

STATES OF JERSEY



COMMITTEE OF INQUIRY: COSTS FOR LOCAL BUSINESSES

Lodged au Greffe on 27th June 2013
by Senator A. Breckon

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

- (a) to agree that a Committee of Inquiry should be established in accordance with Standing Order 146 to inquire into a definite matter of public importance, namely to investigate the costs for local businesses of operating in Jersey;
- (b) to request the Chief Minister to take the necessary steps to select a suitable Chairman and members to undertake the Inquiry and to bring forward to the States for approval the necessary proposition relating to their appointment.

SENATOR A. BRECKON

REPORT

For many years claims have been made, mainly by the Chamber of Commerce, that it is more expensive to do business in Jersey than other places, although this has never been qualified in any way with any evidence, to my knowledge. Flowing from this, claims are made that this is why goods and services can be more expensive to the consumer in Jersey.

Generally, the stretch of water for transport between Jersey and the UK as well as employment costs for staff, the cost of premises, other problems associated with operating on a small scale in an Island economy, have all been used as reasons or excuses for some significant price differences between Jersey and elsewhere, however, none of the above or other REAL costs of doing business in Jersey have been examined in any detail.

Over the years costs have been examined in a number of specific areas, such as building costs or the importation and distribution of fuel through La Collette, however, I believe a more detailed inquiry is required to examine in some depth the real cost of doing business, rather than relying on anecdotal evidence of the occasional reports.

The purpose of these few words is not to pre-empt what an inquiry may look at but to give a flavour and justify the need for the work to be done. For example it may be worth investigating some of the matters listed below, which is not exhaustive, to establish comparisons between Jersey and areas of the UK –

- Retail, office and other commercial premises;
- Social Security costs v National Insurance;
- Utilities – gas, electricity & water;
- Parish rates v local authority changes and other municipal costs;
- Taxes, Legislation Legal costs;
- Telecoms and communications;
- Support services, e.g. Information technology, building trades;
- Other goods and services;
- Transport.

The above touch on areas where I believe meaningful comparisons can be made.

Much of the information should be available from web-based research, however, specialist advice may be sought and hearings held, so there will be some cost for this and also for a dedicated officer. The cost should be comparable with some of the Scrutiny reviews that have been undertaken.

The Committee of Inquiry could also include comparisons with Guernsey and the Isle of Man. States members could make up the whole Committee or contribute alongside independent members. For members' convenience I have attached at the Appendix the relevant Standing Orders relating to the conduct of Committees of Inquiry.

Financial and manpower implications

As mentioned above the Committee will require a dedicated officer and may need some specialist advice. Standing Order 150 states that it is the responsibility of the Minister for Treasury and Resources to give directions on the expenses that a

committee of inquiry may incur and how these expenses are to be funded but my estimate of the likely cost is £60,000 which I believe should be met from the Economic Development Department budget.

**STANDING ORDERS OF THE STATES OF JERSEY
(Chapter 16.800.15)**

146 Committee of inquiry: appointment

- (1) The States may appoint a committee of inquiry to inquire into a definite matter of public importance and report on it to the States.
- (2) The States may appoint persons who are not members of the States to be members of a committee of inquiry.
- (3) A committee of inquiry shall consist of at least one but not more than 5 persons.
- (4) If a committee of inquiry consists of one person, that person shall be the chairman and the quorum.
- (5) Otherwise, the States may direct –
 - (a) which of the persons appointed to the committee shall be its chairman;
 - (b) which of the persons appointed to the committee shall preside in the absence of the chairman; and
 - (c) the number of persons who shall form a quorum of the committee.
- (6) A person appointed to a committee of inquiry shall, before the inquiry commences, take the following oath before the Bailiff –

“You swear and promise before God that you will well and faithfully discharge your duties as a member of the committee of inquiry to inquire into [.....]”.
- (7) A member of a committee of inquiry may resign, with immediate effect, by giving written notice to the Bailiff.
- (8) The presiding officer shall inform the States of the resignation at their next meeting.
- (9) A committee of inquiry shall disband upon submitting to the States its final report upon its inquiry.

147 Committee of inquiry: proceedings

- (1) A committee of inquiry may regulate its own procedure for the conduct and management of its proceedings including, but not limited to, venue and adjournments.
- (2) Proceedings before a committee of inquiry shall be held in public unless the committee, in the interests of justice or the public interest, decides that all or any part of the proceedings shall be in private.
- (3) Where proceedings are held in private only persons who, in the opinion of the committee of inquiry, are necessary to the conduct of those proceedings may remain.

- (4) Where proceedings are held in public the committee of inquiry may exclude any person or class of persons from those proceedings if it is satisfied that it is desirable to do so for the preservation of order, for the proper conduct of the proceedings or for the protection of the person, property or reputation of any witness in, or any person referred to in, the proceedings.

148 Committee of inquiry: right of Attorney General to appear

The Attorney General or any person acting on the Attorney General's behalf may at any time appear before a committee of inquiry on any matter which, to the Attorney General, appears to be relevant to the inquiry.

149 Committee of inquiry: legal representation

A committee of inquiry may, if it considers it desirable, give leave to any person appearing before it to be represented by an advocate or solicitor.

150 Committee of inquiry: remuneration and expenses

The Minister for Treasury and Resources may give directions as to –

- (a) the remuneration (if any) of a member of a committee of inquiry;
- (b) the expenses that a committee of inquiry may incur; and
- (c) how such remuneration and expenses are to be funded.

151 Duties of Greffier in relation to committees and panels

(...)

- (5) The Greffier may make an officer available to a committee of inquiry to perform such duties connected with the inquiry as the chairman of that committee may direct.
- (6) The Greffier may appoint a person, who may be an advocate or solicitor, to assist a committee of inquiry.