

Economic Affairs Scrutiny Panel

Meeting No. 8

Date 22nd March 2006

Location Blampied Room, States Building

Present Deputy G. P. Southern, Chairman
Deputy A. Breckon
Connétable M. K. Jackson[KTF1]
Deputy J. A. Martin
Deputy K. C. Lewis

Apologies

Absent

In attendance Carol Le Quesne, Scrutiny Officer

Ref Back	Agenda matter	Action
1.	Minutes of the Meetings of 8th March 2006. Minutes were approved subject to a minor amendment.	
2.	The Panel received a fulfilment operator on a confidential basis and notes of that meeting have been recorded separately.	
3.	Draft Postal Services (Transfer) (Jersey) Regulations 200- The Chairman informed the Panel that the above was to be debated by the States at its next meeting on the 28th March 2006. He advised that the draft Regulations were intrinsically linked with the Fulfilment Review currently underway. Given the evidence already received in relation to the Fulfilment Review it was considered essential that the Panel requested that the Draft Regulations be referred to it for review. The Panel agreed that it would review the proposals for the incorporation and that the Chairman should advise the Ministers involved at the earliest opportunity. The Panel finalised its draft terms of reference and requested that these be forwarded to the Chairmen's Committee for ratification, subsequent to which they be forwarded to the Ministers concerned and that all States members be advised of the Panels decision. It was agreed that the Hearing date of 5th April would now be used for the Draft Postal Services (Transfer) (Jersey) Regulations 200-review and a timetable of witnesses was agreed. Letters would be forwarded to the invitees at the earliest opportunity as would outline areas of questioning. The Panel requested that a copy of the Universal Service Obligations be obtained from Jersey Post.	
4.	Correspondence received and matters for information	

The Panel received several items of correspondence from external sources in respect of request for meetings and ongoing reviews together with some matters for information.

Documents

E-mail from Deputy S. Power, requesting a review relating to the Service Level Agreements on the St Malo and UK sea routes.

The Panel considered the request and received that it would not pre-empt the Air Sea Transport Policy or the development of agreements with operators at this time. However, the Panel agreed that it would maintain a watching brief on the situation and possibly review the situation once the new agreements had been operating for a period of time. The Panel instructed the officers to advise Deputy Powel of its decision.

Letter dated 2nd March 2006, from the Royal Jersey Agricultural and Horticultural Society.

The Panel noted that the Society did not have any areas of specific concern which required discussion. However, it mentioned that it was researching a number of areas at this time and the Panel requested that further information be sought on those areas.

Notes of a meeting from 7th March 2006 with Dr. D. McQueen, Mr. M. King and Mr. P. Le Miere.

The Panel noted the outcomes of the meeting and that it had been provided with Reports 34 and 35 reviewing the actions of the dairy industry consequent upon completion of the 2003 Strategic Review. The Panel requested that the reports prior to 34 and 35 should be requested from the Department.

Notes of a site visit to Offshore Solutions at Jackson's Garage and Condor Logistics.

The Panel recalled that it had been provided with a presentation on the structure and operation of Offshore Solutions and that it had viewed the operation of the 'pick and pack' set up of the 3PS. The Panel agreed that it should at some point visit the pick and pack operation above Condor Logistics.

E-mail from the Greffier of the States - Future Scrutiny Powers

The Panel noted that the Greffier of the States would be taking forward its recommendations to amend the Powers of Scrutiny Powers to the Privileges and Procedures Committee.

Note on advertising in the Jersey Evening Post

The Panel noted that the costs associated with placing advertisements in the JEP were not dissimilar to other jurisdictions.

