

WL/AM/JB/33

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

(33rd Meeting)

7th March 2017 at 9am

- 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)
(the "Board" or the "Directors")
- In Attendance:** Miss A Maskell (AM), AM to PM Secretarial Services (AM)
Ms V Moss, Apprentice Directorship Scheme (VM)
- 1. Apologies** Apologies were noted from Mr Andrew Sugden (AS).
- 2. Chairperson** **IT WAS RESOLVED** to appoint WL chairperson of the meeting.

3. Declarations of Interest

No additional conflicts were noted.

4. Minutes of previous meeting

IT WAS NOTED that the previous A and B minutes dated 10th January 2017 had been circulated with the agenda and **IT WAS RESOLVED** to approve them subject to a number of minor amendments.

5. Social Media/ Website/Events

Alexia McClure (AMC) and Rosie Lempriere (RL) were welcomed to the meeting to provide an update on the website and Enterprise Week.

RL reported that the new website was launched in July 2016 and advised that it is easier to navigate; it can be viewed on mobile devices; it enables visitors to download information directly; and client stories are more visible.

RL summarised the new "get advice" pages which have been added to the website. She advised that they provide advice on how to set up as a sole trader, partnership or limited company which reduces the amount of time JBL advisors need to spend with clients going through the set up process. However, if clients require further information or a meeting they can complete a template form via the website to request this and the details from the template provide JBL with insight into the business prior to the initial meeting.

RL confirmed that traffic to the website is being monitored. She reported that visitors spend approximately four to five minutes on the page and that a positive number of downloads are being made. AMC added that the latest results show that the new page was one of the top ten pages viewed by visitors and that the template form was the most frequently downloaded document.

JD suggested that it would be helpful to know who was downloading information from the website and WL suggested that it would also be interesting to know which industry they were from. However, RL advised that data being collected is only numerical because downloads are available without the requirement to provide any details, although details are requested from anyone wishing to sign up to

JBL's newsletter.

AMC reported that consideration has been given to whether contact details should be given to receive downloads. However, it was agreed that people should be able to receive as much information as possible from the website. Furthermore, if details are requested, JBL would need to decide what to do with them, noting that putting someone on the newsletter distribution list is different from receiving a download.

WL suggested that the information could be used as a reporting mechanism. However, AMC noted that the current reporting mechanism collates how many documents have been downloaded, just not by whom. GS queried how useful knowing the names of those downloading documents would be to JBL and stressed the importance of getting a client's contact details at the right time for the right reasons. He therefore did not propose rushing into a change in process in this regard.

In answer to a question from KLF, AMC confirmed that it was possible to establish the percentage of downloads made off Island. However, JB noted that this figure would not be accurate as local people may download documents from the website whilst travelling. He suggested that the more barriers which are put in place on the website the less likely people were to use it and noted that it was too early to ask people for their contact details and by doing so would have implications in terms of GDPR.

AMC reassured the Board that care is taken about the reasons why JBL keeps individuals' information and suggested that unless information received from downloads was used for a particular reason (e.g. inclusion on a mailing list or more detailed reporting) she was unsure how it would be of benefit.

JB noted that the "get advice" page(s) do not refer to financing and GS advised that JBL are currently working with Digital Jersey on the creation of an "Access to Finance" app. AMC added that the website has an "accessing finance" page and she acknowledged that consideration could be given to including a link to this (and other relevant pages) on the "get advice" page(s). However, RL highlighted that whilst limited companies are required to open a bank account, this is not a requirement for sole traders.

In answer to a question from BS, RL advised that clients are far better prepared when attending their first meeting with a JBL advisor because they will not be given an appointment until they have completed the template form on the website. However, JB suggested that care should be taken to strike a balance between gathering information and putting people off.

JD queried whether the template was an online form or a printable PDF and RL advised that clients are required to print it off. She acknowledged that improved functionality was required on the website but this would be subject to budget. She added that it is also proposed to condense the text on the site with "read more" options to reduce the amount of scrolling required for those accessing it from mobile phones.

