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Department for the Economy  
Government of Jersey

Agricultural Loans and Guarantees  
Advisory Board

Terms of Reference

Version 2

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# 1 Background and context

- 1.1 Government recognises that agriculture is an essential component to the Island's economy and must be appropriately supported, in a similar manner to all other developed economies, to maintain a sustainable rural economy for future generations and is committed to assisting its growth and development for decades to come.
- 1.2 Factors such as rising interest rates and increases to input costs have had a disproportionately adverse impact on agriculture in recent years. Moreover, this area is particularly susceptible to increases in the minimum wage, with labour costs making up a significant percentage of expenditure. The industry has historically operated with very small profit margins, with the growing sector reporting an average margin of just 3% prior to COVID-19.
- 1.3 The Economic Framework for the Rural Environment and the Economic Framework for the Marine Environment has set out clear policy interventions to support the sectors and government funding provided to the rural economy has increased to over £6 million per year in 2024. This will allow the rural economy to maintain a sustainable economic model, facilitated via a robust support scheme which has been designed to specifically reward the provision of identified public goods.
- 1.4 The recapitalised rural and marine support schemes are delivering payments for public goods in 2024 based on:
  - a) Measures to maintain and improve environment and landscape
  - b) Measures to improve local food resilience
  - c) Measures to enhance skills and social inclusion
  - d) Measures to enable capital investment (to achieve the above)
- 1.5 Despite this, it must be noted that support for this industry remains below comparable jurisdictions, and further increases to wage costs are estimated to put severe strain on the sector.
- 1.6 Whilst it is clear that the government cannot increase its financial support exponentially, the States Assembly has recognised the requirement for interventions to allow meaningful investment for the sector over the long term through their approval of [P.74/2023 Amd.\(3\)](#) in November 2023 including the recapitalisation of the Agricultural Loans Fund.
- 1.7 The States Assembly agreed in [P.74/2023](#), as amended, to recapitalise the Agriculture Loans Fund in 2024, to a level sufficient to enable meaningful capital investment in the industry of not less than £10 million.
- 1.8 As such, amending regulations to the [Agricultural \(Loans\) \(Jersey\) Regulations 1974](#) were approved by the States Assembly in September 2024 to change the interest rate

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chargeable on loans from 6.5% to 3% and to reduce the required number of members of the Agricultural Loans and Guarantees Advisory Board (hereafter termed the 'Board') from ten persons down to five.

1.9 All other Regulations concerning the Agricultural Loans Fund remain unchanged.

1.10 The former Agricultural Loans and Guarantees Advisory Board ceased to function in 2022 and as such needs reinstating. Under the [Agricultural \(Loans\) \(Jersey\) Regulations 1974](#) the Minister for Sustainable Economic Development (MSED) is responsible for the appointment of up to five independent members to the Board.

## 2 Purpose

2.1 The purpose of the Agricultural Loans and Guarantees Advisory Board is to make recommendations on loan applications in writing to the Minister for Sustainable Economic Development in order that a considered decision be made by the Minister based on the information presented before them. It is then up to the Department for the Economy to communicate the decision to the applicant within seven working days.

## 3 Accountability

3.1 The Agricultural Loans and Guarantees Advisory Board will report to The Minister for Sustainable Economic Development quarterly. Actions will be circulated amongst the board for review via email two weeks after each meeting, allowing time for comments before the report is submitted to The Minister.

3.2 Accountability of the Agricultural Loans and Guarantees Advisory Board lies with the Chief Officers department for the Economy.

## 4 Responsibilities

4.1 Ministerial Appointees will be able to exhibit an independence of mind, having gained suitable advice, if necessary, to form their own judgement on a particular course of action or proposal. The independent appointee will have a strong enough character to say 'no' and be credible in their field to command the respect of other Board members and the Minister with the confidence to stand by their decisions and, if necessary, resign if there is a fundamental disagreement.

4.2 The Minister will expect appointees to strictly adhere to Part 7 Procedure of applications as

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prescribed under the [Agricultural \(Loans\) \(Jersey\) Regulations 1974](#).

