

Economic Affairs Scrutiny Panel

Meeting No 52

14th November 2007

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

Apologies

Absent

In attendance Elizabeth Kingston-Walsh, Scrutiny Officer
Nathan Fox, Scrutiny Officer

Ref Back	Agenda matter	Action
1.	Minutes The Minutes of the meetings held on 3rd October 2007 and 17th October 2007 were approved.	NJF
2.	Chairmen's Committee briefing notes The Panel considered the briefing notes of the Chairmen's Committee meeting dated 2nd November 2007. It noted that the Committee had considered position reports from all Panels, the Scrutiny newsletter, and papers from all Panels on the Business Planning process.	
3.	Annual Business Plan The Chairman and Deputy Breckon briefed the Panel on the recent meeting between the Chairmen's Committee and the Chief Minister regarding future business planning. It was generally agreed within the Chairmen's Committee that the arrangements for scrutiny of the annual Business Plan were in need of improvement. The main concerns were- <ul style="list-style-type: none">• Preliminary estimates of expenditure were subject to considerable change by the time of the finalised Business Plan• Internal fund transfers were still possible after the finalisation of the Business Plan• Timetables for review were very tight and the period in which panels were required to consider the finalised Business Plan spanned the summer recess• The change in the Economic Development Department's	

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	<p>accounting format had made year-to-year changes in expenditure extremely hard to determine</p> <p>The Chief Minister had indicated that, in future, changes in Departmental expenditure would be highlighted and formats would remain consistent. He also stated that preliminary figures would be binding. It was likely however that the timetable for consideration of the Business Plan would remain tight, especially in light of the need to complete the process prior to the elections scheduled for December 2008.</p> <p>The Panel welcomed the stated intents of the Chief Minister but noted that the implementation of these changes would require oversight.</p> <p>In order to assess the Business Planning process, the Panel directed officers to collate all material from the consideration of the States Business Plan 2007 and make it available for the next meeting. This was to include budget reconciliations, statistics, data and questions to the Minister and Department during the year.</p> <p>In addition, consideration of the Business Plan was to be included on all future agendas.</p>	<p>NJF</p> <p>NJF</p>
<p>4.</p>	<p>Forthcoming propositions</p> <p>The Panel noted the following forthcoming propositions-</p> <ul style="list-style-type: none"> • The Draft Finance (Jersey) Law 200- lodged 'au Greffe' on 23rd October 2007 by the Treasury and Resources Minister • the Draft Public Finances (Amendment No. 2) (Jersey) Law 200- lodged 'au Greffe' on 23rd October 2007 by the Treasury and Resources Minister • the Draft Gambling (Remote Gambling Disaster Recovery) (Jersey) Regulations 200- lodged 'au Greffe' on 31st October 2007 by the Economic Development Minister <p>The Panel considered the Draft Gambling (Remote Gambling Disaster Recovery) (Jersey) Regulations 200-, and noted that these Regulations permitted businesses involved in internet or other gambling to operate from Jersey in the case of an emergency for up to nine weeks.</p> <p>The Panel was of the opinion that this could be a first step in establishing that Jersey was capable of operating such systems, which could lead to these businesses being permanently registered in Jersey in the future.</p> <p>Accordingly, the Panel decided to prepare a response to the Regulations, to take the form of comments or to be sent to the Minister.</p> <p>The Chairman was delegated to prepare this response for the approval of the Panel.</p>	<p>GS</p>

5.	<p>Question to Ministers</p> <p>The Panel noted that the Education Sport and Culture Minister and the Planning and Environment Minister were to be questioned without notice at the next meeting of the States on 20th November 2007.</p>	
6.	<p>Jersey Tourism public-private partnership</p> <p>The Panel considered a document produced by Locum Consulting, entitled 'Marketing Jersey – Organisation Plan Final Report Version 4', dated September 2007.</p> <p>The Panel noted that the report proposed the development of an organisation to promote Jersey as a tourist destination, to be funded by the tourism industry and the States. The relationship to the tourism industry would be similar to that between Jersey Finance Limited (JFL) and the finance industry.</p> <p>The Panel examined the document and noted the similarity in public-private partnership (PPP) structure with JFL. Concerns were raised over section 1.7 of the document which stated that-</p> <p style="padding-left: 40px;"><i>“The new PPP would create a better vehicle for lobbying, especially because it would have a senior officer and representative of the States on its Board”</i></p> <p>The Panel did not consider it appropriate that public funds should be paid to an organisation for the purposes of lobbying the government. This was a function for private industry and was in no way deserving of subsidy.</p> <p>The Panel considered the possibility of broadening the scope of the forthcoming review of JFL to include this PPP (see item 12). After some discussion it was agreed that this might overextend the terms of reference and length of the review.</p> <p>The Panel reserved the right to undertake limited consideration of the structure in relation to JFL under the 'catchall' term of reference, however.</p>	
7.	<p>Draft Price and Charge Indicators (Jersey) Law 200-</p> <p>Further to the Panel's review of the draft Price and Charge Indicators (Jersey) Law 200-, it recalled that the Economic Development Minister had stated during the meeting of the States of 7th November 2007 that-</p> <p style="padding-left: 40px;"><i>“The default position for price marking should be inclusive but people should get a till receipt showing what the GST is....The Economic Affairs Scrutiny Panel has my undertaking (and I think we agree, the Treasury Minister and I) that that is what the end situation should be.”</i></p> <p>He also noted that Regulations under the Law would be</p>	

