

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

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(59th Meeting)

27th July 2022 at 9am at Jersey Business, The Parade, St Helier

Present: Mrs J Carnegie (JC) (Chair) (via Teams)
Mr J Day (JD) (via Teams)
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)

1. **Welcome and Apologies** – No apologies were noted.
2. **Declarations of Interest** – No additional declarations of interests were declared.
3. **Minutes of previous meeting - IT WAS RESOLVED** to approve the minutes from the previous meeting held on 27th April 2022, subject to a minor amendment from KLF and AM agreed to prepare a final version JC's signature when she was next in the JBL office.
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) **Board Apprentice** -GS reported that two candidates had applied for the role of Board Apprentice. He confirmed that he had forwarded their CVs to JC for her review and for her agreement on whether both candidates should be interviewed. He also sought the Board's input on how much involvement they required in the interview process, and it was agreed that this whilst this should be progressed by GS and JC, GS would provide KLF and JD with the candidates' names. **Action: JC/GS**

(B) **Board Skills Review** – The Board agreed to defer completing a Board Skills Review until October 2022 and **IT WAS RESOLVED** that GS would circulate the relevant papers for completion by the Directors prior to the next meeting on 19th October 2022 for review at the same. **Action: GS**

(C) **JBL Organisational/Pay Structure Review** – GS proposed removing this action from the action log, noting that it was being progressed as part of business as usual (BAU). This was echoed by AM who advised that she is continuing to work with Hannah Gray (HG) on the matter with a target completion date of 31st December 2022 in mind. AM reported that a structural matrix had been prepared and consideration was now being given to a model of responsibility and accountability and current job descriptions to ensure they match.

JC referred to a recent conversation with Doug Mellville (DM) from the Channel Islands' Financial Ombudsman (CIFO) regarding the value of data received following completion of a benchmarking exercise by CIFO. She reported that whilst DM refused to share this data with JBL (because CIFO had paid for the exercise to be undertaken) he was prepared for CIFO to participate in a similar exercise led by JBL and she suggested that this may assist JBL (as well as other organisations), albeit this would be an external, rather than internal process.

AM noted that the JBL organisational/pay structure review was an ongoing internal communication and review process and reiterated that she was working on this with HG as part of BAU. She explained that it has taken time to progress it because it has been necessary to go through a process of reevaluating JBL's job descriptions in line with the new skills matrix. She added that it will also be necessary to undertake a consultation process

with the staff on any change in model which is agreed.

KLF recommended progressing the project as soon as possible to ensure the retention of staff and proposed the action remain on the action log to ensure it is completed. This was supported by the Board and **IT WAS THEREFORE RESOLVED** that AM would discuss the timeline for completion with HG and their meeting scheduled for the following day and update the Board accordingly thereafter. **Action: AM**

GS advised that he is aware that JBL is below benchmarks on salaries. He therefore suggested that an action will therefore need to be taken on how this should be raised with the GOJ. JC proposed raising this with Kirsten Morel as the Minister responsible for JBL and AM noted that the matter has already been raised with GOJ officers via JBL's quarterly reporting process. They were therefore aware that a proposal for an uplift in grant will be forthcoming from JBL next year.

(D) **Tender for Auditor** – **IT WAS NOTED** that following Adam Budworth's appointment as President of the Chamber of Commerce, Grant Thornton had declared a conflict in acting as JBL's auditors. **IT WAS THEREFORE RESOLVED** to progress with a tender process to appoint a replacement auditor as soon as possible. **Action: AM**

Referring to the tender process, the Board reviewed the draft "Provision of External Audit for JBL" document to be circulated to a list of prospective auditors as part of the tender process, a copy of which had been circulated with the agenda; and JD suggested that the payment schedule in the draft document was too prescriptive. He expressed concern that this may deter prospective auditors for expressing an interest in tendering and **IT WAS THEREFORE RESOLVED** that AM would amend the price and payment schedule to state "payment terms to be negotiated". **IT WAS FURTHER RESOLVED** that AM would provide JD with a copy of the prospective list of auditors to whom she proposed sending the tender document for his review/comment with a view to him adding any further companies as appropriate. **Action: AM/JD**