- 4.3 Based on applications made and submitted to the Minister for recommendation, it is essential that, Board members having considered all of the eventualities based on the application submitted, the MSED has confidence that key risks have been identified, recorded and are properly controlled and that a compliance schedule and insurance plan is in place and actively used.
- 4.4 To understand the business and the background of the Board the Ministerial appointee will:
- 4.4.1 Attend a preliminary meeting detailing their powers and responsibilities.
  - 4.4.2 Receive Board papers of an appropriate length and quality in order to prepare for Board meetings and fulfil due diligence requirements.
  - 4.4.3 Receive timely minutes that adequately reflect the discussions and decisions taken at those meetings.
- 4.5 Ministerial Appointees should have a clear understanding of what is expected from him or her and what powers and responsibilities he or she has delegated by the Minister and the time commitment to be afforded by them.

## 5 Membership

- 5.1 The Agricultural Loans and Guarantees Advisory Board will be chaired by the Chief Executive Officer, Jersey Business, and the Deputy Chair shall be a senior executive in Jersey Business.
- 5.2 There shall be three independent board members, all of whom shall have had experience and shown capacity in commerce, finance; and / or the agricultural industry.
- 5.3 As per Part 3 'Constitution of the Board' of the [Agricultural \(Loans\) \(Jersey\) Regulations 1974](#) the Board shall be constituted in the manner specified in Part 3 (2) to (10).
- 5.4 As per Part 3 of the [Agricultural \(Loans\) \(Jersey\) Regulations 1974](#) a Board member shall hold office for a period of 3 years beginning with the day on which he or she was appointed, and a person so appointed may in like manner be re-appointed.
- 5.5 People appointed by the Minister for Sustainable Economic Development will be persons who can bring an external perspective to the Board through their experience, knowledge and skills.
- 5.6 Ministerial Appointees will not be employed or involved in the internal running of a business that is seeking a loan and will not have a key relationship with that business.
- 5.7 The board is made up of the five representatives listed below:

Board Member	Representative for
1. Paul Murphy	Jersey Business Ltd
2. John Vautier	Jersey Business Ltd
3. Tom Holvey	Government of Jersey
4. Richard Le Cornu	Independent
5. David Williams	Independent

\* The above list of Board Members is subject to change from time to time and will be appointed in accordance with the terms of membership as aforementioned.

5.8 Government of Jersey Officers may be asked to join meetings by the Chair or Deputy Chair as required to provide briefings, further detailed technical information, or provide support services to the board.

5.9 In addition, invitations may be extended to the following to support application discussions dependent on the business under consideration:

- Officers from Treasury and Resources
- Officers from Infrastructure and Environment and
- Law Officers

5.10 With reference to 4.5 a clear description of the role in a letter of appointment, the duration of appointment, reporting lines and responsibilities.

5.12 Board Membership is an honorary role and therefore unremunerated.

## 6 Conflicts of Interest

6.1 Board members must comply with the Conflicts of Interest Policy at all times and declare any actual, potential, or perceived conflicts of interest in accordance with that policy.

### 6.2 Purpose

The purpose of this policy is to ensure that all actual, potential, or perceived conflicts of interest involving members of the Agricultural Loans and Guarantees Advisory Board (“the Board”) are identified, disclosed, recorded, and managed transparently, so that Board recommendations are made in an independent, objective, and fair manner.

### 6.3 Scope

This policy applies to:

- All Board members, including the Chair

- 
- Any advisers or observers attending Board meetings where loan applications or related matters are discussed

#### 6.4 Definition of a Conflict of Interest

A conflict of interest arises where a Board member's personal, professional, or financial interests could improperly influence, or be perceived to influence, their judgment or decision-making.

Conflicts may include, but are not limited to:

- Direct or indirect financial interests in an applicant business
- Employment, consultancy, or advisory relationships with an applicant
- Close personal, family, or business relationships with an applicant (including spouse, partner, or immediate family)
- Directorships, partnerships, or significant shareholdings in related entities
- Any other circumstance that could reasonably give rise to a perception of bias

#### 6.5 Managing Conflicts of Interest

Where a conflict of interest is declared, the Board will determine the appropriate action, which may include:

- The member abstaining from scoring, deliberation, and recommendation
- The member leaving the meeting for the relevant agenda item

The nature of the conflict and the action taken will be clearly documented in the minutes.

