

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

(64th Meeting)

25th April 2023 at 9.30am at Jersey Business, The Parade, St Helier

Present: Mrs J Carnegie (JC) (Chair)
Mr J Day (JD)
Mrs K Le Feuvre (KLF)
Mr P Murphy (PM)
(the “Board” or the “Directors”)

In Attendance: Ben Banim, Board Apprentice (BB)
Aimee Maskell, AM to PM Secretarial Services (Minutes) (AM)

1. **Welcome and Apologies** – JC welcomed everyone to the meeting and introductions were made around the table to BB, who was attending his first meeting as Board Apprentice. There were no apologies.

2. **Declarations of Interest** – There were no additional declarations of interests.

3. **Minutes of previous meeting - IT WAS RESOLVED** to approve the minutes from the previous meeting held on 18th January 2023 for signature by JC.

4. **Matters Arising** – The Board reviewed the action log, a copy of which had been circulated with the agenda and the following updates were provided:

(A) **Debit Cards** – JD noted that he had never been provided with/used a JBL debit card. He therefore suggested that the card in his name (and any cards in any other Directors’ names) be checked to ensure they are still active, and PM agreed to do this. **Action: PM**

(B) **Board Apprentice -IT WAS NOTED** that BB had been added to the Board distribution lists and provide with relevant access to the Board Teams folder.

(C) **JBL Operational Performance** – PM proposed discussing this at item 6 below.

(D) **Director Rotation/Board Composition** – The Board agreed to discuss this at item 8 below.

(E) **Letter of Resignation – IT WAS NOTED** that Graeme Smith (GS) submitted a letter confirming his resignation from the Board with effect from 13th February 2023.

5. **Q1 Performance and Financial Report**– The Board noted the Q1 Performance and Financial Report, a copy of which had been submitted to the Government of Jersey (GOJ) and circulated with the agenda, and, referring to performance against plan, PM highlighted the following salient points :

People

- JBL met 50% of its leading growth programme target within Q1;
- A productivity conference is being worked on and is scheduled to take place in June; and
- Self-maintenance workshops were delivered during Q1.

Productivity

- 15 participants have started the BIP programme to date (against an annual target of 20);
- Only one tech article has been completed to date because the person responsible for preparing them had been ill;
- One (of an annual target of four) visit to France have been completed to date;
- JBL only covers the cost of Nick Steele’s travel to France; and
- The French visits are also attended by Kirsten Morel and provide a good opportunity for Jersey.

Environmental Impact

- Some sustainability workshops have been completed.

Innovation

- GroVida's planning application was approved and is considered a "win" for the Economic Development Department; and
- The application was supported by JBL and PM attended the Planning meeting.

Resilience

- The Productivity Support Scheme (PSS) was on hold due to budget changes within the Economic Development Department whereby Tom Holvey was due to take on budget from Richard Corrigan;
- JBL is working with approximately 100 businesses to provide one to one bespoke advisory support; and
- NS is working with several food businesses on resilience.

Information Sharing & Foresighting

- JBL is working with a large number of start-ups; and
- JBL is working closely with the Jersey Competition and Regulatory Authority (JCRA) on food retail.

JD commented that France could offer for of an opportunity for Jersey and help bring down costs. He also queried whether a client's name should be specifically referenced in the Performance Report. However, PM reassured the Board that GroVida's plans were in the public domain and were also mentioned by the Economic Development Minister on the front page of the JEP.

The Board noted from the Performance Report that following feedback from clients on its programmes and specialist support, its Net Promotor Score (NPS) was 77.8 and PM highlighted that a score of 80 is considered a high-class ranking. JD advised that the JBL accounts for the year ended 31st December 2022 refer to a different, lower, NPS of approximately 55. **IT WAS THEREFORE RESOLVED** that PM would check the current score and ensure the correct figure was included in both documents. **Action:**

PM

PM advised that all JBL's reporting requirements to the GOJ were being delivered; that the annual grant was in place; and that JBL submitted a growth bid to the GOJ last week seeking additional funding for 2024-2027 (a copy of which had been circulated with the agenda).