AMC expressed the hope that going forward client information entered into the website will be automatically populated in Sales Force, noting that this functionality is already in place when people sign up to the newsletter. However, she acknowledged that JBL has a limited web development budget at the current time.

IT WAS NOTED that the option to sign up to JBL's newsletter is now visible on every blog page and the events page is currently under development and should be completed next week. RL advised that this will include JBL and other local events and confirmed that there will be a link to Eventbrite.

KLF noted that the local events calendar is in reverse order and RL explained that this was due to the fact that people like to see what events have taken place in the past. KLF further noted that the training courses provided by Skills Jersey are no longer detailed on the web. AMC advised that this was managed by Skills Jersey and she believed they were giving consideration is being given to resurrecting it. JD

confirmed that a tender has recently been issued in this regard and he believes its re-launch will be three to six months away.

The Board noted that an industry support page has been developed although RL acknowledged that this requires more content. BS suggested that it also requires a link for construction and AMC advised that a construction page has been drafted and she welcomed any input from the Board in this regard.

AMC provided the Board with an update on Enterprise Week which is scheduled to take place between 15th and 19th May 2017. She reported that Simon Jack (SJ), the BBC Business Editor has been confirmed as a key note speaker and a press release will be issued in this regard next week, thereafter PR around the key note event will begin. **IT WAS RESOLVED** that AMC would circulate an overview of the week's events for the Board's information following the issue of the press release. **Action: AMC**

IT WAS NOTED that the key note event is scheduled for Tuesday 17th May 2017 between 8.30am and 11am at which the Chief Minister will speak. AMC advised that SJ will present for 40 minutes on global change and how it affects Jersey. In addition, Nick Ogden (NO) (the original founder of World Pay and founder of Clear Bank) is proposed as be our second keynote speaker. The Board noted that whilst NO will be asked to focus on the change environment, it was agreed that the launch of Clear Bank would also be of interest to the audience.

Costs were discussed which are forecast to be in line with the Enterprise Week budget. WL commented that it was important to have the right calibre of keynote speakers and felt the proposed itinerary was excellent.

AMC advised that other events have been arranged during the week including an event with Chamber and Digital Jersey on technology for small businesses; an event with Barclays/Eagle Lab entitled "create, innovate and grow"; an event with the Breakfast Club following up on the recent "My Jersey" survey at which Ian Skinner will present; a strategy workshop with Royston Guest (a strategy and leadership guru); and an event with Locate Jersey, Digital Jersey and the high net worth community. WL queried what marketing is proposed for the latter event and AMC reported that this will be undertaken by Locate Jersey. She suggested that JBL could follow up with the investors post-event to establish how they may wish to work with JBL going forward.

There being no further questions for RL or AMC they were thanked for their time and left the meeting.

6. Matters Arising

GS took the Board through the following action points, a copy of which had been circulated with the agenda:

- 1) **JBL Structure/Shareholder Review** – GS reported that he had chased AS in this regard and **IT WAS RESOLVED** to establish the position of individuals who are directors and shareholders of JBL prior the AGM scheduled for 8th May 2017. **Action: GS**
- 2) **Delegated Authorities** – **IT WAS NOTED** that a revised Delegated Authority document was circulated as part of the Board Pack. GS noted that the payment restrictions in the Delegated Authority document could not be replicated on the authority profile of the HSBC on line system. The board approved the Delegated Authority acknowledging the residual risk re HSBC's on-line system, albeit this has always been the case.
- 3) **Amendments to Lease** – **IT WAS NOTED** that a letter confirming the flexibility around the break clause of the Lease has now been signed.
- 4) **Suite of policies** – GS confirmed that a suite of internal operational policies including a conflict of interest policy and cyber security policy were being worked on. The latter two would be circulated for

information at the next meeting.

5) **AGM** – GS reported that the shareholders have confirmed their availability for the AGM scheduled for 11am on 8th May 2017. He also advised the board that he was in the process of completing the paperwork required re the change from Wendy Dorman to Chris Clarke as the representative of the IOD.

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

GS provided the Board with an update on JBL's application to the EPGDPF in that he expects a delay as a result of the various reviews being undertaken with regard to the Jersey Innovation Fund.

