

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

(51st Meeting)

18th November 2020 9am

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

In Attendance: Aimee Maskell, AM to PM Secretarial Services (Minutes) (AMa)
Allam Zia (AZ)
Kenny Sillers (KS) (for items 1-3 only)
Lorrie Rault (LR) (for items 1-3 only)

1. **Welcome and Apologies** – AJ welcomed everyone to the meeting, in particular AZ who was attending his first meeting as Board Apprentice and KS and LR who had been invited to provide an update on JBL's Advisory Service and the St Helier Retail Mapping project, respectively. No apologies were noted.

2. **Declarations of Interest** – There were no declarations of interest.

3. **Advisory Service Update** – KS started his presentation by providing the Board with a summary of his personal and career background to date and his role heading up JBL's Advisory Team.

KS referred to JBL's involvement with the Business Disruption Loan Guarantee Scheme (BDGLS). He reported that, where possible, banks lent based on business as usual and that approximately £50m has been lent directly by them in addition to the BDGLS loans. He expected that the BDGLS would still be needed as businesses start to experience debt issues due to the deferred payments they have made (e.g. mortgages and rental)

The Board noted that KS has worked with Jersey Property Holdings (JPH) to support clients whose leases are with the Government of Jersey (GOJ) to obtain a deferral/ pat waiving in their rental payments. KS advised that four clients have received approval in this regard, with a further three in the pipeline (where JBL are appealing for a deferral on their behalf). He expressed the hope that this will set a precedent for private landlords, albeit JBL has also had some success with private landlords already with support from our external specialist.

KS reported that JBL have recently introduced a "business health check", noting that there is now resource in place in the financial analysis space at JBL to provide this as well as support around other issues such as employment, HR, property, business closure/insolvency.

KLF queried whether there has been a significant take up from businesses in respect of the deferral of GST and Social Security payments, noting that this could lead to issues next April when the deferred payments need to be paid. KS advised that whilst he was unaware of the exact figures, the take up has been significant and he agreed that this could result in issues going forward.

KS acknowledged that some businesses, particularly in the hospitality industry, may experience financial challenges from January onwards. However, he noted that some deferred rental and mortgages may not have to be paid in Q1 and may be able to be repaid over the course of Q1, Q2 and Q3. That said staging the repayment of deferred payments will result in less money being available to help rebuild the economy and he therefore suggested that this winter and the whole of 2021 will still continue to be a challenge for many businesses.

KS advised that when the Covid recovery is complete, the JBL Advisory Team will revisit how best to deal with start-ups and growth businesses. He explained that Covid has exposed JBL to larger businesses and he expressed the hope that they will work with them more going forward, noting that JBL is seeking to work with all sizes of business in future. In answer to a question from KLF, KS confirmed that he is considering the next five years when referring

to “the future”.

KLF queried how long KS perceives JBL being required to provide its current support to businesses in terms of Covid recovery and KS suggested that this was dependent on medical circumstances (i.e. how long it takes to vaccinate the Island’s population). However, he welcomed Jersey’s resilience and suggested that the economy may recover from Covid in a similar way to the 2008 recession. By way of example, he highlighted that following lockdown, JBL received an increase in enquiries from start-ups. That said, he expressed concern that it is likely to be the more, well-established businesses that will struggle and AJ therefore stressed the importance of encouraging businesses to undertake a JBL “health check” to enable JBL to capture any trends of issues which businesses are experiencing.

JC welcomed the additional work JBL has taken on in the last few months. However, she queried whether this was encroaching on work that could be provided by the private sector and whether any concerns have been raised in this regard. KS acknowledged that this has been mentioned by some accountancy firms and JBL has therefore reassured them that the JBL team have sufficient expertise to be providing support. However, JC clarified that she was not concerned about the quality of advice being given by JBL staff but about how private sector companies were reacting to JBL providing an advisory service generally.

AM advised that there was a fine line on how JBL works. She stressed that JBL provides an advisory service. However, when clients need professional advice, JBL provides them with a range of options on the type of advice they require as it does not work in the professional space. GS added that there were previously some issues from other providers of HR support when JBL used a particular supplier at the start of Covid. However, he explained that this was required due to the emergency of the situation and, going forward if access to professional support is required as part of a programme, a tender process will be carried out.

There was no further comments or questions for KS and the Board thanked him for all his work to date.

4. **St Helier Retail Mapping** – LR provided the Board with a summary of her role as Head of Retail at JBL. She reported that she advises businesses on changes in policy and provides them with missing data to help them make informed choices, noting that not all retailers have the time to read long GOJ propositions.

