

AJ/AM/JB/44

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

(44th Meeting)

24th May 2019 at 2pm

Present: Mrs J Carnegie (JC)
Mr J Day (JD)
Mr A Jehan (AJ) (Chair)
Mrs K Le Feuvre (KLF)
Mr G Smith (GS)
(the "Board" or the "Directors")

In Attendance: Aimee Maskell (AM), AM to PM Secretarial Services (AM)

1. **Apologies** –Apologies were noted from Mrs Victoria Eastwood.
2. **Chairperson - IT WAS RESOLVED** to appoint AJ chair of the meeting.
3. **Declarations of Interest** – AJ advised that he had been appointed Group CEO of CI Lines and Paul Davies Freight and was due to start in his new role on 1st July 2019 and the Board noted JC's recent appointment as President of Chamber of Commerce.
4. **Minutes of previous meeting - IT WAS RESOLVED** to approve the minutes dated 14th February 2019, copies of which were circulated with the agenda.

5. **Matters Arising** – GS provided an update on the outstanding actions from the previous meeting (which were not otherwise included on the agenda) and a number of matters arising were also discussed as follows:

(A) **"Pitch" Document** – GS reminded the Board that it was agreed he should re-circulate a copy of his "pitch" document for their input. However, he recommended revisiting this when JBL's promotional programme and the 2018 audit has been completed to enable statistics therefrom to be used in the pitch document with confidence. He added that this discussion should also cover Enterprise Week and appropriate marketing around it.

(B) **Cyber Essentials** – GS reported that Guy Pipon (GP) is due to leave his role in the States and is unsure who will replace him and, as far as GS is aware, no handover has taken place. However, during his most recent conversation with GP, he acknowledged that Jersey has the capability to deliver Cyber Essentials without needing to outsource this to a UK company.

GS advised that he recently met with the owner of a construction/double glazing firm who has completed the Cyber Essentials process for his businesses. He reported that whilst he found this process helpful and believes it will help him win government contracts, he expressed disappointment that he does not receive any credit for having completed it and noted that government have not made it a requirement in their contracts.

(C) **Information Commissioner's Office (ICO) Fees – IT WAS NOTED** that the ICO have released their suggested fees. GS commented that these were quite high and may lead to problems for small businesses. He acknowledged that they wish to become a self-funding organisation, but suggested that it was unfair to have built the organisation up and now expect the business community to fund them. The Board noted that JBL have responded to the ICO regarding their proposed fee increases and **IT WAS RESOLVED** that GS would circulate a copy of the same to the Board. **Action: GS**

(D) **Board Skills Review** – GS requested that the Board complete the Board Skills Review within the next two weeks and **IT WAS RESOLVED** that he would present on the results at the next meeting with a view to any gaps being considered by the Board. Action: GS/ALL

(E) **Partnership Agreement** – **IT WAS NOTED** that AJ and GS recently raised the importance of JBL agreeing its 2020 Partnership Agreement with Lyndon Farnham (LF) and Dan Houseago (DH) and **IT WAS RESOLVED** that GS would raise this with DH again at their 1:1 meeting scheduled for next Tuesday 28th May 2019. However, he noted that none of the arms' length organisations (ALOs) have their 2020 Partnership Agreements in place yet.

In answer to a question from JC, GS confirmed that formal discussions have not taken place within the civil service and government about the potential of combining the ALOs. He reported that whilst JBL would welcome closer collaboration with the other ALOs, he met with the CEOs of Jersey Finance Limited (JFL), Digital Jersey (DJ), Visit Jersey (VJ) and Locate Jersey (LJ) recently and they have material concerns with any form of formal integration shared Services between the ALO's. It has however been proposed to schedule a meeting between the Council of Ministers and the ALO CEOs to consider how the ALOs can assist with government's strategic objectives and he noted that this has been welcomed by Ian Gorst and LF.

