

# Economic Affairs Scrutiny Panel

Meeting No. 49

5<sup>th</sup> September 2007

Present Deputy G. P. Southern, Chairman  
 Connétable M. K. Jackson  
 Deputy A. Breckon  
 Deputy K. C. Lewis  
 Apologies Deputy J. A. Martin  
 Absent  
 In attendance Nathan Fox, Scrutiny Officer

Ref Back	Agenda matter	Action
	<p><b>1. Minutes of previous meetings</b></p> <p>The Minutes of the meetings held on 25<sup>th</sup> July 2007 were approved and signed.</p>	
<p><b>Item 2a</b> 25.07.07</p> <p><b>Item 2b</b> 25.07.07</p>	<p><b>2. Matters Arising</b></p> <p><b>a) Agricultural loans:</b> The Panel noted that the information on Agricultural loans requested from the Economic Development Department was still outstanding and that this had delayed the Business Plan review process. It further noted that the proposed Business Plan indicated that a total of three full-time employees were allocated to the administration of the Single Area Payments, Agricultural Loans and miscellaneous support.</p> <p>Officers were directed to take the appropriate action.</p> <p><b>b) Enterprise and Business Development Briefing:</b> The Panel noted that the format of the meeting differed from its expectations.</p> <p>Officers were directed to clarify the intended format for future briefings from the Economic Development.</p> <p>The Panel considered the topics discussed at the briefing in <b>private session</b>.</p> <p><b>c) Dairy Industry:</b> The Panel noted that no further developments had occurred over the summer period although it understood that the Council of Ministers intended to lodge a proposition to allow the importation of bovine semen at some point in the future.</p> <p>Officers were directed to obtain a copy of the proposition.</p>	<p><b>NJF</b></p> <p><b>NJF</b></p>

	<p><b>d) Telecoms:</b> The Panel noted that the Treasury Department had agreed to allow the Sub-Panel early sight of their proposed plans for the privatisation of Jersey Telecom.</p> <p>The Panel considered the recent instability in capital markets and the possible implications on the proposed sale of Jersey Telecom.</p>	
<p><b>Item 3 25.07.07</b></p>	<p><b>3. Executive Actions on Recommendations of Previous Reviews</b></p> <p>The Panel considered the officer position paper dated 11<sup>th</sup> July 2007 listing review recommendations and the corresponding executive responses to date.</p> <p><b>Incorporation of Jersey Post:</b> The Panel recalled that the Jersey Competition Regulatory Authority had been obliged to wait until Jersey Post was incorporated before it could become involved.</p> <p>It further recalled that separate cost centres were to be set up to demonstrate that potential anti-competitive cross funding did not occur.</p> <p>Officers were directed to obtain a 6 month post-incorporation report from the JCRA.</p> <p>Officers were directed to draft questions pertaining to recommendation 2 regarding cross-subsidies.</p> <p><b>Jersey Telecom:</b> The Panel noted that work was ongoing and that recommendations 3 and 5 had now been partially accepted by the Treasury and Resources Department.</p> <p><b>Jersey Dairy:</b> The Panel noted that most of the recommendations had been acted upon to some extent and that work was ongoing (as detailed in section 2c of these minutes). The Panel was updated on the actions of the Chief Minister's Department by the Dairy Review Sub-Panel.</p> <p><b>Retail Strategy:</b> The Panel noted that work was still ongoing.</p> <p>The Panel noted that the treatment of Scrutiny reports by the Executive was to be discussed at the next meeting of the Council of Ministers to be held on 6<sup>th</sup> September 2007.</p> <p>The Panel considered responses from Ministers to a selection of Scrutiny reviews.</p> <p>The Panel considered issues related to hearing evidence in confidence and noted the potential of confidential evidence to compromise the scrutiny process.</p>	<p><b>NJF</b></p> <p><b>NJF</b></p>
	<p><b>4. Draft Supply of Goods and Services (Jersey) Law 200-consultation.</b></p>	

	<p>The Panel considered a consultation document regarding the Draft Supply of Goods and Services (Jersey) Law 200-. It noted that the States had agreed in principle to introduce a 'Fair Trading' Law approximately 15 years ago. It further noted that the Consumer Council was studying this document in detail. The Panel agreed to await feedback from the Council.</p> <p>The Panel noted the deadline of 24th October 2007 for response to the consultation process.</p>	
	<p><b>5. Scrutiny Best Practice</b></p> <p>The Panel considered a booklet entitled 'On the Money', produced by The Centre for Public Scrutiny. It was of the opinion that some areas of 'public' spending were difficult to identify, including accommodation costs, specific marketing and branding projects. The Panel noted the need for ongoing monitoring of public spending.</p> <p>Officers were directed to obtain a Shadow Scrutiny report on States accommodation arrangements.</p> <p>Officers were further directed to provide the Panel with a summary document of the relevant information from the 'On the Money' booklet.</p>	<p><b>EKW</b></p> <p><b>EKW</b></p>
	<p><b>6. Panel Achievements</b></p> <p>The Panel considered two documents, the first outlining the actions of the Scrutiny Panels in the first half of 2007 and the second detailing reviews which had been carried out on the Executive Departments by the Scrutiny Panels to date.</p> <p>The Panel noted that no review had been undertaken into any aspect of the Finance Industry to date.</p>	
	<p><b>7. Draft Financial Services (Amendment of Law) (No. 2) (Jersey) Regulations 200-</b></p> <p>The Panel considered the Draft Financial Services (Amendment of Law) (No. 2) (Jersey) Regulations 200-.</p> <p>It noted that this amendment had been prepared in preparation for the forthcoming International Monetary Fund inspection in 2008 and that it was due for debate on 9<sup>th</sup> October 2007.</p>	
	<p><b>8. Draft Financial Services (Amendment of Law) (No. 3) (Jersey) Regulations 200-</b></p> <p>The Panel considered the Draft Financial Services (Amendment of Law) (No. 2) (Jersey) Regulations 200-.</p> <p>It noted that this amendment had been prepared in preparation for the forthcoming International Monetary Fund inspection in 2008 and that it was due for debate on 9<sup>th</sup> October 2007. The Panel had no objection to this amendment.</p>	

