

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

(45<sup>th</sup> Meeting)

5<sup>th</sup> September 2019 at 9am

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

**In Attendance:** Mrs Victoria Eastwood (VE) (from item 7 onwards)  
Aimee Maskell (AM), AM to PM Secretarial Services (Minutes)

1. **Apologies** –AJ welcomed AMC to her first meeting as a Director of the Board and apologies were noted from Mrs J Carnegie (JC). **IT WAS NOTED** that VE was due to join the meeting later and that it was her last meeting as a board apprentice. **IT WAS THEREFORE RESOLVED** that GS would contact the Board Apprentice Scheme to appoint a replacement apprentice. **Action: GS**
2. **Chairperson - IT WAS RESOLVED** to appoint AJ chair of the meeting.
3. **Declarations of Interest** – AJ advised that he continued to be a Director of St George's School and had now officially started his role as Group CEO of CI Lines and Paul Davies. AMC advised that she was Chair of Young Enterprise and a board apprentice of the JEC, albeit that this was due to finish in December 2019. **IT WAS RESOLVED** that AMC would complete the necessary declaration of interest form. **Action: AMC**
4. **Minutes of previous meeting - IT WAS RESOLVED** to approve the minutes dated 24<sup>th</sup> May 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) as follows:
  - (A) **Information Commission's Office (ICO) and Jersey Financial Services Commission (JFSC) Fee Increases** – GS advised that he had emailed the ICO raising concerns about their proposed fee increases and also met with Phil Ashley from the Government of Jersey (GOJ) to discuss the same. He reported that the ICO took on board JBL's concerns and agreed to revise some of their fees for the SME sector. However, this has yet to be published. The Board noted that GS had also met with Julian Lamb (JL) from the JFSC to raise concerns regarding the proposal to increase the charge to register business name and to implement a re-registration process for the same and JL accepted that the process of registering business names overall needed to be revisited.
  - (B) **Enterprise Strategy** – AJ reported that he met with Charlie Parker (CP) on 26<sup>th</sup> July 2019 to discuss GOJ's progress on the Enterprise Strategy and highlighted the importance of GS being involved with the same. He also reported that Lyndon Farnham (LF) has also stated that JBL should be heavily involved in the Enterprise Strategy.
  - (C) **Treasury Minister Engagement** –AJ provided contact details and **IT WAS RESOLVED** that KLF would contact her accordingly. **Action: KLF**
  - (D) **Breakdown by sector of the average salaries for new jobs in growth, start up and trading businesses** – GS reported that whilst it was possible to provide a breakdown in this regard, it would be a

time consuming exercise. He therefore sought clarification from the Board as to the value of this data. KLF suggested that a breakdown of average salaries by sector was required to help defend ongoing criticisms made against the tourism/hospitality industry regarding the lack of additional benefits offered to staff (e.g. accommodation) and to highlight that the majority of businesses pay more than minimum wage.

GS advised that he recently attended the Employment Forum's consultation regarding minimum wage which made it clear that most Jersey employers pay more than the minimum wage. However, KLF reported that Customer and Local Services (CLS) (fka Social Security) are unable to provide data to show how many people are being paid minimum wage. For this reason, during her time as President of Chamber of Commerce, Chamber ran a survey to try and establish the position and the numbers were very low. As a result, Chamber stopped submitting a response to the Employment Forum's annual minimum wage consultation.

GS suggested that going forward the Board will start to receive more granularity around productivity which he will be able to break down by sector. It was therefore agreed that, at this stage, there was little value in GS taking the time to breakdown the average salary per sector. That said, AJ stressed the importance of highlighting that JBL helps to support different types of businesses and GS noted that the average salary for jobs created following support by JBL is included in the quarterly report submitted to the GOJ.

(E) **Staff Ideas/Opinions** – GS confirmed that staff ideas / opinions are continually talked about and listened to. However, he confirmed that there is now a formal process in place whereby he reviews them on a monthly basis with two junior members of staff to ensure they are followed through.