JC queried who else JBL should influence to progress the Enterprise Strategy and GS noted that JBL has a good relationship with DH. He added that John Rogers, DH's Group Director and Charlie Parker (CP) are also supportive of JBL. AJ noted that it was a year since AJ and GS met with CP and therefore proposed scheduling a meeting with him to provide him with a JBL update and to highlight the importance of defining JBL's Partnership Agreement to ensure the necessary support is received to enable JBL to do what it is capable of doing. **IT WAS THEREFORE RESOLVED** that AJ would contact CP to request an update on the Enterprise Strategy and suggest that GS provides input in progressing the same. Action: AJ

The Board agreed that following contact with CP by GS and AJ, if felt appropriate, consideration would be given to inviting him to lunch together with KLF. Action: GS/AJ/KLF

Consideration was given to any other Ministers JBL could influence regarding the progression of the Enterprise Strategy and **IT WAS RESOLVED** that KLF would invite Susie Pinel for lunch to discuss the same. Action: KLF

6. **2018 Audited Accounts (Accounts)** – The Board reviewed the Accounts for the period ended 31st December 2018, together with the letter of representation and warranty and Grant Thornton's Audit Findings Report, copies of which were circulated with the agenda. GS confirmed that a clean audit was received, save for the Auditors suggesting that unused annual leave be recorded as a liability in the Accounts. GS reassured the Board that a policy regarding unused annual leave was in place and was managed closely whereby staff are required to take any unused holiday from the previous year by March unless they have exceptional agreement from him.

JD welcomed the fact that all of the issues raised in the 2017 audit had now been resolved and JC noted the 2018 deficit of £10k and queried what deficit was estimated for 2019. GS reported that a deficit of £65k was expected, noting that all JBL services will be retained in 2019 but its budget has been reduced. AJ explained that unlike normal trading businesses, JBL does not build reserves. This was echoed by GS who referred to a clause within the current Partnership Agreement which legally obliges the States to pay for any costs associated with the winding up of the organisation. AJ stressed the importance of ensuring this clause was also included in the 2020 Partnership Agreement and suggested that the Board should be mindful of going concern issues in the event that a 2020 Partnership Agreement has not been agreed and signed by September 2019. JD expressed surprise that the absence of a 2020 Partnership Agreement was not raised by the Auditors as a technical issue. However, GS noted that the Auditors have raised

the issue of going concern in prior audits.

There being no further comments or questions on the Accounts, letter of representation and warranty and Auditor's Findings Report, **IT WAS RESOLVED** to approve the accounts and letter of representation and warranty for signature. **Action: GS**

7. **Year to Date Financial Review** – The Board reviewed the year to date financials as at 30th April 2019, copies of which had been circulated with the agenda. GS confirmed that the financials were on budget and that there was nothing significant to report. He advised that JBL had received payment from the States for its most recent grant invoice and reassured the Board that the overspend with regard to IT was a phasing issue which would level out by the year end.

8. **Q1 Report to Economic Development Tourism Sport and Culture (EDTSC)** – GS summarised the Q1 Report for submission to EDTSC which includes an update on the KPIs which have been agreed with them. He explained that some of the growth portfolio figures have reduced following a reclassification exercise in April. He noted that this also resulted in some clients moving from light to advisory.

JC noted the current positive net promoter score (NPS) of 74 and queried why the KPI for this was only 70. GS suggested that consideration needs to be given to whether an NPS score can go any higher once a certain level has been reached. He explained that 70 is still considered a world class score and therefore focus will be placed on maintaining that. Furthermore, he expected a reduction in the NPS given that JBL will be trying to service the same number of clients on a reduced budget.

In answer to a question from AJ, GS advised that Lorie Rault's (LR) success is currently measured as part of Retail Services for which JBL has received a £53k grant. However, from 2020 onwards this will be included in the main JBL report.

Referring to page 4 of the report, GS advised that he has notified EDTSC that the data being requested is too extensive and not necessarily helpful in determining JBL's value for money. By way of example he referred to the request for data on businesses "forecasting a growth of 20% pa with a minimum turnover of £1m". He noted that this was the EU's definition of a high growth business and suggested that JBL should not be limited to working in this area as it can also show value by working with core services.

Referring to the request for data on the "average salary of new jobs", GS advised that whilst the advisory average of £19k pa was a purely mathematical calculation based on FTEs, it surprised him. However, he accepted that the quality of last year's data was not that high and therefore he was only able to report on what was available to him.

