

WL/AM/JB/37

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

(37th Meeting)

8th November 2017 at 9am

Present: Mr J Day (JD)
Mrs W Lambert, (WL) (Chair)
Mrs K Le Feuvre (KLF)
Mr E Lincoln (EL)
Mr G Smith (GS)
(the "Board" or the "Directors")

In Attendance: Ginny Moss (GM), Board Apprentice
Aimee Maskell (AM), 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** – WL reported that she is currently acting for the landlord of JBL's premises, albeit not in relation to the premises and JD noted that he had sold his shareholding in Shoot Limited and was no longer a director of the company. GS advised that he would shortly request an update of declarations of interests from the Directors as the same was required on an annual basis.
4. **Minutes of previous meeting - IT WAS NOTED** that the previous minutes dated 20th September 2017 had been circulated with the agenda and **IT WAS RESOLVED** to approve them, subject to a number of minor amendments.
5. **Matters Arising** - GS took the Board through the following action points from the previous minutes of 20th September 2017:
 - 1) **Active portfolio clients "trading as" individuals – IT WAS NOTED** that these details were included in the Operations Report to be discussed at item 10 below.
 - 2) **GDPR Training – IT WAS NOTED** that the GDPR training given by BDO on 28th September 2017 was very well received.
 - 3) **Security Review of JBL/Cyber Security Training** – JD reported that despite numerous chasers he had not heard from the firm he approached with regard to the provision of a security review of JBL/cyber security training. He noted that a number of companies were currently offering free cyber security training and **IT WAS THEREFORE RESOLVED** that he would contact one of them with a view to arranging the Board's attendance at the same. **Action: JD**
 - 4) **Desk Top Analysis** – GS reported that he will agree with EDTSC what should be included in JBL's desk top analysis going forward.
 - 5) **Board Skills Review Paper** – GS confirmed that this had now been updated.
 - 6) **Incorporation Pilot** – GS reported that a meeting was due to take place with JBL's contact at JFSC's front of house to discuss the incorporation pilot although a date for this has not yet been agreed.
 - 7) **Phishing Attack – IT WAS NOTED** that a risk report had been circulated on the recent phishing attack.
 - 8) **Chamber Election Activity** – EL advised that this was on-going.

9) **Appointment of New JBL Chair** – GS reported that Ed Sallis (ES) has been appointed as JBL’s representative from the Appointments Commission in relation to the appointment of a new Chair and he advised that he has arranged to meet with him to obtain confirmation that JBL can run the recruitment process solely on social media. GS proposed to start the social media campaign prior to his meeting with ES, noting that he will not object to the use of social media, albeit clarification needs to be sought as to whether it can be used solely. KLF suggested that this would be permitted, as the recent Tourism Development Fund Chair was recruited using social media alone and EL added that the Gazette is now available online.

6. **Year to Date Financial Review** – The Board noted the accounts and commentary for the period ended 30th June 2017, copies of which were circulated with the agenda. GS reported that these were very close to budget and self-explanatory and no questions were raised.

7. **Budget 2018 Review** – The Board reviewed the 2018 Business Plan re MTFP 2017-2019, a copy of which was circulated with the agenda and GS provided a summary of the same. He explained that the 2018 BAU budget was based on the £734k MTFP budget plus £30k reserves as agreed with EDTSC which leaves JBL with a deficit of £30k at the end of 2018. Referring to the “Plan B” Budget, he explained that this has been put forward in the event that JBL does not receive any additional level of support for the activities it wants to do and it is required to develop a balanced budget. He advised that this could mean further challenge on proposed costs but stressed that this is not necessary at this stage because by accepting the 2018 BAU budget JBL will have time to apply for additional top up funding from the Economic and Productivity Growth Drawdown Provision Fund (EPGDPF). However, he stressed that, if this is not forthcoming, consideration will need to be given to the “Plan B” budget.

WL queried what the trigger should be for implementing the “Plan B” budget and GS suggested that a formal trigger was not necessary, noting that JBL were simply required to show EDTSC that they have a “Plan B” in the event that their deficit continues.

WL expressed concern about when and how JBL will implement the “Plan B” budget and GS explained that if government do not support JBL by way of additional funding from the EPGDPF in order to undertake its extra activities, the “Plan B” budget will need to be considered but noted that that may not necessarily be during 2018. However, WL suggested that a definitive answer was unlikely to be received from EDTSC in this regard whereas she would welcome some certainty on the matter. GS therefore proposed re-visiting the 2018 BAU budget at the end of June 2018 if nothing further has been heard from EDTSC in respect of the additional funding JBL requires to deliver extra activities. He explained that at this stage it may still not be necessary to implement the “Plan B” budget, noting that it may be possible to make changes to the 2018 BAU budget as a result of savings of which he is not currently aware (e.g. if the current 0.5 FTE staff vacancy is not replaced). This proposal was welcomed by the Committee, although it was agreed that care should be taken to ensure that expenditure was managed carefully during the first six months of 2018 in the event that a reduction is required post June 2018.