PM referred to the Q1 management accounts included in the Performance Report and reminded the Board that a residual amount was carried over from 2022 into the 2023 accounts. JD noted that the accounts were appropriate for Q1, and the Board confirmed that they were comfortable with them.

JC invited any questions or comments on the accounts and KLF sought clarification around the budget for the new premises. PM explained that the property budget had been carried forward following a positive response from the GOJ to this request. He noted that one draw down had been made against it and that a separate bank account and accounting had been created. However, he proposed scheduling another meeting with the GOJ because he was becoming uncomfortable about the time it was taking to progress.

6. **CEO Operations Report** – PM summarised the "Board Team and Org Update" presentation dated April 2023 (the presentation), a copy of which was circulated with the agenda. He recommended that going forward JBL's internal focus would be on the following three key areas: People; Measurements and Knowledge Sharing; and Messaging. Referring to People, he reported that a wellness survey had just been completed with very positive results. He advised that an exercise had also been undertaken in which the team shared why they liked working for JBL, the results of which are included in the presentation. The Board noted that a word "bubble" was also created from the "why" exercise, which also forms part of the presentation.

PM summarised how he proposed dividing his time and whilst he accepted this was different to what they have previously been used to, he has asked the team to ensure they hold him to account in this

regard.

PM provided the Board with his initial feedback on JBL (including how the team were dealing with the change in CEO) following his first fifty days in the CEO role. He acknowledged that there had been a change in leadership style, noting that his style was very collaborative and empowering.

PM advised that whilst he proposed focussing on operations and settling the team initially, he believes that, in time, JBL will be able to accelerate and optimise what it can do and welcomed the Board's views around strategy.

In answer to a question from KLF regarding engagement with the GOJ, PM reported that he had undertaken many "meet and greet" meetings with stakeholders and that Kirsten Morel visits the office every four weeks.

PM proposed revisiting JBL's "what we do", vision and values given that half of the existing team were not involved in creating them. He recommended creating a list of "enabling" and "de-railing" behaviours which will be set for guidance and which the whole team will be aware of and agree to.

Referring to JBL's core values, JD proposed including "lead by example" and this was welcomed by PM. The Board queried whether staff were being compared against the existing core values (respectful, empowering, authentic, collaborative and honest) as part of their appraisal process and **IT WAS RESOLVED** that PM would check this and revert to the Board accordingly. **Action: PM**

PM highlighted the importance of collating data and drew the Board's attention to the statistics included in the presentation relating to the number of companies based on team size and the private sector business by team size.

The Board noted that the JBL team have 400 years of industry experience amongst them, and it was agreed that this was a very powerful indication of what JBL can do.

PM reported that some work has been undertaken around the JBL brand and the tone of language used by JBL and stressed the importance of JBL not being too academic or corporate, particularly when there are so many small businesses who need support.

The Board advised PM what they would find helpful to receive in terms of operational information and KLF highlighted that whilst the Directors did not wish to receive any client details, they did require some level of detail to enable them to provide guidance from a strategy perspective. She also suggested that the Board should be aware of how the operational aspects of JBL work. She clarified that whilst the Directors were comfortable for PM to lead operations as he sees fit, information should be clearer (e.g. the possibility of Directors attending relevant events). She added that the staff should also feel supported by the Board and that the Board should provide connections for them where appropriate.

JC suggested that the Directors need information from PM to ensure what JBL is doing with clients provides them with confidence and is something they can be proud of.

JD accepted that the previous CEO/RAG rated operational report needed to be prepared manually and was therefore discontinued. However, he noted that the Board now only receive a copy of the GOJ Quarterly Performance Report and suggested that as Directors they require more detail, more regularly. He added that whilst this can be very high level, Directors should be aware of, for example, conversations with the GOJ, prior to them taking place. This was echoed by KLF who also welcomed having sight of any papers JBL submit to the GOJ. She therefore proposed that PM uploaded these to the Board Teams folder to enable the Directors to review and comment on them as required. **Action: PM**

PM welcomed the Board's input and acknowledged that they required sufficient information to provide them with comfort as Directors.