(F) **DIFEIRA Report** – GS advised that whilst the DIFEIRA Report was a very useful exercise that he proposed repeating again in two years' time, this would be dependent on the status of JBL and DIFEIRA at this time.

(G) **Rotation of Directors** – **IT WAS NOTED** that JD and KLF's directorship terms were due to expire in May 2020. GS advised that this term was flexible and he proposed reviewing the position as part of the Directors skills gap analysis to be undertaken. **IT WAS THEREFORE RESOLVED** that GS would re-circulate the skills form to the Directors for completion and analysis and include the same on the agenda for discussion at the next meeting. **Action: GS**

(H) **Interim Board Meeting** – GS advised that due to the Directors' availability over the Summer it had not been possible to arrange an interim meeting prior to today's meeting. Consideration was given to the meeting schedule for 2020 and **IT WAS RESOLVED** that AM would draft the same for GS' review. **Action: AM/GS**

6. **Year to Date Financial Review** – The Board reviewed the year to date financials as at 30<sup>th</sup> June 2019, copies of which had been circulated with the agenda. GS advised that income was as expected and highlighted that staff costs were currently under budget by approximately £20k and would reduce further following GS' reduction to three days per week and would therefore be under budget at the year-end. Furthermore, the over-spend of approximately £9k on ICT costs was due to phasing and would balance out by the year-end.

GS reminded the Board that JBL's expenses budget for 2019 was £843k, which was broken down into a £725k grant from Core Grant; £65k from JBL's reserves; and a £53k "top-up" retail grant.

AJ queried how income from the Business Licences Fund was accounted for, noting that this was used to run JBL's business efficiency, leadership and skills programmes. AMC advised that whilst JBL facilitates these programmes, it does not hold any budget for them and any money in/out is processed through

GOJ's accounts. She explained that this arrangement was easier than GOJ providing JBL with numerous "top-up" grants.

The Board discussed JBL's 2020 Budget and GS reported that the message from the GOJ was that no arm's-length organisations (ALOs) have revised Partnership Agreements in place for 2020 yet and are therefore being asked to work to similar BAU budgets as 2019. However, GS noted that whilst ALOs such as Visit Jersey and Jersey Finance are aware of their numbers in this regard, JBL has had to revert to GOJ for further clarity, noting that JBL's 2019 BAU budget included £65k of reserves which it will not be able to afford to include in its 2020 budget. GS reported that if JBL receive GOJ confirmation JBL's BAU 2020 budget is c£860, it will be able to roll everything forward into next year (including retail). However, if it is only confirmed as £725k, this will cause issues as JBL is unable to use its reserves for a second year running.

JD expressed concern about the Director's responsibilities with regard to JBL's going concern and AJ reassured the Board that he has already raised this with LF and EDTSC officers both verbally and in writing and has highlighted the Directors' responsibilities in this respect. He reported that whilst LF has assurance that funding will be forthcoming, AJ has requested that this is confirmed in writing and LF has agreed to ask Darren Scott to arrange the same on his return from annual leave. He stressed the importance of JBL receiving written assurance from the GOJ that it will under write any expenses JBL's may, or may not have, in the event that it does not receive GOJ funding, noting that whilst the Government Plan is a four year plan, JBL will still be required to go through an annual "bidding process".

GS suggested that going forward JBL's core budget is likely to be allocated to "fixed costs only" and that it will have to bid for additional funding to run any extra programmes. He noted that other ALOs have taken strategic risks to develop medium term programmes with only short term funding available and KLF queried what action the Board can take to enable it to act more strategically. AJ reassured the Board that he and GS continually lobby Ministers and GOJ officers and attend regular meetings in order to promote JBL. Nevertheless, KLF expressed disappointment that some years ago GS presented a number of exciting programmes (e.g. an export programme) which it has not been possible to start due to lack of funding. This was echoed by JD.