(E) **Workforce Accommodation** – GS reported that he has raised this with various politicians including Kirsten Morel, Alex Curtis and Andy Jehan and he also proposed contacting David Warr, the new Housing Minister. JC queried whether this was an issue which JBL should pursue, and GS noted that Kirsten Morel has made it clear that his main agenda is to deal with the shortage of workforce in the Island; and GS suggested that the main driver to this was a lack of suitable workforce accommodation. That said, whilst he does not propose JBL does anymore than it already has in this regard, he stressed the importance of the new States Assembly being aware that they should not only focus on social housing, as workforce accommodation is also a big challenge.

JD acknowledged that he had not yet introduced GS to Richard McCarthy from Andium. However, he reported that Andium recently had a strategy day at which it was apparent that Andium is unable to deal with its existing strategy. Therefore, workforce accommodation was unlikely to be a focus for them for the time being. He therefore proposed closing the action, and placing it on JBL's risk register instead, and this was welcomed by the Board. **Action: GS**

(F) **Pay Slips** – AM advised that following the previous meeting she circulated updated login details for the portal to enable the Directors to obtain their pay slips. However, the Directors did not recall receiving this and agreed that JBL was legally obliged to provide them with pay slips. **IT WAS THEREFORE RESOLVED** that AM would follow up with JC in this regard after the meeting. **Action: JC/AM**

(G) **Increased Funding for Staff Salaries** – **IT WAS NOTED** that this was discussed as part of paragraph (C) above. **IT WAS THEREFORE RESOLVED** to close the action. **Action: AMa**

(H) **Oversight Board for Arms' Length Organisations (ALOs)** – The Board noted that Tracey Vallois (TV) previously presented a proposition to the States to create an oversight board for ALOs. However, she had now left the States. **IT WAS THEREFORE RESOLVED** that JC would establish who was taking this forward. **Action: JC**

(I) **JBL 2021 Annual Report** – **IT WAS NOTED** that AM had not yet had an opportunity to arrange for 20 copies of the JBL 2021 Annual Report to be professionally printed. **IT WAS THEREFORE RESOLVED** to carry the action forward. **Action: AM**

(J) **Jersey Business Trust (JBT) – Appointment of new Trustees** – **IT WAS NOTED** that the process of transferring the role of Trustee in the JBT from JC to Adam Budworth (on behalf of the Chamber of Commerce) and LS (on behalf of the Institute of Directors) to Tim Hubert (on behalf of the Jersey Hospitality Association) was scheduled to take place on 1st September 2022 and included the cancellation of the shares in Jersey Business Ltd held by LS and JC and the issue of new shares to the new trustees. The Board approved the same.

(K) **JBT – Appointment of new Enforcer** - AM confirmed that the process to change the Enforcer to the JBT was now complete.

(L) **1 Grenville Street** – The Board agreed to discuss this at agenda item 7 below.

(M) **Operational Risk Register** – The Board agreed to discuss this at agenda item 8 below.

(N) **Thought Leadership Groups** – AM advised that although she did not recall agreeing to establish thought leadership to discuss certain parts of the 4Insight Survey, the results were being used to shape the delivery of JBL programmes and Alumni groups were being used to shape JBL services. However, whilst the output from the survey was being used internally and was referenced in the Annual Report, a specific press release had not been prepared focussing on the survey results and no social media posts had been issued referring to them. She therefore acknowledged that more could have been done around it externally. That said, she advised that JBL recently undertook a productivity survey and noted that a significant amount work was carried out around this. She added that work had already started on the 2022 annual report and advised that consideration was being given to what should be included in this. GS therefore suggested that this action formed part of BAU and proposed removing it from the action log, and this was supported by the Board. **Action: AMa**

(O) **Footnote to Survey Results** – AM confirmed that the Board's proposed amendments to the survey results PowerPoint presentation had been made. However, she reiterated that this was not being used externally.