#### 6.6 Quorum and Decision-Making

If recusals due to conflicts reduce the number of participating members, the Board will ensure that:

- Decisions are still made by a sufficient number of unconflicted members, and
- Where necessary, matters may be deferred or escalated in accordance with the Board's Terms of Reference.

#### 6.7 Failure to Disclose

Failure to declare a conflict of interest may result in:

- The recommendation being reviewed or set aside
- The matter being escalated to the relevant authority
- Consideration of whether continued Board membership is appropriate

#### 6.8 Review of Policy

This policy will be reviewed periodically and updated as required to ensure continued alignment with good governance practice and regulatory requirements.

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## 7 Quorum and Decisions

- 7.1 Decisions on recommendations to the Minister will require the approval of a majority of the members attending a quorate meeting of the Board.
- 7.2 The meeting shall be deemed quorate when three of the five Members, with at least one of these being the Chair or Vice-Chair are present.

## 8 Process

- 8.1 The Board agree the process by which JBL will support applications, as detailed in Appendix
  - 8.1.1 The process is continuously monitored and automation is planned for aspects of this starting early 2025.

## 9 Action & Decisions Log

- 9.1 The Chair or Deputy Chair will keep an action log and a decisions log which will be maintained and made available to board members. Attendees, agenda and key actions may be published on gov.je.

## 10 Meeting Frequency

- 10.1 The Agricultural Loans and Guarantees Advisory Board will meet quarterly, at dates to be agreed annually in advance by a quorate meeting of the Board.

## 11 Key Reporting by the Minister

- 11.1 Under Article 2(A) of the [Agricultural \(Loans\) \(Jersey\) Regulations 1974](#) *'The Minister shall, not later than 1st April in every year, present to the States a report showing the financial position of the Fund at the close of the financial year ending on 31st December next preceding the presentation of the report'*.

in addition to any powers of the Minister as prescribed under the [Regulations](#).

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## 12 Modification of Terms of Reference

- 12.1 The Board may modify these terms by agreement of its members and the approval of the Minister for Sustainable Economic Development.

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## Appendix 1

### Process

1. The agenda for the board is prepared by the Chair or Deputy Chair and circulated at least five working days prior to a board meeting.
2. The Chair or Deputy Chair will allocate responsibility for actions and will expect relevant owners to be accountable for completion.
3. Board discussions will take place in the spirit of collective ownership of issues, seeking to achieve the best outcomes for Jersey.
4. The board shall operate on the basis of free and frank discussions. All members are expected to continue to apply the usual high standards of discipline and integrity both at and following the meeting.
5. The operation of the board does not detract or dilute from other legal responsibilities placed on officers, including under the States of Jersey Law, the States of Jersey Employees Law, the Public Finances Law, Planning and Building (Jersey) Law, or the Freedom of Information Law.

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Appendix 2.

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# Agricultural Loan Fund Application Process 2024

## ① Awareness Campaign

Awareness Campaign by JB and Ag Team to RSS Businesses:

Rural Support Scheme (RSS) Businesses:

Each of the registered RSS businesses will be contacted via email by the Gov AG team. The communication will include information about the launch of the Agricultural Loan Fund and will provide a link to the JB website for more details.

The email will also include an invitation to an information session hosted by Jersey Business.

## Answers

Applicant invited to information session Go to step ③

## ② Non-RSS Business Enquiries

**Enquiries from businesses not part of the Rural Support Scheme (RSS):**

### Applicant initial enquiry

This step outlines the applicant engagement for the Agricultural Loan Fund for businesses who are not part of the RSS and describes the process for these applicants to express their interest and how these enquiries are managed.

### Enquiry Channels

Potential Loan applicants will express interest by:

- Website: Submitting enquiries via our website (Contact us Form).

- 
- Email: Sending an enquiry to our designated email address.
  - Phone: Calling our business office.
  - Walk-in: Visiting our office in person.
  - Direct to Advisor: Making an enquiry to an advisor during visits or consultations.

## Enquiry Form

Applicant completes the online enquiry form, which captures their business details and interest in the loan fund. All enquiries are tracked in the Dynamics system maintaining records of interactions and follow-ups.

## Webpage Sharing

JB to share the Agricultural Loan webpage which highlights details of the loan fund and explains eligibility criteria.

