is not specifically resourced for this). However, he noted that a number of reviews are currently taking place with regard to JIF. **IT WAS NOTED** that these include a review by the Controller and Auditor General (CAG) and a review with which GS, Regeneris, Digital Jersey, Government and private sector representatives are involved. GS advised that this is headed up by Victoria McEaney and is undertaking research across a range of sectors with a view to providing government with a number of recommendations on government funded schemes going forward. As part of this review, GS reported that he was travelling to Edinburgh the following day with Tom McIngle and Victoria McEaney to visit Scottish Edge, a scheme which provides private and public sector funding.

It was agreed that the Operations Report provided the Board with valuable information and **IT WAS RESOLVED** that GS would present a similar report to the JBL team on a monthly basis going forward. **Action: GS**

11. Risk Register

The Board reviewed the risk register, a copy of which had been circulated with the agenda and the following risks were discussed:

1) **HR/Training** – GS confirmed that this had been reduced to green following the implementation of a formal review process for staff; the execution of Directors’ Service Agreements; the creation of a staff handbook; and the introduction of a review process for Directors.

2) **Data Management** – The Board noted that GS is currently working on the creation of a suite of cyber security policies and **IT WAS RESOLVED** that he would present the same to the Board for their review and approval in due course. **IT WAS FURTHER RESOLVED** that JB would circulate a useful link from the UK government which provides self-certification tools for staff to undertake in relation to cyber security at a cost of approximately £300 per annum. **Action: JB**

The Board agreed that a presentation on cyber security from JB would be worthwhile and **IT WAS RESOLVED** that he would provide this once the policies have been implemented. **Action: JB**

3) **Partner Referrals** – GS advised that the level of this risk had been reduced following the launch of this service with a number of service providers. The Board noted that it was now proposed to extend it to other providers.

4) **EDTS&C Grant Support Reduced** – BS proposed increasing the level of this risk in light of the current situation and the Board agreed that this was necessarily following the change in Accounting Officer and MK's resignation.

5) **Jersey Awards for Enterprise** – JD queried whether this risk warranted revision and GS advised that he has drafted an internal release about the Awards for Enterprise being discontinued.

12. Any Other Business

1) **Expiry of tenure** – JB sought confirmation of the expiry of his tenure as Director and **IT WAS NOTED** that he and BS would remain in their roles until the AGM in May 2017.

2) **2017 Meeting Schedule** – The Board reviewed the draft 2017 meeting schedule, a copy of which had been circulated with the agenda and **IT WAS RESOLVED** to move the May Board meeting and AGM to 8th May 2017, subject to confirmation from the shareholders. **Action: AM/GS**

3) **F&A** – Consideration was given to whether F&A was required, particularly in light of the pending reduction in the number of Directors. After careful consideration, **IT WAS RESOLVED** to disband F&A and include any finance or audit related items for discussion on the main Board agendas.

4) **Client Feedback Survey** – GS summarised the results of a recent client feedback survey, details of which were tabled to the meeting. **IT WAS NOTED** that the number of respondents had reduced to 133 from 200+ the previous year and whilst GS was disappointed with this, he advised that 4Insight had confirmed that it was an acceptable number.

Consideration was given to the way in which questions are asked in the survey and whether they should be amended. GS explained that questions are reviewed prior to each survey. However, he stressed the importance of building up consistent data for benchmarking purposes. The Board agreed that the question that asks whether clients consider JBL to be "**the** voice of business in Jersey" to be could be re-worded to read "**a** voice....".

The Board welcomed the net promotor score of 54.68. It was agreed that this was a positive result, particularly as it is very difficult to achieve a high score in this regard as only scores of 9 and 10 are considered. They also noted the significant increase from last year's score of 31.57.

GS acknowledged that more focus needs to be placed on following up with clients but he explained that resource was an issue in this regard.

KLF suggested that whilst JBL could play a part in facilitating a mentoring programme, however they should not be responsible for managing it and should instead include details of available mentors on their website with a view to clients contacting them directly. GS acknowledged that whilst this would free up staff at JBL, he expressed concern that without JBL involvement, clients may be matched with inappropriate mentors. However the Board agreed that it

was not JBL's responsibility to determine whether a mentor and a client were a good mix and that JBL should just be a conduit between the two.

13. Date of Next Meeting

IT WAS NOTED that the next meeting was scheduled for 8th March 2016 at 9am.

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

W. Campbell

Chairman

18.4.17

Date Signed

Actions

- 1) GS to provide the Board with VM's email address
- 2) GS to complete JBL Structure/Shareholder Review with Law Officers Department
- 3) GS to progress the proposal regarding Board make up, role, structure, capacity, time and remuneration
- 4) GS to further review the Delegated Authority document (in particular the high level payments and difference between different types of payments)
- 5) GS to present to the Board on the proposed implementation of the high growth programmes and scope of work of Regenerus (to include details of budget) for the Board's input.
- 6) Board to discuss recruitment for the high growth programme in more detail when GS, AMc and NS have mapped the programme out.
- 7) GS to circulate JBL's year end financials (together with supporting summary)
- 8) GS to ask Steven Crane to prepare a letter regarding the amendments to the lease of the premises
- 9) GS to prepare a conflicts of interest policy for approval by the Board
- 10) GS to provide the Board with dates of JBL Enterprise Week events (including provisional dates)
- 11) GS to provide the JBL team with a monthly operations report
- 12) GS to present suite of cyber security policies to the Board when complete
- 13) JB to circulate link from UK government re cyber security self-certificate tool to Board
- 14) JB to provide a presentation on cyber security following implementation of policies
- 15) AM to move the May meeting and AGM to 8th May 2016
- 16) GS to confirm availability of shareholders for AGM on 8th May 2016
- 17) GS and WL to agree an appropriate date for the additional September meeting – 20th September proposed