7. **2022 Annual Report** – The Board reviewed the draft JBL Annual Report and Accounts 2022 (the Report), a copy of which had been circulated with the agenda for their approval. JC expressed

concern that the Report was “dull” and whilst PM recognised this, he advised that he had adopted a similar format to last year as he did not wish to change the style in his first year as CEO. However, he proposed working on an improved style for next year which would include more infographics and be more visual. JC agreed to provide PM with a copy of an annual report she received recently as an example of improved style/format. **Action: JC**

There being no further comments or questions on the Report, the Board approved the same.

The Board reviewed the Report and Audited Financial Statements for the year ended 31st December 2022 (the Accounts) a copy of which had been circulated with the agenda. **IT WAS NOTED** that a clean audit had been received from JBL’s Auditors and a copy of their Audit Letter dated 24th April 2023 had been circulated with the agenda, together with their Letter of Representation.

Referring to the Accounts, JD advised that the reserves look high because previous Covid grant funding has been carried over and, as noted above, the new premises budget has not yet been spent. However, he reassured the Board that these two items have been clearly explained in the Accounts. Therefore, he does not anticipate this being a reason for the GOJ to reduce JBL’s funding. This was echoed by PM, who added that he hopes to utilise the reserves and complete the property move as soon as possible.

There being no comments or questions on the Accounts, **IT WAS RESOLVED** to approve them for signature by JC and PM. **IT WAS FURTHER RESOLVED** to approve the Letter of Representation for signature by JC and PM. **Action: JC/PM**

8. **Board Skills Review, Reward and Composition** – JC reminded the Board that JBL previously had a board of seven with eight staff and a budget of less than £1m and noted that it now has 15 staff, a budget of £1.5m and a Board of three. However, whilst she acknowledged that the Directors were comfortable to keep the Board small and carry out more work or meet more often if required, she proposed discussing the format of meetings at a future strategy session.

JC noted that Directors are only permitted to undertake a total term of nine years. However, although KLF and JD were due to step down from the Board at the same time (on 31st May 2026, after nine years), due to the size of the Board, it has been agreed to stagger this, whereby JD will remain for a further year (until 31st May 2024) and KLF will remain for a further three years (until May 2026).

JD advised that whilst he does not believe there are any skills gaps on the Board, consideration could be given to aligning the Board with the business by appointing another Director with experience in a particular speciality (e.g. construction or retail). He added that subject to the time it takes to appoint a new Director, they could replace him next year. KLF commented that whilst the Board has a very good attendance record, if one of the Directors were to fall ill, issues could arise with meetings being quorate. She therefore welcomed appointing another Director.

JC reminded the Board that Directors were awarded a cost-of-living increase for the first time in many years last year and, when comparing the Directors’ fees and the size of the Board with other arms’ length organisations, JBL remains on the lower side. She therefore proposed seeking the Shareholders’ approval to implement an annual cost of living increase on Directors’ fees going forward, noting that the Shareholders had raised this issue at the last two Annual General Meetings.

JC also proposed seeking the Shareholders’ approval to increase the Directors’ fees to £10k and the fee for Chair to £15k with immediate effect.

The Board agreed that increasing the Chair/Directors’ fees will assist with the recruitment of new directors going forward and **IT WAS THEREFORE RESOLVED** to seek the Shareholders approval of the increases proposed above and the implementation of an annual cost-of-living increase from the Shareholders at the AGM scheduled following the meeting. Thereafter **IT WAS RESOLVED** to commence a recruitment campaign for a new Director at the new rate; and JC agreed to check whether this would require input from the Appointments Commission. **Action: JC**

The Board discussed the proposed amendment to the JFSC's AML regulations regarding directorships and, if the Directors are required to register, whether the cost of their registration (£185) and annual fees (£500) should be covered by JBL. KLF stressed the importance of the Directors considering their position under the regulations, noting that they will be required to complete a risk assessment and AML training and ensure JBL has appropriate AML policies and procedures in place. JD acknowledged that whilst the Directors will need to ensure appropriate policies and procedures are in place, he suggested that JBL was very low risk. However, under the regulations, JD noted that a Money Laundering Reporting Officer (MLRO) will need to be appointed by JBL, albeit following recent change in legislation, this can now be outsourced. He added that the Board will also need to revisit how it deals with risk.