## Answers

Applicant invited to information session Go to step ③

### ③ Information Session

**Jersey Business information session:**

## Process for Applicant Information Session by Jersey Business

This process describes how potential applicants are invited to attend an information session hosted by Jersey Business. The sessions are designed to help applicants understand the eligibility criteria and requirements to help them submit the best possible application.

## Invitation

Applicants are invited to attend an information session hosted by Jersey Business. The invitation includes details about the session's date, time, and venue.

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## Presentation

Jersey Business provides a slideshow presentation. This presentation highlights key eligibility criteria essential for a successful application, offering clarity on what is required from the applicants and the types of projects and capitalisation that would be considered.

## Slideshow Content

- Welcome and Introduction to the session
- Overview of the Agricultural Loan Fund
- Key Eligibility Criteria
- Application Requirements
- Loan Terms and Conditions
- Q&A Session

## Follow-Up

After the information session, Jersey Business sends a follow-up email to the applicants. with a copy of the PowerPoint presentation which serves as a reference guide to help applicants when preparing their applications.

## Objective

The primary objective of this process is to help applicants understand the eligibility criteria and requirements, and to spark ideas and interest for productivity and growth projects for their business, before submitting an expression of interest (EOI). It will also enable them to understand what a well-prepared application should contain.

## Answers

Applicant believes they are eligible to receive the loan Go to step 5

Applicant believes they do not meet the loan eligibility criteria Go to step 4

### 4 Applicant Self-excludes

Applicant decides for themselves that they do not meet the loan criteria - no action required from JB.

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If JB identify that they are ineligible - inform applicant they are not in scope using email template (or call) if appropriate.

## 5 Expression of Interest (EOI)

Procedure for submitting an Expression of Interest (EOI):

### 1. Applicant completes the EOI Form

- The applicant accesses and submits the Expression of Interest (EOI) form on the website.
- The applicant is required to self-declare that they believe they are eligible
- The applicant fills in all mandatory fields accurately and submits the form online.
- Applicant receives acknowledgment email (automated) and is told they will have a reply within 7 working days.

## Answers

### 6 EOI Review

EOI reviewed to see if applicant meets initial qualifying criteria for loan:

## Introduction

This document outlines our process for handling Expressions of Interest (EOI) that are received from applicants, ensuring that projects and organisations meet the initial qualifying criteria before moving to the full application stage. The EOI is a web based form that links directly to Dynamics CRM.

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## **EOI notification:**

The JB Lead is notified automatically when an EOI is received from an applicant.

## **Initial EOI sense check:**

Two members of the JB team are to review the EOI to ensure it meets the initial qualifying criteria.

## **Non RSS business?**

Are they one of the members of RSS? If no, then JB lead emails Government of Jersey's Sector Lead for Rural and Marine to clarify eligibility to proceed.

## **Answers**

JB Leads agree that the project or business meets criteria for Ag Loan - Go to step 8

JB Lead contacts applicant to say application does not meet the criteria Go to step 7

### **7 Applicant Ineligible**

If JB identify that they are ineligible - JB to inform applicant they are not in scope using email template (or call) if appropriate.

### **8 Loan Criteria Met**

**EOI is approved and applicant is sent application form:**

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## Process overview

This document outlines the process for JB to send the full application form to the applicant, along with all relevant terms, documents and tools.

### Step 1: Applicant email template:

- An email template is sent to the applicant along with the application form and all other required documentation as listed below.

### Step 2: Documents to attach to applicant email:

- Full Application Form
- Guidelines on Assessment of loan applications?
- FAQs: Attach the list of frequently asked questions (FAQ's) to help the applicant better understand the process.
- Financial Model Tool: Attach the Financial Model Excel Workbook tool that applicants can use to forecast their project financials for the next three years.
- Limited Company Board Declaration: Attach the declaration form for signature by the board.

### Step 3: Review and send:

- Double-check all necessary forms and attachments are included in the email being sent to the applicant.

- 
- Email is to be tracked to client record in Dynamics.

## Answers

### ⑨ Application Submitted

Applicant submits completed application form and documents:

- 

### Application submission:

Applicant to submit the following documents to JB:

- Completed application form
- Project plan
- 2 Year trading accounts
- Financial Model (3 year forecast business model / 3 year Profit & Loss statement / 18 month Cashflow Forecast, Balance Sheet)
- Signed Limited Company Board Declaration for the loan

### Responsibilities of JB Lead:

Save the submitted application form and all accompanying documentation in the applicant folder in the client folder in Dynamics.