5. **Q2 Report and Latest Management Information** – The Board noted the Q2 Report and latest management information, a copy of which had been submitted to the GOJ and circulated with the agenda.

Questions and comments were invited on the Report and JD commented that it was difficult to assess JBL's operational performance from the Report. He accepted that whilst it was not practical for JBL to produce two different reports, he suggested that the RAG rated report previously circulated at Board meetings provided more detail in this regard. JC also welcomed more visibility of how JBL was performing operationally and suggested that this could be provided either via email or as part of the quarterly Board pack. This was also supported by KLF who stressed the importance of ensuring the Directors understand how the business works, even if this is just by way of quarterly bullet points.

GS reminded the Board that the rationale behind tabling the GOJ Report at Board meetings was to try and implement one consistent set of reporting. However, he acknowledged that the Directors may require more information than is provided in the GOJ Quarterly Reports.

He therefore agreed to review the format of previous operational reports with a view to striking a balance, albeit he did not commit to preparing monthly reports. **Action: GS**

JD highlighted the transfer of £432k from JBL's Covid-19 Recovery Grant to Reserves referred to on page one of the Report and noted that the GOJ was previously extremely strict about JBL retaining any surplus at the year end. He added that that the Partnership Agreement between the GOJ and JBL limits this to 10% of the total grant value. He therefore queried what discussions took place with the GOJ to confirm this change in this process. AM explained that the transfer has been made based on a balance of what is included in the Partnership Agreement and the fact that a discussion is required between JBL and the GOJ every year to carry reserves forward into Q1 to avoid the risk of JBL having insufficient funds available to settle its outgoings due to JBL's grant payment from the GOJ not being received on time. GS added that the GOJ has discretion to extend the terms set out in the Partnership Agreement to enable JBL to carry forward more than the 10% limit referred to.

KLF expressed concern at the risk to the Directors of JBL breaking the 10% reserves policy set out in the Partnership Agreement and queried whether JBL has anything in writing from the GOJ confirming they can transfer the £432k to reserves. AM noted that the Q1 Report to the GOJ referred to JBL holding this amount in reserves. However, KLF recommended ensuring there is more of an audit trail in place confirming the GOJ's approval of the transfer to JBL's reserves.

GS sought further clarity on KLF's concern regarding the transfer of funds to JBL's reserves and KLF explained that, given GOJ's previously strict regime regarding the holding of reserves by JBL, she would feel more comfortable if JBL had an audit trail confirming the GOJ's approval for the £432k to be transferred into reserves (and an explanation why it has been done).

AM noted that the matter was discussed at the Q1 meeting between JBL and the GOJ and therefore suggested that the minutes from this meeting should refer to the GOJ's agreement for JBL to make the £432k transfer to reserves. KLF agreed that a copy of these minutes would provide the necessary audit trail and proposed JBL obtain a copy of the same, particularly as new Ministers have been appointed since this meeting when the transfer was discussed/approved. **IT WAS THEREFORE RESOLVED** that AM would request a copy of the Q1 GOJ/JBL Quarterly meeting minutes from the GOJ and seek their written approval of the £432k transfer discussed at that meeting. **IT WAS FURTHER RESOLVED** that AM would provide the GOJ with the relevant extract of these minutes and a copy of JBL's Reserves Policy and request their approval of the latter in writing. **Action: AM**

Referring to JBL's Reserves Policy, the Board reviewed a draft of the same which had been circulated with the agenda for their approval. JD suggested that a specific figure did not need to be included in the policy and that "six months of budgeted operating costs" would suffice. However, AM explained that a specific figure was only included in last paragraph of the policy as it is proposed to use this as the template wording for inclusion in the accounts each year. There being no further comments or questions on the Reserves Policy the Board confirmed their approval of the same.