8. 2016 Audited Accounts

The Board reviewed the draft Report and Financial Statements dated 31st December 2016, a copy of which had been circulated with the Board Pack.

GS drew the Board's attention to the Income Statement which highlights the £99,448 surplus from 2016. He advised that this is primarily due to an underspend on staff costs, noting that the additional headcount agreed in the 2016 plan had not been recruited as anticipated due to recent budget concerns.

The Board noted that the £870,980 States of Jersey Grant was broken down as follows: £800k core budget; £26,154k top up; and £44,826 carry over from retail and export grants (which JBL were only able to realise against expenditure). Therefore the total cash amount received from government in 2016 was £826,154.

The Board noted a number of minor typos in the Financial Report and Statements and GS invited the Board to provide him with details of these by email following which a final copy will be presented to the Board for approval at the AGM.

9. Budget 2017

The Board discussed the 2017 budget and reviewed the Revised Business Plan, a copy of which had been circulated as part of the Board Pack. **IT WAS NOTED** that although this was some set time ago (as part of a three year plan as per the Medium Term Financial Plan (MTFP)) it was not communicated to JBL.

Referring to the Financial Analysis, GS advised that EDTSC have agreed in principle that JBL can retain its 2016 surplus of £99k to be utilised over the period of the MTFP and he is awaiting confirmation of this in writing. **IT WAS NOTED** that JBL's budget will be £734k for 2017 and 2018 and £725k for 2019 and £440k has already been received for the first six months of 2017.

GS reported that he has met with Ian Burns (IB) from Social Security who is currently on a ten week secondment to EDTSC and he has advised that despite previous reassurances from Mike King (MK) there are no visible underspends in the EDTSC budget at the current time which could be used to make JBL's budget up to £880k. However IB agreed to revisit this position if any underspends are identified later in the year.

GS summarised the 2017 budget. He advised that it will enable JBL to undertake business as usual and provide services at a similar level as before whereas extra resources would have allowed more services to be offered in construction, tourism and agriculture. He added that JBL may struggle to cope with the growth in client base which has been seen in the last 12-18 months on the reduced budget.

GS proposed that the current Board vacancies were not replaced and that BS and JB's positions should not be replaced when their terms expire in May 2017. He also proposed that the remaining Board members should not have their remuneration increased this year. The Board supported GS' proposals in this regard and agreed that a smaller board was appropriate for the size and resources of the Company.

The Board noted that JBL has previously provided client support mainly to retail and export clients by way of top up grants. However, although a commitment has been made to holding a Facebook workshop in 2017 this budget has been significantly cut in 2017 (from £48,635 to £7,500). He added that funding for client support has no relationship to the EPGDPF funding. However, BS suggested that consideration should be given to using some of the EPGDPF funding for JBL's core costs when received, noting that the bid was submitted on the basis of a £880k budget. GS advised that the EPGDP funding was for a fully funded programme and could not be used to subsidise other core activities.

GS noted that most of JBL's costs are fixed and therefore there is limited flexibility to reduce them. He advised that whilst consideration has been given to bringing the administration of JBL's payroll in house, for what this costs, he noted that it works very well and suggested that it was more efficient to outsource it to an expert in this field. That said he acknowledged that the position could be re-visited if JBL were to co-locate with other organisations with whom it could share costs.

KLF sought clarification of the increase in training budget (from £8,104 to £10k) and GS explained that there was little flexibility in the 2017 training budget because JBL was committed to supporting two members of staff who were enrolled on Highlands courses as well as providing on-going Sales Force training. He added that negative feedback was received from staff in their 2015 appraisals about the lack of training received and he acknowledged that JBL spent very little on training in 2015 although it spent close to its budget in 2016.

In answer to a question from JD, GS advised that web site costs are recorded under marketing. JD proposed capitalising the costs incurred on the website. However, it was agreed that this would have little benefit due to the fact that the States work on a cash basis and claw back any surplus.

IT WAS NOTED that the 2017 budget breaks even in terms of expenditure and it is expected that the balance sheet will reduce from £176k to £77k over the three year period of the MTFP. The Board noted that this takes JBL back to the same position it was in in 2015 and agreed that this was a significant achievement in light of the considerably reduced budget. However, WL stressed that the position would not be sustainable for another three years post-2019.