KLF queried whether it was possible to break the average salary figures down into different sectors to determine where growth was coming from. GS agreed to provide the same, noting that this type of breakdown would be meaningful if combined with increases in productivity across the portfolio and feedback received from clients on how much they value JBL's input as it would enable the GVA of JBL's input to be calculated. **Action: GS**

AJ noted discrepancies on the YTD spend and Budget YTD on the Retail Services Progress Report and GS confirmed that these had already been updated.

AJ noted that only two out of the target of 20 training days within Retail Services had been delivered to date and he sought reassurance that this target will be met. GS confirmed that this will form part of LR's new role and confirmed that she will meet the target going forward.

9. **Operations Report** – The Board reviewed the Operations Report for the period ending 30th April 2019, a copy of which had been circulated with the agenda and GS summarised the same. **IT WAS NOTED** that this highlights the reduction in growth clients (to 59) following reclassification and KLF

suggested that the breakdown of portfolio clients was powerful in demonstrating that JBL does not only work with start-ups but also works with existing trading businesses.

GS reported that progress has been made in how JBL is perceived. However, AJ advised that JBL still faces challenge from government that large businesses do not pay for the services they receive from JBL. He therefore suggested that consideration may need to be given to how JBL shares in business' success following completion of the business improvement programme if they see increased productivity as a result. GS stressed that whilst JBL will always require a core grant to operate, he accepted that it may need to start bidding for additional funding for specific projects and he suggested that JBL will be required to demonstrate that these projects will become self-financing going forward. He added that he believes ALOs will start to be challenged about generating revenue or, alternatively the private sector will be asked to take over projects the ALOs have started.

JC queried whether it would be possible for JBL to take a percentage of the savings business make as a result of attending its business improvement programme. However, GS suggested that the tracking and documenting of this would outweigh the benefit and he therefore proposed focusing on ensuring programmes become self-financing as soon as possible. With this in mind, AJ stressed the importance of asking those who have completed the programme (both businesses and individuals) to become ambassadors for it and this was echoed by JD who noted that if people can find time to attend the programme it provides them with "tools for life".

10. **Risk Register** – The Board reviewed the risk register as at 13th May 2019, a copy of which was tabled to the meeting and GS highlighted the following amber, red or updated risks as follows:

(a) **Data Management** – GS reassured the Board that this was continuing to be monitored. He reported that JBL had recently been victim of a further phishing email but confirmed that this was identified and dealt with accordingly.

(b) **People** – The Board noted that following receipt of the DIFERA Report (see 11 below) the current risk score had been reduced to 2 as this did not highlight any cause for concern.

(c) **Budgeting and Cash Flow Management/EDD Grant Support** – As noted above, JBL still does not have a Partnership Agreement in place for 2020. However, AJ and GS reassured the Board that they raise this with LF at every opportunity and they anticipated this being progressed following completion of the Government Plan which was due to be lodged in the next six weeks. Discussion took place as to whether the absence of a 2020 Partnership Agreement should be a separate risk. However, after careful consideration **IT WAS RESOLVED** that GS would make specific reference to this under the EDD Grant Support risk. **Action: GS**

IT WAS NOTED that a whistle blowing policy has been implemented following DIFERA's recommendation.

Concern was expressed regarding the comment which referred to employees "feeling able to express their opinions, but if they do not fit with management's view they are stopped without any explanation". A lengthy discussion took place in this regard and **IT WAS RESOLVED** that going forward staff would be invited to send any ideas/opinions to GS who would review them on monthly basis together with two junior members of staff. **Action: GS**

Flexi-time was discussed and the Board expressed disappointment that there appears to be a stigma around asking for it, particularly when JBL is encouraging clients to introduce it. This was acknowledged by GS who noted that staff naturally feel guilty leaving early when others are still in the office, even if they have come in early. However, whilst he stressed that there must be a process in place around this to ensure sufficient cover, focus needs to be placed on encouraging staff to use it and not feel guilty for doing so and he suggested that the best way to do this was for the SMT to lead by example. He added

that he was not surprised by the lack of take up of flexi-time and suggested that to a degree this was human nature and noted that certain generations were not used to it. However, he reported that the staff had started to use it more recently.

There being no further comments or questions on the DIFERA report **IT WAS RESOLVED** to repeat it in two years' time. **Action: GS**

11. **Enterprise Week** – GS advised that the speaker proposed for the key-note event at Enterprise Week was not available and therefore sought the Board's view on whether the format of this event should be revisited.