AMC reported that JBL has benefited from the opportunity of working with Skills Jersey and the Business Licence Unit, noting that JBL designed the framework for how the business licence funding could be spent. She stressed that JBL has been a fundamental partner in how to spend government money and was part of a three way partnership with two government departments which enabled JBL to offer additional programmes. However, as noted above, JBL does not hold the budget for these programmes. Therefore, the volume of activity and positive impact they create is not reflected in JBL's P&L. JD suggested that this arrangement has positive and negative implications. By way of example, he noted JBL should be able to use the results from the programmes to promote JBL but because it does control the budget this is not possible and he expressed concern that JBL was therefore undertaking all the work without receiving any budget or reward. However, AMC suggested that the reward for JBL was reputational, noting that the arrangement highlights JBL's ability to deliver successful programmes in partnership with others. GS added that by running successful pilots, JBL will be able provide evidence to support funding when the Enterprise Strategy is implemented.

In answer to a question from KLF, AMC reported that whilst the setting up of programmes is time consuming for her, once they are established they are run by Rosie Lempriere (RL) and Daniella Perotte (DP). With this in mind, KLF suggested that it may have been preferable to second a JBL member of staff to Skills Jersey to run the programmes. AMC reported that Skills Jersey have invested £150k in the programmes and GS suggested that if this money had been received by JBL, it would have invested it in

the same way.

AJ expressed concern that JBL was not receiving the credit it deserves for setting up and facilitating the programmes. He added that if JBL staff are setting up/facilitating programmes on behalf of Skills Jersey for no extra cost, they are unable to work on other JBL initiatives. With this in mind, he suggested that consideration should be given Skills Jersey part-funding a member of JBL staff to facilitate the programmes. However, AMC reiterated the positive experience JBL has had from working with other GOJ departments and suggested that the implementation and running programmes was part of its core activity. GS added that there was a danger in JBL seeking part-funding from Skills Jersey as this may lead to a reduction in JBL's core budget and, as noted above, he proposed that JBL will be required to bid for any additional budget over and above its core budget going forward.

AJ congratulated the JBL team on how successful the programmes have been. However, he stressed the importance of promoting them more to ensure JBL receives the credit for them. This was acknowledged by AMC who noted that staff are so busy working on the programmes, marketing/PR can sometimes slip. With this in mind, AJ proposed that AMC liaise with the Digital Jersey Academy as they are looking for live projects to work on. **IT WAS THEREFORE RESOLVED** that she would discuss this with them. **Action:**  
**AMC**

*VE joined the meeting at 10am.*

7. **Q2 Report to EDTSC** – The Board reviewed the Q2 Report to EDTSC, a copy of which was circulated with the agenda and GS summarised the same. He referred to the KPIs and noted that the first three were funded by JBL's core budget and had slightly increased from 2018.

GS advised that growth and advisory figures had increased as at September. However, he reported that it was proposed to undertake a data cleanse to ensure that all clients were still in the right category. He noted that this would improve the level of financial information included going forward but may also result in a drop in numbers. However, EDTSC were aware of this.

Referring to the NPS score (currently 74% against a KPI of 70%) GS advised that this was reviewed annually in December with the result issued in January.

**IT WAS NOTED** that the number of downloads and event attendees had reduced but web sessions had increased. GS explained that the reduction in event attendees was due to Enterprise Week being deferred (see item 12 below), noting that the KPI figure was based on the inclusion of Enterprise Week.

The Board reviewed the management information included in the report required by the GOJ to demonstrate JBL's value for money. GS reported that he was continuing to evolve the GOJ's requirements in this regard and highlighted the areas he proposes to discuss with them where he does not believe the information they are requesting is appropriate.

GS added that he does not believe turnover is a good measure of productivity as profitability could be negligible. He noted that this also requires extra data collection from clients and therefore proposes to ask the GOJ whether this is necessary.

AJ queried how close JBL was to uploading management information for the advisory portfolio clients and GS reported that Nick Steel's (NS) clients are now complete. However, they need to go through a data cleansing process to ensure they are 100% accurate and to check they are still in the appropriate category.

KLF noted that independent 4Insight research shows that JBL had a positive impact on 88% of portfolio clients' productivity and she queried whether GS was aware of the who the remaining 12% of clients were. GS advised that whilst it may be possible to identify them, he was not sure. However, he suggested that the financial information now being collated by JBL together with 4Insights research make for compelling

statistics.