IT WAS NOTED that LR regularly works on a collaborative basis with Digital Jersey, Visit Jersey and the Parish of St Helier (POSH) and, in conjunction with the POSH and using JBL’s membership of the British Retail Consortium, a “St Helier Retail Map” has been created. She explained that this dataset clearly highlights where there are vacant customer facing ground floor properties in St Helier (but does not include any offices or second floor properties.)

LR advised that the St Helier Retail Map is particularly helpful when responding to inward investment enquiries and AJ queried whether these are made directly to JBL or via Locate Jersey. LR noted that the Retail Map was only created in June this year and therefore only two enquiries have been received so far: one via Locate Jersey and one directly from an estate agent.

JC queried whether there are any plans to extend the Retail Map outside of St Helier and LR explained that an update of the St Helier Retail Map is completed every quarter. She confirmed that updates have been completed for Q2 and Q3 2020. However, whilst the Map currently excludes any enclosed spaces/areas where ten or more businesses are located together (such as the Colomberie, Parade and Liberty Wharf Shopping Arcades and the two markets) it is hoped to include them next year when Les Quennevais will also be included.

LR provided the Board with the UK and Jersey vacancy statistics from the Q2 and Q3 updates and these were noted as follows:

Q2 2020

Jersey – 7.48%

UK – 12.4%

Q3 2020

Jersey – 6.9%

UK – 17%

and she commented that the Q4 update was due to take place on 18th December 2020 when the statistics were expected to improve further.

GS queried whether it was possible to obtain figures for an area in the UK more comparable to Jersey and LR advised

that whilst she believed there was only one figure available from the British Retail Consortium (for the whole of the UK) she agreed to liaise with the analysts to ascertain whether breakdowns by area/region were available.

In answer to a question from KLF, LR advised that the Retail Map did not include any data on the square footage of the vacant properties. However, if required, the data being collected can be adapted, albeit she would like to be able to maintain certain benchmarks. That said, she noted that the data currently being collected includes details of the estate agent marketing the empty property. Therefore, they can be contacted for further details on price, square footage etc.

LR advised that the length of vacancy is collected as this is compared with the UK statistics. She added that it is also possible to make comparisons with the UK based on the properties' SIC code. However, whilst some of the data is shared on the retail section of the JBL website, other data is kept purely for JBL's information.

KLF noted that 16% of properties have been empty for three years or more and queried what the main reasons for them being left empty was. LR advised that there were several reasons for this including one property being owned by the Jersey Development Company, properties being heritage buildings, properties having full repair terms on their leases, properties already having had rental paid for them under the terms of an existing lease (as in the case of the old Next building) and properties being in less popular areas of St Helier. Referring to the latter, she noted that some of the empty properties were currently "off the beaten track". However, with the development due to take place in some of areas of St Helier, this could change. The Board noted that properties may also have remained empty for some time due to issues between tenants and landlords. However, LR suggested that JBL may be able to assist with this going forward.

JC queried whether consideration was being given to JBL selling the data being collected (e.g. to property developers) and whilst LR acknowledged that this may be possible in a year or two, at present, most enquiries about the vacant properties were coming from small businesses or start-ups. Therefore, she did not recommend JBL selling the data to developers as this may result in missed opportunities to help small businesses develop or to attract larger businesses to the Island. This was echoed by GS who accepted that whilst the sale of data could be considered as a value added in future, it should be revisited at a later date.

In answer to a question from AJ, LR advised that whilst it was not possible to share the data with the British Retail Consortium membership, it can be shared with the POSH.

The cost of maintaining the Retail Map was briefly discussed and LR advised that it currently takes seven hours per quarter to complete the review. Therefore, if the remit of the map is expanded more time will be required. She added that it costs £3k every three years to prepare the GOAD map and confirmed that this is currently funded by the POSH. Furthermore, membership to the British Retail Consortium costs £4k per annum. Referring to the latter, LR commented that JBL receives significant benefit from this, including being able to use their benchmarks for comparison purposes.

In answer to a question from KLF, LR advised that no press releases have been issued regarding the Retail Map to date. However, given the positive comparisons with the UK, AJ suggested it was a positive PR story for JBL and this was echoed by KLF who suggested that it also highlights the depth of the type of work JBL is doing. GS therefore proposed referring to the data in the next monthly foot fall report issued by the POSH and LR also suggested that it may be worthwhile including data from the monthly footfall reports on the retail area of the JBL website.

There being no further questions for comments for LR, the Board thanked her for her time and, together with KS, she left the meeting at 9.50am.

5. **Minutes of previous meeting - IT WAS RESOLVED** to approve the minutes dated 24th September 2020, copies of which were circulated with the agenda.