### Application shared with Rural Economy Team

Government of Jersey's Sector Lead for Rural and Marine is sent loan application submitted to Jersey Business for comment. Additionally, he will engage and share comments from the Treasury Department.

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## Answers

### 10 Application Review

Loan application and financials received by JB for review

#### **JB Lead receives loan application**

The JB Lead initially reviews all loan applications received to ensure completeness and accuracy and that all required documentation as listed in step 8 of the loan processing guidelines has been submitted.

#### **Financial analysis**

The JB Lead will do an initial assessment of the applicant business financials, including trading accounts and financial forecasts, to make sure that the financial information submitted by the applicant is fully complete.

Key Stakeholders

These will also be sent to Rural Economy Team for their comment and review. Rural economy team will also engage with Treasury for any additional comment.

#### **Financials reviewed by Berry's Accountants**

These financials will then be sent by email to Berry's Accountants for expert review and comment. Berry's review, evaluation process and timeline is attached here.

## Answers

### 11 Business Health Check/KYC

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**Business Health Check and Know Your Client (KYC) carried out for applicant:**

## **In-Person meeting with applicant**

### **Purpose:**

- To undertake a JB Business Health Check and KYC on the business
- Discuss reason for loan application, loan security, the project, any support needed, and the wider business operations, including any outstanding monies owed to government

### **Meeting agenda:**

- To understand the structure and ownership of the Business
- Reason for loan application
- Return on investment expectations
- Security for loan requirements
- Costs that applicant may incur
- Timescale for drawing down the loan

### **Discuss costs applicant might incur:**

JB Lead will inform the applicant that while there are no loan arrangement fees, there will be other costs associated with the loan arrangement such as:

- *Accountant services (if required)*
- *Lawyer fees associated with loan security legalities etc.*
- *Any other costs (e.g., planning fees, etc.)*

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## Answers

Business fails health or KYC check Go to step 12

Business passes health or KYC check Go to step 13

### 12 Business Fails Health Check or KYC

Business does not meet Health Check or KYC criteria

### 13 Board Review

Loans Board assembles to review loan application

## The purpose of the Board

The primary purpose of the Board is to make written recommendations to the Minister for Sustainable Economic Development (MSED). These recommendations provide a well-considered basis for the Minister to make informed decisions about the loan applications presented to the Board.

## Composition of the Board

The Agricultural Loan and Guarantees Board comprises a panel of five board members and is accountable to the Chief Officers department for the Economy.

## Board Meetings

Board members meet quarterly to assess loan applications. Two weeks prior to meeting all relevant applications will be shared with Board member for review and scoring to be completed by each member prior to the meeting.

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## **The Board Scorecard**

The Board utilises the 'Advisory Board Scorecard' to make decisions regarding the recommendation or non-recommendation of loan applications. This scorecard serves as a structured and objective tool to evaluate each application fairly and equitably.

The Board will approve or decline using the scorecard and then make final recommendations on the term, conditions or special conditions including the rate to be offered.

The Board may wish to consider further prioritisation of the loans due to demand or funds and make recommendations based on this additional factor.

## **After Board meeting**

Two weeks after each meeting, actions will be circulated to the Board for review, allowing time for comments before submission to The Minister. Format TBC

## **Answers**

Board makes a decision to make a recommendation to MSED Go to step 14

### **14 Board Report to MSED**

- The Advisory Board will report to the Minister for Sustainable Economic Development (MSED) quarterly, 2 weeks after a Board meeting. They will make recommendations on the applications that have been reviewed by the Board.

## **Answers**

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## 15 MSED Decision Made

Decision by MSED to approve or reject loan application:

- The MSED will make a considered decision on the loan application based on the information and recommendations presented before them by the Advisory Board.
- A representative of MSED to advise both JB and applicant of decision to approve or reject loan application.

## Answers

Applicant is successful Go to step 17

Applicant is not successful Go to step 16

## 16 MSED Reject Loan Application

Application is not approved by MSED. MSED representative to notify the applicant.