In answer to a question from AJ, GS acknowledged that the preparation of the EDTSC quarterly report was quite time consuming as it required a high level of manual processes to ensure the information was accurate. He added that if it was not necessary to provide certain information, it may be possible to set the system up to be more automated.

The KPIs for the retail “top-up” grant were briefly discussed and both GS and AMC noted that LR was a significant asset to the JBL team and was well respected in the retail industry. AMC added that LR needed time to bed into the JBL team following her change in role from working for the Jersey Retail Association (JRA). However, she reported that it was proposed to re-visit her targets and focusses going forward, noting that working as part of JBL was very different to working for a membership organisation such as the JRA.

8. **Operations Report** – The Board reviewed the Operations Report for the period ended 30<sup>th</sup> June 2019, a copy of which had been circulated with the agenda. GS suggested that this was self-explanatory and that the contents had been discussed as part of 7 above.

9. **Business Efficiency/Leadership/Skills Programmes** – **IT WAS NOTED** that the programmes established jointly with Skills Jersey and Business Licence Unit had been discussed above. However, AMC provided a summary of each courses for the Board’s further information. She noted that a third business efficiency course was due to start on Monday 9<sup>th</sup> September 2019 with ten companies taking part (five of which have previously undertaken the course; and five new ones). **IT WAS NOTED** that Skills Jersey had confirmed they will continue supporting this course going forward; work was underway to find a local provider; and the next course will take place in February 2020.

The Board noted that the Leadership Programme starts at the end of September and focusses on the growth message. AMC reported that although this programme was difficult to sell, she believes it will be worthwhile. She added that it is initially being run as a pilot with a view to it being an ongoing programme.

AMC reported that an IT Review pilot will be run with eight businesses taking part between now and next year. She explained that this is intended to stimulate businesses to consider their IT structure and implement processes around the productivity agenda. **IT WAS NOTED** that a skills audit will also take place, starting with the hospitality sector. AMC reported that whilst this will be managed by Skills Jersey, JBL will get involved.

AMC acknowledged that a launch needs to be undertaken prior to the start of each course as this provides publicity / PR for JBL and that the programmes need to be rolled out appropriately to ensure JBL gets the right impact for the money that is being spent. **IT WAS THEREFORE RESOLVED** that she would re-visit the marketing of the programmes. **Action: AMC**

GS reported that Saboohi Famili, (GOJ Director of Young People, Further Education, Skills and Learning) was comfortable with the work that JBL was doing around the programmes. However, AMC advised that whilst the current arrangements were in a positive place, there was always a risk that the GOJ may want to do something different with the funding.

10. **Cyber Essentials Accreditation** – AMC reported that JBL went through the process of obtaining its Cyber Essentials Accreditation over the summer and was currently awaiting a letter of confirmation from GOJ procurement to confirm the same. She advised that whilst this was a positive process which led to a review of JBL’s current systems, it was quite complicated to establish what was required and noted that it is necessary to sign up with an assessor. AJ queried whether JBL was doing enough to encourage its clients to obtain the accreditation and AMC expressed concern that if accreditation is being

requested by the GOJ as part of their contracts, it must ensure they monitor it going forward. With this in mind, she advised that JBL is working with the GOJ with a view to holding an event around cyber security.

11. **Risk Register** – The Board reviewed the risk register as at 31<sup>st</sup> August 2019, a copy of which was tabled to the meeting and **IT WAS NOTED** that the People risk had been reduced following GS' reduction to three working days per week as this has reduced challenges on pay and GS confirmed that he had made a specific reference in the Budgeting and Cash Flow Management/EDD Grant Support risk to the current lack of a 2020 Partnership Agreement.