The Board reviewed the KPIs included in the Revised Business Plan and GS noted that these had flat lined for 2017. GS stressed that some statistics are not within JBL's control (e.g. the results of the mystery shopper survey) and noted that whilst JBL will continue to be a reactive service, he expressed disappointment that it will not be able to become a pro-active service as he had anticipated. He added that he would like to reach some clients more often but acknowledged that this is not possible with a reduced budget.

BS proposed that the Revised Business Plan should include an explanation of the various types of clients and **IT WAS RESOLVED** that GS would incorporate definitions on page 5. **Action: GS**

10. Board Rotation/ Planning

IT WAS NOTED that GS, WL and EL have discussed a succession/rotation plan for Directors and, as agreed above, JB and BS will not be replaced when their terms expire in May. WL proposed that the Chair should not remain in place for more than three years and she will therefore step down in May 2018. She noted that EL will have completed six years as Director/Deputy Chair by May 2018. Therefore he will also step down at this time.

The Board agreed that whilst EL and WL will need to be replaced, the position of Deputy Chair was no longer required due to the reduced size of the Board. Consideration was given to a succession plan for the replacement of EL and WL and WL proposed beginning the recruitment process for the position of Chair (which would require the involvement of the Appointments Commission) in October 2017 with a view to interviews taking place in November and an appointment being made by January 2018 and thereafter beginning the appointment process for the replacement of EL (which would not require Appointment Commission involvement). The Board agreed that whilst a transition period of four months was reasonable for the position of Chair, this was not required for the additional director position. GS added that JBL would have to ensure we had sufficient budget to cover the transition period from January 2018 onwards. **IT WAS THEREFORE RESOLVED** to approve WL's proposed timeline.

GS suggested using social media for advertising the two positions. However, **IT WAS RESOLVED** that he would seek confirmation from the Appointments Commission that this was acceptable for the position of Chair. **Action: GS**

11. Innovation Review

GS advised that he was part of a working group together with Digital Jersey and others who have been asked for input on innovation post-JIF. He reported that the working group have recommended that Jersey should focus on the following three areas:

- 1) **Micro grants** – grants up to £5k to help get individuals with good ideas to a business proposition stage, to be managed by JBL or Digital Jersey. GS noted that JBL have previously offered this service and that he and Tony Moretta are supportive of it.
- 2) **High Growth Programme** – a programme focussed at encouraging high growth businesses. GS explained that a pilot for this has been proposed as part of JBL's EPGDPF bid. However, the working party believe it will make a real difference and therefore it should be properly funded, not just a pilot.
- 3) **Investor involvement** – pull together potential investors to encourage a more joined up approach. GS advised that he is due to liaise with his Guernsey equivalent in this regard as Guernsey have been successful in doing this.

IT WAS NOTED that the working group are passing their feedback to Regeneris and their report and recommendations to government are expected in September/October.

JD queried whether any progress has been made regarding the government's ability to take equity and GS advised that whilst this has been discussed, discussions have focussed more on whether government should actually invest or just provide the support infrastructure. He reported that private investors believe that government should step aside and let them provide the funding, albeit that the government should provide support in other ways.

12. Operations Report

The Board reviewed the Operations Report as at 31st December 2016, a copy of which was circulated with the agenda and GS highlighted the following salient points:

- 1) **Access to Finance** – GS reported that the Access to Finance app was developed by Digital Jersey. However, it was not yet fit for purpose and JBL is undertaking some re-design on it.
- 2) **Start Up Tools** – GS advised that it was proposed to digitise JBL's start up tools. However, due to the reduced budget this will not be possible although as many as possible will be digitised as part of

BAU instead.

3) **Local Service Providers** – The Board noted that the local service providers will be expanded to other sectors. GS reported that existing local service providers are now starting to be used and he believes this will develop during 2017.

4) **Personal Devices Policy** – GS advised that a personal devices policy along with other operational policies will be introduced over the coming months.