	Officers were directed to prepare notes on the proposed amendment.	<b>EKW</b>
	<p><b>9. Jersey Finance Limited</b></p> <p>The Panel considered an officer briefing paper on the financing of Jersey Finance Limited.</p> <p>The Panel recalled that initially the States had intended only to assist with the set up financing of Jersey Finance Limited and had expected that further funding would come from the industry. The Panel noted that States funding for Jersey Finance Limited was £1 million in 2007 and that the proposed grant for 2008 was increased by £25,000 to account for inflation. It further noted that States contributions were more than double the industry contributions/subscriptions.</p> <p>The Panel noted that the rationale for increased States funding had generally been to provide resources for the overseas marketing of Jersey financial services.</p> <p>The Panel discussed whether privatisation of Jersey Finance Limited could be of public benefit.</p> <p>The Panel agreed further information was required. Officers were directed to obtain relevant documentation.</p> <p>The Panel recalled the supervisory visit by the International Monetary Fund (the IMF) was due in 2008. The Panel considered that a review into the funding of Jersey Finance Limited and the associated value to the public would have no impact on the IMF's assessment of Jersey's Finance Industry. The Panel agreed to undertake a review into the Funding of Jersey Finance Limited.</p> <p>Officers were directed to take the appropriate action</p>	<p><b>EKW</b></p> <p><b>EKW</b></p> <p><b>EKW</b></p>
	<p><b>10. Open Skies</b></p> <p>The Panel considered the Draft Air Transport Permits (Repeal) (Jersey) Law 200-. The Panel agreed that a more detailed analysis was required. It considered the commitments of officers and members and agreed that the Chairman would consider exercising powers under Standing Order 72 (2) to delay the debate of this law in order to allow a review to be undertaken.</p>	<b>GPS</b>
	<p><b>11. Waterfront Scheme</b></p> <p>The Panel understood that a former Managing Director of the Waterfront Enterprise Board had been re-employed as a Project Manager.</p> <p>Officers were directed to request a copy of agenda item B11 of the Council of Ministers meeting dated 6th September 2007 entitled 'Waterfront Development Consultation Programme'.</p>	<b>NJF</b>

<p><b>Item 6 25.07.07</b></p>	<p><b>12. Economic Development Department 2008 Business Plan</b></p> <p>The Panel considered the Economic Development Department's 2008 Business Plan.</p> <p>The Panel noted that historically the Economic Development Department has not spent its budget allocation.</p> <p>It further noted that the Department had stated that it was not possible to determine in advance the contents of Business Plans for 2009 and 2010.</p> <p>The Panel noted the amendment to the 2008 Annual Business Plan designated P.93/2007/Amd(9), lodged by the Public Accounts Committee and further noted that this was to be discussed at the Chairmen's Committee meeting on 7<sup>th</sup> September 2007.</p> <p>The Panel noted an amendment to the 2008 Annual Business Plan designated P.93/2007/Amd(3), lodged by Senator B. Shenton, concerning the funding of the Jersey Competition Regulatory Authority.</p>	
	<p><b>13. Small Firms Loan Guarantee Scheme</b></p> <p>The Panel noted the record of a meeting between Economic Development Department Officers and Scrutiny Officers in relation to the Small Firms Loan Guarantee Scheme.</p>	
	<p><b>14. Draft Price and Charge Indicators (Jersey) Law</b></p> <p>The Panel recalled that it had previously considered presenting comments on P.99/2007 - 'Goods and Services Tax: price marking legislation' lodged by Senator L. Norman. It was agreed that these would be held pending the outcome of discussions on the subject with Senator Norman.</p>	
<p><b>Item 5 25.07.07</b></p>	<p><b>15. Draft Price and Charge Indicators (Jersey) Law Report</b></p> <p>The Panel noted that the completion date for this review was the 25<sup>th</sup> September 2007. It further noted that the draft report was due for stakeholder review by 18<sup>th</sup> September 2007.</p> <p>The Panel noted that the transcripts from the Public Hearings held on 4<sup>th</sup> September were expected within a week.</p> <p>The Panel considered the draft report and agreed a meeting on 17<sup>th</sup> September 2007 for finalisation of the draft report.</p> <p>Officers were directed to take the appropriate action</p>	<p><b>NJF</b></p>
	<p><b>16. Newsletter</b></p> <p>The Panel noted that the Scrutiny Newsletter required</p>	

	<p>submissions from all Panels and that a member of each Panel would be profiled. The Panel agreed to defer consideration of this item to the next Panel meeting.</p>	
	<p><b>17. Future Meetings</b></p> <p>Due to the Business Plan debate scheduled for 18<sup>th</sup> September 2007, the Panel meeting of 19<sup>th</sup> September 2007 was postponed.</p> <p>A Panel meeting was arranged for 17<sup>th</sup> September 2007 at 9.30am to discuss the draft Price and Charge Indicators (Jersey) Law 200-Report, at a venue to be confirmed.</p> <p>Officers were directed to take the appropriate action.</p>	<p><b>NJF/EKW</b></p>

**Signed**

**Date**

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**Chairman Deputy G. P. Southern**  
**Economic Affairs Panel**