KLF expressed concern that without a full explanation of the rationale behind “Plan B” budget it may appear that JBL can resolve its funding issues by simply reducing key cost lines, thereby resulting in JBL not receiving any additional funding. GS advised that the “Plan B” budget was required as it was important for JBL to flag up to EDTSC that it was unable to continue to deliver its core services on its current budget. However, in order to provide further clarity to those who have not received a full explanation of the “Plan B” budget, WL suggested that GS emphasise on page 3 of the Business Plan that a “Plan B” budget has been put forward because it is not sustainable for JBL to continue using its reserves year on year. **IT WAS THEREFORE RESOLVED** that GS would update the Business Plan accordingly.

Action: GS

GS reported that it is accepted that JBL's existing KPIs are no longer fit for purpose. He advised that he has not yet received feedback from EDTSC on the KPIs to be used going forward but expressed the hope that they will agree to base them on the same principles used by Scottish Enterprise. EL noted that page 7 of the Business Plan was particularly strong as this highlights what JBL can achieve with additional funding.

IT WAS NOTED that prior to receiving JD's paper on Annual Staff remuneration (to be discussed at item 7 below) he has assumed a 2.5% increase in staff costs in the 2018 BAU budget and the "Plan B" budget.

8. High Growth – GS reported that subject to getting JBL's 2017 KPIs approved and approving KPIs for 2018, the high growth funding from the EPGDPF will be released. As noted above, input from EDTSC on JBL's KPIs is awaited and GS has chased for a response in this regard which is expected soon.

9. Productivity Programme – The Board noted the draft business case for funding from EPGDPF for JBL's productivity programme, a copy of which was circulated with the agenda. GS explained that the business case has been drafted using the template which must be followed for all EPGDPF applications and he summarised the same for the Board.

GS advised that the business case highlights the importance of JBL focussing on other sectors which are not necessarily high growth sectors but which are important for Jersey and which support the high growth sectors (e.g. construction, tourism, retail and agriculture). He explained that had JBL received a full budget as expected last year it would have been able to focus on these sectors but as this was not the case it has only been able to work with them on a reactive basis whereas the additional funding will enable JBL to work with them proactively and promote JBL services within this space.

The timescale for submitting the business case was discussed and GS advised that he would like to submit something as soon as possible ideally prior to the year end, following an indication from Senator Maclean that a number of applications have been received by the EPGDPF. The Board agreed that further time was required to review and discuss the business case and **IT WAS THEREFORE RESOLVED** to hold a separate "workshop" for this purpose on 17th November 2017 at 3pm. **Action: ALL**

10. Operations Report – GS summarised the Operations Report as at 14th September 2017, a copy of which was circulated with the agenda. He advised that the incorporation pilot was continuing to go well and it was proposed to extend the pilot on charging to JBL's social media courses. **IT WAS NOTED** that Daniella Perotte has now left JBL and her workload has been temporarily split between Rosie Lempriere and Alexia McClure together with support from C5 Alliance on an ad hoc basis.

IT WAS NOTED that JBL was ahead in terms of its KPI targets and its clients come from a good range of sectors.

EL queried how much expertise the JBL team has on tech start-ups and GS suggested that they are the same as any other start up. WL added that ideally JBL would have a specialist advisor for each sector, however, current funding does not allow for this.

GS advised that some tech start-ups just come to JBL for general business advice and they will be referred to Digital Jersey for digital specific advice. He noted that JBL is also developing a portfolio of mentors with whom clients can work with.

GS reported that JBL's inactive portfolio of clients continues to grow and he explained that whilst he would rather maintain contact with these clients, this is not currently possible as contact inevitably creates additional activity which JBL does not have the resource to deal with.

The level of support JBL provides to charities was briefly discussed and GS advised that this was limited to supporting two quasi charities which he believes will generate economic value for Jersey. The Board

agreed that this should be the test for JBL providing support to charities going forward and GS reassured the Board that the JBL team are aware of the position in relation to charities and manage it well.

The Board welcomed the breakdown of sole traders and limited companies and it was agreed that clients should continue to be advised to incorporate a limited company if they are going to employ staff and or enter into lease contracts.

11. Events – The Board noted the outputs from JBL’s involvement in Customer Services Week, details of which were circulated with the agenda.