6. **Matters Arising** – Updates were provided on the outstanding actions from the previous meeting (which were not otherwise included on the agenda) as follows:

(A) **Skills Review** – GS agreed to contact the Board for their input on the Skills Review format prior to the year end. **Action: GS**

(B) **Microsoft Teams** – AMa confirmed that following put from Prosperity 24/7 she was now able to access the JBL Teams Site. AJ and JC advised that they had not yet gained access and agreed to review this as soon as possible. **Action: JC/AJ**

(C) **Comparable Annual Report Recommendations/Specific Guidance from the Comptroller and Auditor General (CAG)** - GS confirmed that whilst he had received some feedback from the CAG on annual reports which JBL could use for comparison purposes.

(D) **Gap Analysis between JBL's Annual Report and CAG's best practice recommendation** – JD advised that the CAG's Report was discussed at another board meeting he attended recently, and he was made aware that the CAG will be providing a follow up report on the same. He therefore proposed awaiting the outcome of this report prior to starting the gap analysis exercise. This was welcomed by the Board. However, GS reminded them that the timeline for starting to prepare JBL's next Annual Report was Q1 2021. **Action: JD**

(E) **Cyber Insurance** – GS agreed to consider the inclusion of cyber insurance as part of next year's annual insurance review. JC suggested that JBL's installation of Office 365 will have included upgraded security and this was acknowledged by GS and JD. JD also noted that cyber insurance is quite often included with other policies. He therefore suggested that, if possible, consideration should be given to including it as part of another policy upon renewal next year.

(F) **Coronavirus Exclusions on Insurance Policies** – AM agreed to review JBL's insurance policies for the inclusion of coronavirus exclusions upon renewal.

(G) **Marketing Strategy** – AM reported that whilst she was continuing to work on the Marketing Strategy, she had not yet progressed KLF's proposal for this to be linked to businesses being asked to "give something back" by supporting JBL clients. She therefore agreed to re-visit this in the new year. **Action: AM**

(H) **Meetings with States Members, particularly Council of Ministers and Scrutiny** – GS confirmed that whilst he had met with GOJ officers regarding JBL's core budget and the extra Coronavirus element of the budget were part of the Government Plan. The Board noted that John Vautier (JV) was now JBL's GOJ Accounting Officer and GS welcomed his commercially minded approach and advised that he was working well with him and Dan Houseago (DH).

(I) **Presentation to Chamber** – JC agreed to arrange this following the Government Plan Debate in either January or March 2021. GS welcomed the fact that JBL's relationship with Murray Norton/Chamber was stronger than ever and suggested that March would be a more appropriate time. **Action: GS/ JC**

(J) **Infographic showing the JBL "journey"** – AM advised that this infographic forms part of the Marketing Strategy. She reported that an annual review is scheduled to take place at the end of the year when consideration will be given to what has been achieved during the last year and she therefore proposed referring to the "journey of JBL" at this stage. GS added that the level of press activity around JBL was currently quite high and this was echoed by KLF who reported being asked to provide the media with comments on three occasions recently (all of which she declined).

7. **October Year to Date Financial Review** - GS summarised the year to date Financial Review, a copy of which had been circulated with the agenda. He commented that the accounts were in line with budget and estimated that, at a high level, JBL will probably have an underspend of approximately £60k-£65k at the year end. The Board noted that GS had had initial discussions with the GOJ about JBL retaining its reserves given that they are particularly low. However, this still needs to be formalised with them.

AJ noted the underspend on the website and sought an update on the same and AM explained that the budget submitted to undertake the web development was not spent and it has therefore been reallocated to the IT/systems budget. She advised that some web site development did take place at the start of the Coronavirus pandemic, including the addition of a new area on the website to highlight any new content. However, JBL is too busy at this stage to undertake any further development.

8. **Q3 Returns to GOJ** – The Board reviewed the Q3 Progress Report recently submitted to the GOJ, a copy of which had been circulated with the agenda. GS explained that JBL is continuing to report on the same KPIs even

though it has changed the type of service it is providing due to Covid. However, he noted that JBL is also reporting to the GOJ on the additional Covid funding it has received (a copy of which was also circulated with the agenda) and he confirmed that no questions have been raised by the GOJ on either report at any stage.

In answer to a question from AJ, GS reported that JBL's relationship with the GOJ is as good as it has ever been and is constantly improving. He noted that changes are being made to the structure of the EDTSC team whereby they will have less people but at a more senior level and their level of expertise will enable them to deliver policies. He explained that, historically, JBL has helped the GOJ work out policies because of the lack of expertise available in the EDTSC Team. He therefore suggested that if they can recruit someone who can lead on this going forward, it will be a very positive step for JBL.