6. **Grant Support Paper/Productivity Week** – The Board noted an email from Kenny Sillars to GS dated 22nd July 2022 providing an update on the Productivity Support Scheme, a copy of which had been circulated with the agenda. GS summarised the update and highlighted that Richard Corrigan has suggested that the £2,500 minimum grant amount may be too low. He added that the level of applications to the Scheme have been quite low. It is therefore proposed to undertake more marketing around the Scheme to encourage additional applications.

AM provided an update on Productivity Week which was held at the start of July and was

launched with a Chamber of Commerce Lunch. She reported that the Week reached approximately 600-700 people and the survey undertaken during the produced some interesting results and generated some interesting topics for conversation.

AM advised that "Productivity Circle" was launched during Productivity Week and noted that a press release in this regard is scheduled for September. She added that monthly events will be scheduled as part of this initiative.

IT WAS NOTED that because of Productivity Week, 12 companies are expected to sign up to JBL's Autumn Business Improvement Programme and JBL is trying to arrange face to face presentations with industry groups across various sectors (e.g. construction, retail, hospitality, etc.).

In conclusion, AM suggested that Productivity Week was a very positive initiative.

7. **Property Update** – GS confirmed that JBL had negotiated with the landlord of 1 Grenville Street and agreed Heads of Terms for the lease of the 3rd and 4th floors. However, he was now in the process of agreeing Planning consents and Building Control paperwork, noting that significant gaps had been highlighted by the QS on the Category A work completed on the building. GS explained that he was currently following up with the landlord in this regard and reassured the Board that he would not sign a lease on JBL's behalf until all necessary information had been received/any concerns are mitigated and accepted that a challenging meeting with the landlord may need to take place to achieve this.

In answer to a question from JD, GS advised that he had not made the GOJ aware of who the landlord of the premises was. He therefore agreed to do this. **Action: GS**

GS reported that JBL was continuing to work with Jersey Sport about co-locating at the premises. However, a prospective third tenant had withdrawn from discussions as the rental was too high.

KLF commented that if the Directors are required to provide their approval on any further property matters she may require additional input from GS (or the QS) given she does not have significant property expertise, and this was recognised by GS.

8. **Risk Register** – An updated copy of the Risk Register had been circulated with the agenda and GS confirmed that, save for the addition of the several macro external risks for discussion by the Board, there were no material changes.

Owing to pressures of time, GS proposed reviewing the proposed macro external risks at another time. However, he welcomed the Board's input on whether any additional risks should be added and KLF suggested that "Base Rate" should be included as an additional risk to inflation. JC also suggested including "employee value proposition" (i.e. what employers expect from their employees) and, as mentioned in item 4(E) above, JD reiterated the importance of including workforce accommodation (to include employment licensing and housing issues) on the risk register. **IT WAS THEREFORE RESOLVED** that GS would include these additional risks with a view to the Board reviewing the list in more detail in due course.

Action: GS/ALL

9. **Any Other Business – Political/GOJ Engagement** – GS advised that he had received a positive response to his invitation to all new politicians to meet to discuss JBL's priorities. He reported that he had met with the Ministerial Team from the Economy Department (Kirsten Morel, Alex Curtis and Lucy Stephenson) and commented that they form a strong ministerial team. He reported that he had also met with Max Andrews who was part of Scrutiny.

The Board noted that GS was due to meet with representatives from the GOJ to discuss various support schemes and GS reported that Kirsten Morel and Kristina Moore were both

keen for JBL to take on some responsibility for managing support schemes' appeals processes on GOJ's behalf. However, he advised that he has previously pushed back on this given that JBL's role is to support businesses in applying for support schemes. He therefore proposed maintaining this stance, albeit JBL should advise businesses on how much they can afford to repay should they be unsuccessful in an appeal.

10. **Date of Next Meeting - IT WAS NOTED** that the next meeting was scheduled for Wednesday 19th October 2022 at 9am.

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


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Chairperson


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Date Signed