

Economic Affairs Scrutiny Panel

Meeting No. 15

Date 14th June 2006
Location Blampied Room

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 Carol Le Quesne, Scrutiny Officer
Nathan Fox, Scrutiny Officer

Ref Back	Agenda matter	Action
1.	<p>Minutes of Meetings.</p> <p>The minutes of Meeting No. 13 of 10th May 2006 and Meeting No. 14 of 5th June 2006 were approved.</p>	
2.	<p>Recommendations from the evaluation of the 'Postal' review</p> <p>The Panel recalled that it had directed officers to prepare a report to be passed to the Chairman's Committee to request that Committee to recommend to the Privileges and Procedures Committee that it bring a projet to the States to increase the number of sessions that matters could be referred to a Panel to six, giving a period of twelve weeks to carry out a review, and to reduce to two weeks the necessary period of lodging for propositions from Scrutiny which specifically related to matters referred to a Panel under Standing Order 72 (1) or (2).</p> <p>The Panel had also decided to address concerns over accountancy advice raised during its review. Officers had been directed to make enquiries as to the cost of engaging a firm of audit accountants to provide occasional advice to Panels undertaking reviews involving accounts. The Panel had directed that several companies be approached in order to ensure that value for money would be obtained.</p> <p>The Panel received the report, entitled 'The Impact of the Fulfilment Policy on the Incorporation of Jersey Post (S.R.2./2006) - Key feedback points for the Chairman's Committee'.</p> <p>The Panel approved the report and directed that it be submitted for consideration by the Chairman's Committee as soon as possible.</p>	
3.	<p>Strategic Plan</p> <p>The Chairman advised the Panel of how their recommended amendment to the Strategic Plan would be taken through the States via the Chairmen's Committee. The Panel agreed that as many</p>	

	<p>members as possible should attend the Scrutiny Plus meeting scheduled for the 16th June 2006. A brief discussion on who should act as rapporteur to the States ensued and it was decided that the appointed person should be agreed at the Scrutiny Plus meeting. The Panel maintained its view that it could not support the Strategic Plan without the provision of the annual business plans which would outline all of the resource implications.</p>	
<p>4.</p>	<p>Offshore Distributions and Fulfilment Limited</p> <p>The Panel welcomed Messrs. Ian Cardwell and Jason Layton, Directors of the above company to the meeting to discuss issues relating to the fulfilment industry and Jersey.</p> <p>The Panel was provided with a history of the company which had commenced trading in 2001. At that time the philosophy surrounding the industry was that it was a potential growth area to be developed. Active marketing of the no VAT benefit was not discouraged and the concept was promoted at various trade exhibitions to attract United Kingdom companies to Jersey. The promotion of 'no VAT' benefit was now actively discouraged and the new policy prevents UK companies from being licensed to trade in Jersey if they wish to use 3PS providers, particularly if they are involved with the sale of CD's and DVD's.</p> <p>The visitors explained the range of services provided by their company and the way in which they had diversified to call centre provision. Some of the companies' activities included fulfilment from Jersey but it also undertook fulfilment from Guernsey where preferential postal rates had been achieved. Such agreements had not been achieved locally and recent changes in the payment structure to Jersey Post for fulfilment post had presented cash flow challenges for some fulfilment companies.</p> <p>Some discussion took place on expansion into Europe and the legislation surrounding licensing issues for music download sales. The rules and requirements for setting up fulfilment undertakings in Guernsey were explained and it was noted that they also operated a pre-paid VAT scheme. That scheme differed from the Jersey scheme as it was administered and managed by Guernsey Post directly without a Customs Officer on site.</p> <p>The staffing structure in both islands was explained as was the approach to mail sorting to increase delivery speed. The diversity of the products dealt with by the Company precludes any significant automation. It was asserted that whilst the business had not grown significantly in Jersey with regard to fulfilment, it had diversified into call centre activity and focused on Guernsey and was continuing to achieve steady controlled growth.</p>	
<p>5.</p>	<p>Future meetings and events.</p> <p>Additional meeting -</p> <p>The Panel agreed that it would hold an additional meeting on the 20th June 2006 during the States lunch time recess to discuss its future work programme.</p> <p>Attendance at events -</p> <p>The Panel agreed that the Chairman and Deputies Breckon and Lewis together with one officer should attend the forthcoming Chamber of Commerce lunch to be held at the Pomme D'Or Hotel on the 19th June 2006. A guest speaker would be attending the event entitled 'seminar on competition policy in small economies'.</p> <p>The Panel agreed that the Chairman should attend the forthcoming</p>	

Institute of Directors Dinner at the Hotel de France on the 29th June 2006 on its behalf. The event focus would be 'Economic Growth - does government have a role?'

Signed

Date

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Chairman Deputy G. P. Southern
Economic Affairs Panel

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