## 17 Applicant is successful

1. Loan offer sent to client (JB copied) from MSED representative.
  - a. Applicant to return signed agreement
  - b. JB lead to save a copy of signed contract in Dynamics
2. JB Lead to record in Dynamics:
  - a. Completed Loan Application in dynamics
  - b. Set up Service in Dynamics -

## Answers

Applicant rejects offer Go to step 18

Applicant accepts offer Go to step 19

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## 18 Applicant Decides Not to Proceed

Client may decide they do not want to accept loan offer

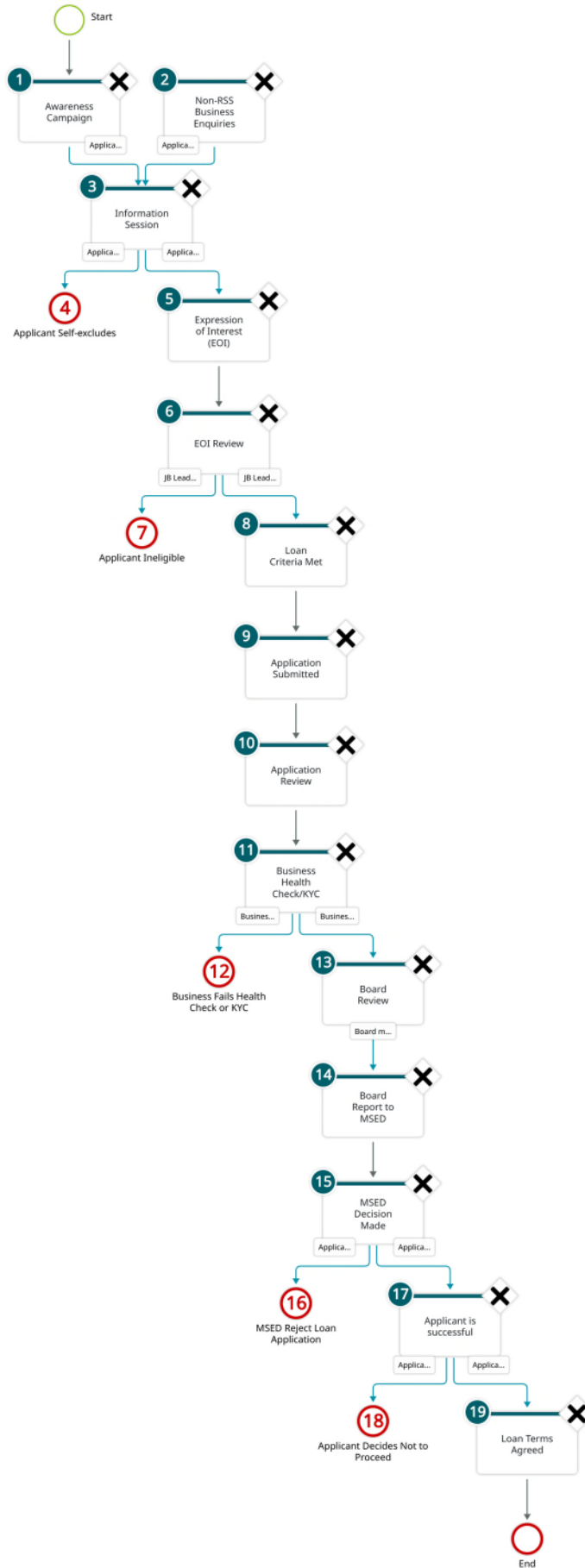
No further action

## 19 Loan Terms Agreed

Loan agreed and applicant now handed over to Government:

- Applicant signs loan offer
- Loan contracts are drawn up
- Property assets are verified
- Loan contracts finalised and agreed
- Treasury dispense funds

## Answers



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## Authorised Signatories

For Agricultural Loans and Guarantees Advisory Board (the 'Board')

1.

Signed.....

Name.....

Capacity: Chairperson

Date.....

2.

Signed.....

Name.....

Capacity: Vice Chairperson

Date.....

3.

Signed.....

Name.....

Capacity: Board Member 3

Date.....

4.

Signed.....

Name.....

Capacity: Board Member 4

Date.....

5.

Signed.....

Name.....

Capacity: Board Member 5

Date.....