Summary of the Council of Ministers' Meeting of 9th March 2006

The Panel discussed access to information and agreed that it was

	<p>essential that Scrutiny was provided access to Part B minutes as a matter of course. It was also agreed that the Council of Ministers Part B agenda should be monitored to identify any issues that were relevant to the Panel.</p>	
5.	<p>Fulfilment Review</p> <p>The Panel received a number of documents and decided as follows-</p> <p>(i) First Evidence Submission from a Fulfilment Employee;</p> <p>The Panel noted the key points identified in the submission.</p> <p>(ii) Draft timetable for the review;</p> <p>The Panel agreed that the timetable for the review should stand despite its undertaking of a review of the Draft Postal Services (Transfer) (Jersey) Regulations 200-</p> <p>(iii) Additional Act requested in respect of the Fulfilment Industry including the report to accompany the Postal Services Law, the Report from Andium Limited, explanatory note and draft Law;</p> <p>The Panel noted the content of the report by Mr. Syvret and agreed that it would require an opportunity to discuss the proposed incorporation of Jersey Post with him. It was decided that agreement should be sought from the Ministers and Jersey Post to ensure that this could occur.</p> <p>(iv) Proposed areas of Questioning for the 5th April 2006 included in the notes from the 16th March 2006;</p> <p>The Panel noted the areas of questioning for the Fulfilment Review.</p> <p>(v) A copy of the UK Import VAT Accounting Scheme from Customs.</p> <p>The Panel noted the application form. It requested that further information be obtained on the requirements for joining the scheme with regard to the volumes of packages sent out required to allow participation. It also requested that a definition on 'adding value' to enable participation be sought from Customs and Immigration.</p>	
6.	<p>Topic Proposal Form and meeting confirmation.</p> <p>The Panel recalled that it had received a scrutiny topic proposal form from Mr. B. Curtis and that it had requested that a meeting be arranged between him and the Chairman.</p> <p>It was noted that Mr. Curtis had confirmed that he could attend a meeting at 3.30 pm on the 29th March 2006 in the first floor meeting room, Morier House. The Chairman of the Corporate Affairs Panel would also be in attendance with his officer.</p>	
7.	<p>Access To Legal Advice</p> <p>The Panel received a response dated 16th March 2006 from H.M.</p>	

	<p>Attorney General in answer to its questions relating to the new fulfilment policy which were forwarded to him on the 9th March 2006.</p> <p>The Panel noted that the Attorney General required further clarification and more specific questions in order that he could fully address the questions raised. It was agreed that the Chairman would draft further questions for the Attorney General.</p>	
8.	<p>Mr. T. Lidget - DelBoysEmporium</p> <p>The Panel welcomed Mr. Lidget to the meeting and invited him to explain the structure of his fulfilment enterprise together with any challenges or obstacles that he faced.</p> <p>The Panel was advised of the history of Mr. Lidgets business and the type of products with which he deals. Postal charges.</p> <p>The meeting discussed the implications of VAT exemptions, service provision and adding value, the use of employees through the therapeutic employment scheme, the growth of the industry, competition and overheads in other jurisdictions, the potential to enlist the help of Fulfilment Companies to market Jersey as a holiday destination.</p> <p>The concerns of the UK Treasury were discussed in addition to the negative perception of the CD/DVD side of the industry. The Panel was advised that Mr. Lidget did not consider that the Policy would adversely affect his business. He did suggest that companies starting up or with a low number of outgoing items would benefit from a lower postal charge allocated to larger customers as they were not in a position to benefit from economies of scale.</p> <p>The Panel thanked Mr. Lidget for his time.</p>	
9.	<p>Date of next meeting</p> <p>The Panel, in a change to the previously scheduled arrangements, decided that it would be appropriate to hold an additional meeting on the 27th March 2006 to discuss the planning of a forthcoming hearing to be held on 5th April 2006, at a location to be arranged. The next previously notified meeting remained scheduled for 5th April which had been allocated as a hearing date.</p> <p>Officers were directed to make the necessary arrangements.</p>	CLQ

Signed

Date

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Chairman Deputy G. P. Southern
Economic Affairs Panel

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[KTF1]Is he Vice-Chairman??