EL advised that the Retail and Supply Sub-Committee of Chamber recently discussed customer service in retail and stressed the importance of continuing to monitor it by way of mystery shopper/surveys and he suggested that JBL should play a part in this. GS reported that EDTSC have agreed to provide £100k towards the set up and running costs of the Jersey Retail Association (JRA). However, this is a one off payment and therefore the JRA needs to be self-sustainable from membership fees by 2019. He added that prior to the establishment of the JRA, JBL funded customer service surveys (via specific Retail top up grants). However, he believes that the JRA should now start to fund these itself. KLF expressed concern that the JRA was only focussed on St Helier and GS reassured her that they were trying to expand it to the other parishes. KLF added that it was often difficult to gain the support of small businesses for organisations such as the JRA and EL suggested that this was due to events being held during the working day and it was agreed that the Jersey Construction Council’s (JCC) approach of holding events at different times of the day/evening should be adopted by others.

JD queried whether EDTSC’s financial support of JRA and similar organisations may result in less support for JBL and GS advised that he did not believe there was a concern in this regard. He explained that Martin Holmes from the JCC and Keith Beecham from Visit Jersey were both supportive of JBL’s productivity programme proposals in relation to the construction and tourism sectors. He added that the Rural Economy Strategy also references JBL and highlights the importance of the services it offers to the agricultural sector.

In the event that JBL are seeking to provide support to certain sectors, KLF queried whether it would be possible to obtain funding from their respective trade organisations (e.g. Jersey Farmers Union, Jersey Hospitality Association etc.), noting that some of them have significant funds. WL suggested that it would be difficult to seek funding from one organisation but not another and GS stressed that support should come from government. That said, if government decide to allocate part of a particular sector’s funding to JBL to support the services JBL proposes to provide to that sector this would be accepted and agreed that if funding is not forthcoming approaches could be made to the individual trade organisations, albeit that the initial approach should be made to government.

WL suggested that agreement should be reached on what JBL could charge for support prior to the implementation of the “Plan B” budget. She acknowledged that this could cause controversy and therefore the best course of action was to seek funding from the States of Jersey via the EPGDPF initially if possible and if this was not forthcoming, she proposed approaching the trade bodies as suggested by KLF.

Referring to JBL’s involvement in Global Enterprise Week, GS advised that JBL were undertaking a number of activities for a very small budget. **IT WAS NOTED** that KLF and five other entrepreneurs (all from different industries) will be profiled during the week and an event will be held with Locate Jersey to which a number of HNWI and JBL clients have been invited.

12. Risk Register – The Board noted the revised Risk Register, a copy of which had been circulated with the agenda. GS reported that the Data Management risk had been reduced to green following

completion of a risk report on the recent phishing email. JD queried whether Enterprise Week still represented a risk or whether this was now part of BAU. GS confirmed that this was now an operational activity and **IT WAS THEREFORE RESOLVED** to remove it from the Risk Register. **Action: GS**

13. Any Other Business

(a) Board Packs – **IT WAS RESOLVED** that EL would provide a summary of software that can be used for the purpose of reviewing board packs online for Directors who do not wish to print paper copies. **Action: EL**

(b) Bailiwick Express Competition – GS advised that he has agreed to act as judge and provide JBL support as part of a prize in a Bailiwick Express competition. He noted that the competition is based on a Dragon’s Den style approach and the winner will win free advertising, marketing and business advice as well as access to a number of potential investors. He reported that whilst he was unsure of the quality of the applications he believes approximately 25 have been received and he welcomes the private sectors involvement in such an initiative.

(c) Paradise Papers – EL queried whether the release of the Paradise Papers could have any impact on JBL and GS advised that in the short and medium term they would have no impact on JBL. However, he noted that discussions were on-going about how damaging they could be for the financial sector and Jersey’s economy overall. The Board agreed that Paradise Papers highlight further concerns around cyber security and **IT WAS THEREFORE RESOLVED** that the Data Management Risk should be returned to Amber. **Action: GS**

JD proposed that consideration should be given to restricting staff from emailing documentation to their private email addresses or using USB sticks and GS stressed the importance of having cyber security training and agreeing what processes should be implemented, noting that these need to be balanced in line with the type of data JBL keeps. With this in mind, he proposed holding a cyber security workshop at which appropriate training could be received and suggested processes discussed. He added that any processes which are implemented must be sensibly managed and noted that some form of future data breach/ attack is inevitable and therefore it was crucial we continued to review our internal policies and processes.

14. Date of Next Meeting - IT WAS NOTED that the 2018 meetings were scheduled as follows: 10th January, 8th March, 8th May (to include AGM) and 18th September 2017 (all at 9am) and **IT WAS RESOLVED** that AM would circulate calendar invites for the same. **Action: AM**

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



Chairperson



Date Signed

Actions:

- 1) JD to arrange for the Board to attend a cyber security presentation/training
- 2) GS to update Page 3 of the Business Plan/Budget to emphasise that a Plan B budget has been put forward because it is not sustainable for JBL to continue using its reserves year on year.
- 3) GS to remove Enterprise Week from the Risk Register

- 4) EL to provide a summary of software to be used to review board packs online
- 5) GS to increase the Data Management Risk to amber
- 6) AM to circulate calendar invites for 2018 meetings