12. **Enterprise Week** – **IT WAS NOTED** that due to the ongoing uncertainties around Brexit, Enterprise Week had been deferred until 4<sup>th</sup> February 2020 and the Royal Yacht and Simon Jack have been re-booked for this revised date. However, GS suggested that the Board be mindful that Simon Jack's attendance was subject to Brexit, noting that his BBC contract could stop him coming

AMC reported that consideration needs to be given to the theme for the keynote event and advised that she has liaised with Lisa Springate regarding the IOD's annual debate with a view JBL and the IOD collaborating in some way at Enterprise Week by possibly following up on themes raised at the debate.

AJ suggested that the questions raised at JBL's key-note event last year were still very relevant. However, GS noted that a link with the IOD would be more powerful. He added that the IOD are aware that they need to change and evolve the format of their debate.

AJ proposed focussing Enterprise Week on business efficiency, leadership and skills working with various partners. This was welcomed by AMC who also stressed the importance of ensuring positive attendance at all events; making sure the key-note event is thought provoking; and following up on events post-Enterprise Week. She added that consideration could also be given to selecting a theme that will be a challenge over the next 12 months (e.g. population or workplace skills) on which to focus Enterprise Week and she offered to meet with any of the Directors separately outside of the meeting to receive their further input

13. **Any Other Business** – GS proposed reviewing and updating the Delegation of Authority document to reflect AMC's appointment as a Director of the Board with a view to giving her similar authority as him and **IT WAS RESOLVED** that following GS review and update he would forward the same to AJ for approval.

**Action: GS/AJ**

GS reported that he is due to stand down from his position on the Jersey Hospitality Association (JHA) Committee. However, he noted that their current "hot" topic was nervousness around Brexit and the implications this will have on staffing. He advised that EU nationals in the Island were being encouraged to apply for EU Settlement status. However, he suggested that this would become more complex each year which may put people off coming to the Island to work which will add to the concerns the hospitality industry already has around low numbers of staff.

**IT WAS NOTED** that JBL were recently invited to meet with the GOJ's Brexit Team and the UK's Manufacturing Brexit Team. GS accepted that although the number of manufacturing businesses in Jersey was negligible he proposed that a definition of "manufacturing" be agreed, noting that depending on what this is, it could impact more Jersey businesses. GS reassured the Board that the GOJ and UK Brexit Teams are continuing to work closely together and this was echoed by AJ who noted that Brexit was an area where the GOJ have done very well.

The recent delegation of businesses and organisations to Rennes was discussed and GS advised that NS attended on behalf of JBL. He reported that the visit considered a number of opportunities including links with the Rennes business and catering colleges and freight and air routes. However, he expressed

concern that commercial agreements in this regard were still at an early and sensitive stage and therefore should not be publicised until the business rationale and opportunities have been understood and proposed that a group of appropriate individuals be established for this purpose. He added that whilst JBL will be able to support this as a facilitator it will be the responsibility of the private sector to undertake the commercial negotiations and the GOJ to enable implementation.

KLF queried whether JBL should have promoted NS' attendance on the delegation to Rennes and AJ explained that his attendance was deliberately not publicised due to the current sensitive nature of the commercial negotiations. That said, he acknowledged the importance of promoting JBL's other activities.

On behalf of the Directors, AJ thanked VE for her involvement as a board apprentice over the last 12 months and wished her well for the future. VE thanked the Board for the opportunity to experience the operations of a board from a high level.

14. **Date of Next Meeting - IT WAS NOTED** that the next meeting was scheduled to take place on 4<sup>th</sup> December 2019 from at 9am to 11am.

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

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4/12/2019  
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Chairperson

Date Signed

**Actions:**

- 1) GS to liaise with Board Apprentice to appoint a replacement for VE
- 2) AMC to complete a declarations of interest form
- 3) KLF to ~~complete~~ Susie Pinel ~~of~~
- 4) GS to re-circulate the skills form to the Directors for completion and analysis and include the same on the agenda for discussion at the next meeting
- 5) AM to draft a 2020 meeting schedule for GS' review
- 6) AMC to liaise with Digital Jersey Academy to establish whether they can offer support with JBL marketing
- 7) AMC to revisit the marketing of the Jersey Skills / Business Licencing programmes
- 8) GS to review and update the Delegation of Authority to include AMC and seek approval of the same from AJ