JC queried whether there was an opportunity for JBL to support businesses through this new registration process or whether consideration could be given to appointing a member of the JBL team to provide support with compliance within other organisations. PM advised that a member of the JBL team attended two JFSC sessions on the proposed amendment to the regulations the previous day. However, he suggested that consideration needs to be given to where JBL could provide support. He advised that the Economic Development Department are looking at providing extra funding to support people with the "red tape" they need to deal with. However, he noted that many JBL clients will be out of scope of the AML regulation as it only applies to non-executive directors and does not include directors who own their own businesses.

KLF welcomed some support on her requirements under the regulations as a JBL director and JC proposed seeking clarification from Adam Budworth in this regard at the AGM following the meeting. JD reiterated that whilst "owner" directors were excluded under the regulations, if an individual receives a good proportion of their salary from a directorship they will be required to register. However, he noted that the JFSC are not prepared to give an opinion on whether someone is within scope or not. The individual must therefore make this decision.

9. **2024-2027 Government Funding** – As briefly mentioned in item 5 above, a growth bid was recently submitted to the GOJ and a copy of the same was circulated with the agenda. PM advised that the rationale for the bid is that following the reduction in funding in 2023 from 2022, JBL will need to reduce its services in 2024 if no additional funding is forthcoming. However, he also took the opportunity to frame JBL's future funding requirements in the bid and noted that he discussed the bid with Dan Houseago and Kate Le Blond at the Economic Development Department prior to submission.

PM reported that he had received an acknowledgement thanking him for the submission and advising him that bid will now be reviewed and discussed by Treasury (who have various growth bids to review)).

10. **Property Project** – PM reported that for various reasons, the Grenville Street and Don Street premises had not been progressed and, at present, there were no developments to report. However, going forward he proposed working directly with the landlord to avoid any costs being incurred (as was the case with Grenville Street).

PM advised that he was continuing to consider other suitable properties with the CEO of Jersey Sport (JS) using a "balanced score card" process and advised that they only view properties which gain a score of over 80. However, he expressed concern that some landlords may be against working with JBL/JS because they are ALOs and believe this could lead to delays in finalising arrangements.

The Board discussed whether JBL should commit itself to securing new premises with JS or whether it should also be considering premises of its own, and it was suggested that if JBL could secure new premises of its own, its existing premises could be offered to JS. **IT WAS THEREFORE RESOLVED** that PM would schedule a meeting with Richard Corrigan to discuss the matter. **Action: PM**

11. **Risk Register** – The Board reviewed the risk register, a copy of which had been circulated with the agenda and the following was agreed:

- Compliance – update to refer to the AML regulations discussed above;

- Stakeholder Relations – change to green; and
- People – change to amber, whilst the team adapted to the changes being introduced by PM.

JC referred to the Macro Risks Register and noted that this still required completion. **IT WAS THEREFORE RESOLVED** that PM would review and populate the register for discussion at the next meeting

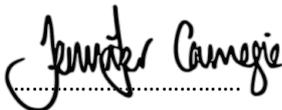
12. **Any Other Business**

(a) **Board Packs** – JD requested that the Board be provided with meeting papers a week prior to meetings.

(b) **Board Apprentice** – BB thanked the Board for what he described as a “great” first meeting and queried the best way for him to engage with the Board. JC welcomed a pro-active approach from BB.

13. **Date of Next Meeting – IT WAS NOTED** that the next meeting was scheduled for 17th July 2023 at 930am.

There being no further business to discuss, the meeting was closed at 11.30am.



Chairperson

2nd August 2023

Date Signed