	<p>immediately published for consultation.</p> <p>The Panel was gratified to note that the Economic Development Minister had given an undertaking as above. However, it expressed concerns as to the timing of the imposition of mandatory receipting, and accordingly decided to develop an amendment to the GST Regulations to require that businesses registered for GST provide a receipt with all transactions to indicate how much GST was incurred.</p> <p>Officers were directed to take the appropriate action.</p>	
8.	<p>Harbours (Amendment No. 1) (Jersey) Regulations 200-</p> <p>The Panel received a consultation document and draft copy of the Harbours (Amendment No. 1) (Jersey) Regulations 200-.</p> <p>The Panel was broadly in favour of the stated aims of the draft Regulations, which were intended to establish a legal basis for the Economic Development Minister to effect changes to permits to use local port facilities.</p> <p>It was not clear to the Panel, however, why a consultation document on draft Regulations had been released when these Regulations were to be finalised and re-issued for consultation in the future.</p> <p>Notwithstanding this, the Panel delegated Deputy Breckon and Connétable Jackson to produce a response to the consultation document if they deemed it appropriate on further examination.</p>	AB MJ
9.	<p>National Lottery – extension to Jersey</p> <p>The Panel received a white paper from the Economic Development Department regarding the possible extension of the UK National Lottery to Jersey.</p> <p>The Panel examined the document and concluded that several key questions were unanswered-</p> <ul style="list-style-type: none"> • The white paper indicated that 12p in the pound of UK ticket sales was remitted to ‘the government in lottery duty’, and that these funds would accrue to the States if the lottery were to be extended. It was not stated by what mechanism this money was to be paid to the States. • Since 2001 the Association of Jersey Charities had received the Jersey share of the profits of all lottery draws. The white paper did not indicate if any replacement funds will be made available. • The Panel also sought to determine which retailers will be permitted to distribute the tickets, and if this was not yet established, what mechanism will be used to make the decision. 	

	<ul style="list-style-type: none"> It was unclear what if GST would be absorbed into one or more components of the ticket price or if it would be passed directly onto the consumer. <p>Officers were directed to draft a letter to the Assistant Economic Development Minister seeking clarification of these matters. The Chairman was delegated to approve the correspondence once drafted.</p>	NJF GS
10.	<p>Panel expenditure report</p> <p>The Panel received a report on its expenditure during 2007, and the funds available to it as at 15th November 2007.</p> <p>The Panel noted that £67,792.87 of its £80,000.00 budget remained.</p>	
11. Item 4 03.10.07	<p>Rural economy</p> <p>The Panel recalled that it had been scheduled to meet with the Director of Environmental Management and Rural Economy on this date, but that unavoidable changes in the timing of other meetings had made this impossible.</p> <p>The Panel noted documents produced by the Economic Development Department concerning outstanding agricultural loans and the situation regarding Single Area Payments to the glasshouse industry.</p> <p>Officers were directed to arrange a meeting with the Director of Environmental Management and Rural Economy for the first week in December. Deputy Breckon and Deputy Martin were delegated to develop questions for the meeting based on the documents received.</p>	NJF AB JM
12. Item 12 17.10.07	<p>Role and funding of Jersey Finance Limited</p> <p>The Panel noted scoping documents and terms of reference for the proposed review of the role and funding of Jersey Finance Limited (JFL).</p> <p>The Panel approved the scoping document and terms of reference, including an initial budget estimate of £7,400. The Panel directed officers to produce a draft call for evidence to be included in the publications of the Jersey Chamber of Commerce, the Institute of Directors, and the 'Business Brief' section of the Jersey Evening Post.</p> <p>Officers were also directed to arrange Public Hearings on the subject.</p> <p>It was agreed that notwithstanding the similarity between the previously considered Jersey Tourism public-private partnership and the operation of JFL, it would not formally form part of the review (see item 6).</p>	EKW

	The Panel anticipated that the review would take 16 weeks to complete, and that the report would be presented to the States on 11th March 2007.	
13. Item 13 17.03.07	<p>Retail Strategy Review</p> <p>The Panel noted since the last consideration of this item, the Jersey Competition Regulatory Authority had launched a consultation into the possible effects of a third supermarket entrant in Jersey.</p> <p>The terms of reference for this review were those developed by the Economic Development Department in September 2007. These had been maintained despite the recommendation of the Panel that the Department adopt more rigorous terms of reference, provided by letter to the Department on 2nd October 2007.</p> <p>The Panel expressed dissatisfaction that the JCRA had apparently launched this review without consideration of the work carried out by the Panel. The Chairman was delegated to prepare a response to the consultation document.</p> <p>The Panel noted that Deputy Breckon remained conflicted in terms of this review due to his position of Chairman of the Jersey Consumer Council and that accordingly he reserved his position.</p>	GS
14.	<p>Draft Code of Practice</p> <p>The Panel noted the draft Code of Practice for Scrutiny Panels and the Public Accounts Committee, as well as the proposed amendments of the Council of Ministers.</p>	
15.	<p>Future meetings</p> <p>The Panel noted that its next meeting was provisionally to be held at 9.30pm on 28th November 2007 in the Blampied Room, States Building. The Panel also noted however that Deputy Breckon and Connétable Jackson were likely to be unavailable at this time, and the Chairman was delegated to alter the timing of this meeting if it appeared that the Panel would for whatever reason not be quorate.</p>	GS

Signed

Date

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Chairman Deputy G. P. Southern
Economic Affairs Panel

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