JD queried whether there was any update on the changes to JBL's Partnership Agreement with the GOJ, noting that all other ALO's are also being required to update their Partnership Agreements. GS advised that in March 2020, JBL received confirmation from the GOJ that its Partnership Agreement would move to a rolling 12-month agreement. Therefore, at this stage, the Partnership Agreement does not need to be revisited.

9. **Update on 2021 Covid Business Case re JBL** – The Board reviewed the Draft JBL Business Plan 2021 (the Business Plan), a copy of which had been circulated with the agenda. GS explained that the Business Plan was an amalgamation of the JBL Business Plan for 2021 (which included JBL's BAU budget and had been prepared earlier in the year) and the business case for the additional Coronavirus funding for 2021. He noted that whilst the Business Plan includes some updated information regarding feedback received by JBL, it was not significantly different from the original board approved document(s).

GS sought the Board's approval of the Business Plan, noting that it will form part of the Partnership Agreement and Government Plan. This was given subject to the following comments / amendments:

- AJ suggested that JBL also supports the GOJ's strategic priorities listed at 4 and 5 on page three of the Business Plan. GS therefore agreed to add more detail around these.
- AJ highlighted the importance of JBL focussing on implementation, not development, of policy and welcomed the recruitment of appropriate resource within the GOJ to ensure the latter is taken forward.
- KLF congratulated AM and GS for a very clearly written Business Plan.
- JC highlighted that JBL was only funded to support part of the GOJ's economic strategy. She therefore proposed amending the wording on page 2 of the Business Plan to reflect this.
- JC suggested that there was unlikely to ever be a "post Covid" world. It was therefore agreed to amend the wording on page 4 of the Business Plan to "post-pandemic" world instead.
- The benefits of implementing Office 365, particularly Teams, were highlighted by AM and she reported that work was also underway to transfer from Sales Force to Dynamics. She reported that BDO have helped JBL develop their KPIs and they believe Dynamics is the ideal for system for this.
- JC highlighted a typo in the final paragraph on page 10 ("... undertaking a project *to with* external consultants...") and GS agreed to correct the same.

JC sought clarity around the funding from Skills Jersey and GS explained that whilst the ideal scenario would be for this money to come into JBL's budget or, at least sit with EDTSC, it is currently with Skills Jersey which makes JBL vulnerable as they may re-prioritise education. This was echoed by AM who advised that her preference would be for JBL to control the funding currently held by Skills Jersey to enable JBL to deliver/manage programmes. Alternatively, she suggested that this funding should become part of JBL's core budget (even if it is ring fenced for the delivery/management of product development programmes).

10. **Delegated Authority Review** – GS referred to the existing delegated authority policy (the Policy), a copy of which had been circulated with the agenda and sought the Board's input on how this could be updated to enable him to more practically progress the contracting of services over £10k without requiring Board approval each time.

After careful consideration, the Board agreed that if a contract was within budget, but over £10k, authorisation should be GS and AM and then presented to the Board for their information at the next meeting for noting. Furthermore, details of all contracts (irrelevant of the amount) entered into by JBL should be presented to the Board on an annual basis. With the use of technology JD suggested that details of contracts can easily be circulated to

the Board prior to execution rather than retrospectively and GS accepted that a cap could still be set for contracts which need to be presented to the Board prior to approval. **IT WAS THEREFORE RESOLVED** that GS would consider this further and include some amended wording when making the amendments suggested above and updating several other internal processes referred in the Policy and circulate a revised draft for the Board's further input. **Action: GS**

Finally, AJ noted the reference to the loans to employees and expressed concern in this regard, noting that he was unsure why this was included.

11. **Risk Register – IT WAS NOTED** that the Risk Register had been circulated with the agenda and GS confirmed that there were no material changes from the last meeting. **IT WAS RESOLVED** that GS would undertake a review of the Risk Register and present an updated version at the next meeting which only reflects 2020. **Action: GS**

JC queried whether there were any additional risks associated with the extra work JBL was doing that should be included on the Register and GS suggested that there was a risk that JBL was being perceived as a decision maker around fiscal support schemes. However, in answer to a further question from JC, GS confirmed that JBL does have professional indemnity insurance. He noted that JBL is also very clear about how it documents what it provides advice on. Nevertheless, he suggested that there was still a risk that the public perceive JBL as a decision maker. He added that whilst it was positive that the public receive comfort from JBL's involvement, it was also a risk.