5) **Premises** – GS confirmed that four additional desk spaces have now been installed. However, due to the reduced budget no additional recruitment will due to take place in 2017. JD queried whether the secondment of staff from local banks was still a possibility and GS explained that this was considered as part of the high growth pilot which, as noted above, is currently on hold pending receipt of the EPGDPF funding.

6) **Co-Location** – GS advised that he was recently offered available space at another site at a slightly higher rental than the equivalent per square foot rate at 31 The Parade. He noted that the new space is already kitted out and, if JBL were to move to it, (prior to the recent amendment to our lease at 31 The Parade) no break clause costs would be incurred. However, a move would only be viable if government provided their full support including a commitment to cover any move costs. In addition, it would require co-location support from Digital Jersey and Visit Jersey. As GS did not receive any support from Government he has now completed the amendment to 31 The Parade lease (which allows future break options) and declined the offer of alternative accommodation.

7) **KPIs** - The Board reviewed the KPIs as at the end of December 2016 and GS advised that additional activities planned around efficiency have not progressed pending receipt of the EPGDPF funding.

The Board noted the very effective results received from video posts and consideration was given to whether JBL should promote its Facebook page with a view to making JBL more visible to the public. GS advised that although Facebook followers increased by 63% in 2016, it was not JBL's most important medium. JB added that whilst Facebook is very good for consumer led promotions, it is not the right platform for business to business selling. KLF proposed using Facebook to increase JBL's profile, noting that she would welcome the recommendation of JBL on public posts more often. GS noted that JBL uses client stories for promotion purposes where it has permission.

8) **Services Analysis** - The Board reviewed the services analysis as at 31st December 2016. GS advised that "NRC – start-ups" are now recorded as leads with a view to analysing the conversion to client status. **IT WAS NOTED** that 35 became clients in 2016 and they will be tracked going forward.

9) **Sector Split** - The Board noted the sector split which shows growth across various sectors and highlights that, contrary to perception, JBL does not only deal with retail clients.

13. Risk Register

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

1) **Facilities Management** – GS advised that this is now green following the installation of additional work space.

2) **Data Management / Business Continuity** – The Board noted that these will be amended to green after the release of the suite of policies referred to above.

3) **Conduct Risk** – GS advised that this was placed on the register following a historic issue, however,

as no further issues have occurred he advised that it will be amended to green following the audit.

- 4) **People** – **IT WAS RESOLVED** to amend this risk to green following the successful implementation of the 2016/17 pay and reward. **Action: GS**
- 5) **Governance** – **IT WAS NOTED** that this will be amended to green following the audit.
- 6) **Grant** – The Board agreed that the reasons for this risk being red were self-explanatory.
- 7) **Payments** – As discussed in item 6.2 above, this risk was required due to the difference in payment authorities in the Delegated Authorities document and on the HSBC platform.
- 8) **Jersey Awards for Enterprise** – **IT WAS RESOLVED** to rename this risk Enterprise Week. **Action: GS**

EL noted that there used to be a sub-committee of Directors to support the JBL team with the Awards for Enterprise and he queried whether similar support was required in relation to Enterprise week. GS responded that JBL is building on Enterprise Week year on year and reported that operationally the running of it was smooth. The board were very complimentary about the work the team were doing in this regard and given this was now clearly 'operational' activity were happy to continue without the need for a specific board sub-committee.

14. Date of Next Meeting

IT WAS NOTED that the next meeting was scheduled for 8th May 2016 at 9am (following which the AGM will take place at 11am).

There being no further business to discuss, the meeting was closed at 11am.



Chairman



Date Signed

Actions

- 1) AMC to circulate an overview of events for Enterprise Week following issue of the press release re Simon Jack
- 2) AS to establish the position of individuals who are directors and shareholders prior to the AGM (8th May 2017)
- 3) GS to include definitions of the different types of clients on page 5 of the Revised Business Plan
- 4) GS to establish from the Appointments Commission whether the advertisement for the position of JBL Chair can be advertised on social media
- 5) GS to amend the "People" risk to green
- 6) GS to rename the "Awards for Enterprise" risk "Enterprise Week"