KLF proposed holding an interactive Q&A event with a panel from different sectors of the business community rather than having a key-note speaker and GS noted that this format had proved successful in the past when JBL held an "access to finance" event. He added that they were more relevant to JBL's SME clients and suggested doing more of them during Enterprise Week. However, he acknowledged that the key-note event was high profile for JBL.

JC queried what the expected outcomes from Enterprise Week were and stressed that these should be more than a "great talking shop". This was echoed by AJ who suggested that Enterprise Week has significant value from a marketing perspective for JBL and provides JBL with the opportunity to engage with key stakeholders. With this in mind, JC proposed using Enterprise Week as an opportunity to progress the Enterprise Strategy.

AJ stressed the importance of continued marketing 100 and 200 days after Enterprise Week this year and this was echoed by JD who noted that last year's key-note event raised a number of questions and actions which were not followed up. GS agreed that last year's key-note event started some strategic thinking but expressed frustration that this was not progressed. However, he suggested that this would be different if JBL became the lead for the Enterprise Strategy.

JD highlighted that JBL has already stopped the Enterprise Awards and he expressed concern about also cancelling the key-note event, noting that JBL needs to continue raising its profile. This was echoed by the Board, particularly if JBL wants to take a lead role in the Enterprise Strategy. However, it was agreed that consideration must be given to how marketing can be increased after the event.

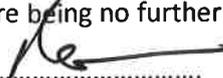
The format of the event was discussed and **IT WAS RESOLVED** that GS would establish whether Simon Jack was free to facilitate a Q&A panel consisting of the same individuals as last year, focusing on the actions which were agreed at last year's event with a view to determining why they have not been progressed and holding those responsible to account. **Action: GS**

12. **Any Other Business** – KLF noted that she and JD had completed a three year term as Directors and proposed that consideration be given to a Directors' succession plan. **IT WAS THEREFORE RESOLVED** that GS would prepare a summary recommending the timescale for rotation of directors for discussion at the next meeting. **Action GS**

The Board discussed the appointment of Alexia McClure as a Director on the Board and, after careful consideration, **IT WAS RESOLVED** to invite her to join the Board. **IT WAS FURTHER RESOLVED** to ask her to take responsibility for presenting on the Operations Report and Financials at future meetings. **Action: GS**

13. **Date of Next Meeting** - **IT WAS NOTED** that the next meeting was scheduled to take place on 5th September 2019 from at 9am to 11am. JC gave her apologies for the same although offered to dial in if required. The Board agreed that an interim Board meeting was required prior to 5th September 2019 and **IT WAS RESOLVED** that GS would arrange the same. **Action: GS**

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


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5 September 2019
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Chairperson

Date Signed

Actions:

- 1) GS to circulate a copy of JBL's response to the ICO on their proposed fee increases
- 2) Board to complete Board Skills Survey and GS to present on the same at the next meeting
- 3) AJ to speak to CP regarding GS' input into the progression of the Enterprise Strategy (and invite him for lunch together with KLF if felt appropriate)
- 4) KLF to invite Susie Pinel for lunch
- 5) GS to arrange signature of the 2018 Audited Accounts and Letter of Representation and Warranty
- 6) GS to prepare a breakdown by sector of the average salaries for new jobs in growth, start up and trading businesses
- 7) GS to further update the People risk on the Risk Register to reduce the risk following the announcement of his reduced working week/restructure
- 8) GS to refer to the current lack of a 2020 Partnership Agreement in the EDD Grant Support risk on the Risk Register
- 9) GS to invite staff to send any ideas/opinions to him for review on a monthly basis together with two junior members of staff
- 10) GS to repeat the DIFERA Report in two years' time
- 11) GS to establish Simon Jack's availability for the key-note event at Enterprise week and ask the same individuals as last year to form a Q&A panel to focus on the actions which were agreed at last year's event
- 12) GS to prepare a summary recommending the timescale for rotation of directors for discussion at the next meeting.
- 13) GS to invite AMC to join the Board and present on the Operations Report and Financials going forward
- 14) GS to arrange an interim meeting prior to 5th September 2019