AJ questioned whether the likelihood score for JBL's reputational risk should remain at three and GS suggested that this was still appropriate. He acknowledged that although JBL was undertaking increased activity which was critical for businesses and the GOJ, he suggested that the risk was being mitigated by the Board having this discussion. JC proposed that even more focus may be placed on this risk by increasing its rating to amber. However, whilst this was accepted by GS, he reminded the Board that reputational risk was increased to amber when issues were raised around JBL's use of private sector support during Covid but has since been reduced to green again.

Following KS' earlier update about clients adding to their debt due to the deferral of certain payments and AM's concerns about some clients still not having any access to funding (albeit he accepted the delays were nothing to do with JBL), he welcomed JC's proposal to increase the rating of the reputational risk.

GS noted that from an accommodation/property perspective, JBL is perceived as a key influencer which he suggested was positive for JBL and also reported that the attractions are also aware that JBL is not the decision maker. On the contrary, he suggested that JBL's involvement in highlighting decisions has enhanced its reputation. However, JC suggested that whilst businesses directly affected may understand JBL's remit, the public may not, and she stressed the importance of ensuring JBL's reputation remains intact with them. This was echoed by AJ who requested that the reputational risk be increased to amber to keep JBL / the Board more alert to the situation. However, he stressed that this was not a reflection on the way JBL was working. **IT WAS THEREFORE RESOLVED** that GS would amend the register accordingly as part of his review/update. **Action: GS**

The rating of the Strategic Planning risk was briefly discussed, and **IT WAS RESOLVED** to revisit whether this can be reduced from amber to green following the Government Plan debate. **Action: All**

12. **Comptroller and Auditor General (CAG) Review on Corporate Governance** – This item was discussed in items 6(C) and (D) above.

13. **Any Other Business**

(a) **JBL Away Day** – KLF queried the outcome from the JBL Away Day held in September and AM reported that the Away Day was held at La Mare and that it was a worthwhile exercise which enabled the whole team to get together. She noted that the Team shared their experiences around Covid; what it meant to them; and what they think will happen next year.

KLF queried whether GS/AM recommend holding Away Days on a regular basis and AM noted that this was a timely question, given that the Christmas party was cancelled the previous day. She advised that an opportunity was required to share the planning work which has been taking place with the Team and reported that prior to Covid, quarterly review meetings had been diarised. She therefore proposed to look at how these can be rescheduled within the current guidelines. **Action: AM**

If quarterly meetings are reintroduced, KLF suggested inviting the Board for the final part of the meeting and this was welcomed by AJ who advised that it would provide an opportunity for the Board to offer their feedback. GS supported this proposal, noting that the Board's attendance would have been well received towards the end of the Away Day in September. AM reiterated that she would try and reschedule quarterly meetings at an appropriate venue outside of the office, she accepted that this may not be possible until after December due to the current increase in Covid cases.

AM reiterated the importance of providing the Team with an update on the plans for next year and a discussion therefore took place as to whether an Away Day could be organised and **IT WAS RESOLVED** that AM would consider appropriate timing / venues for the same. **Action: AM**

(b) JBL Office Space – In answer to a question from JC, GS reported that there would not be sufficient office space available at JBL if the pandemic situation continues for another two years and he confirmed that he has notified the GOJ of this. However, as noted above, the first floor is available if required.

(c) AZ – AZ provided the Board with a summary of his personal and career background.

14. Date of Next Meeting - IT WAS RESOLVED that AMa would prepare a schedule of meetings for 2021. **Action: AMa**

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


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Chairperson

Date Signed

Actions:

- 1) Skills Review - GS to contact the Board for their input on the Skills Review format prior to the year end
- 2) Teams Access – JC/AJ to review same
- 3) Gap Analysis between JBL's Annual Report and CAG's best practice recommendation – JD to await publication of further CAG report prior to progressing gap analysis
- 4) Marketing Strategy – AM to revisit in New Year
- 5) JBL Presentation to Chamber – GS/JC to arrange for March 2021
- 6) Delegated Authorities Policy – GS to update and circulate same for further input
- 7) Risk Register – GS to undertake a review / update to only reflect 2020 and present at next meeting
- 8) Reputational Risk – GS to increase to amber
- 9) Strategic Planning Risk – revisit whether this risk can be reduced from amber to green following the Government Plan debate
- 10) Quarterly Board Meetings – AM to consider how and where these can be safely rescheduled
- 11) Away Day / 2021 update – AM to consider appropriate timing / venues for an Away Day to provide Team with update for 2021
- 12) 2021 Meetings - AMa to prepare a schedule of 2021 meeting dates