

Economic Affairs Scrutiny Panel

Meeting No. 32

10th January 2007

1st Floor Meeting Room, States Greffe

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

Ref Back	Agenda matter	Action
1.	<p>Minutes</p> <p>The Minutes of the meeting held on 29th November 2006 were considered and approved.</p>	NJF
2.	<p>Work Programme for 2007</p> <p>The Panel considered several options for the next topic to be undertaken-</p> <p>Ferry services</p> <p>It was noted that no service level agreement had been put in place by the Economic Development Minister, and that it was likely that a short-term arrangement would be reached in order to allow Jersey to enter into a joint service level agreement with Guernsey at the time of the termination of Guernsey's existing contact in 2007.</p> <p>The Panel decided to maintain its watching brief.</p> <p>Finance</p> <p>The Panel considered it essential to undertake a finance topic at some point in 2007 it was agreed that the matter would be decided after a briefing had been received from officers of the Economic Development Department in respect of current developments in the industry. (Item 3 refers).</p> <p>The population register</p> <p>The Panel noted that the essential drivers for population growth were economic factors, and that any influx of migration as a result of the new migration strategy would result in significant economic effects.</p>	

	<p>There were also concerns that the system was open to widespread abuse that could affect local businesses.</p> <p>The Panel therefore decided to recommend to the Chairmen's Committee that a Sub-Panel should be created to investigate the subject, with membership drawn from all Panels, chaired by a member of the Economic Affairs Scrutiny Panel, who would fund the Sub-Panel and provide the officer support.</p> <p>Economic Development Department business plans and achievements in 2006</p> <p>The Panel noted that the targets developed by the Economic Development Department regarding projects to be completed in 2006 had in some cases not been achieved. In order to gauge how well the Economic Development Department had achieved its strategic aims for 2006, and to discuss a review into the subject, the Panel agreed to hold an extended meeting on 21st February 2007.</p> <p>Officers were directed to take the appropriate action.</p> <p>Other matters</p> <p>The Panel discussed the retail strategy and a possible reprisal of the Postal Incorporation report. It was agreed to revisit the future airport plans in March 2007.</p> <p>Officers were directed to bring the subject before the Panel at that time.</p>	<p>NJF</p> <p>NJF</p>
<p>3.</p> <p>Item 5</p> <p>4th</p> <p>Oct</p> <p>2006</p>	<p>Letter to the Economic Development Minister in respect of a proposed finance briefing</p> <p>The Panel recalled that it had been offered the opportunity to receive a briefing from officers of the Economic Development Department in respect of current developments in the finance industry, but that this had not been possible in 2006 due to conflicting schedules.</p> <p>It was agreed that a letter should be sent to the Economic Development Minister requesting that such a briefing should be provided at regular Panel meeting as early as possible in 2007. A draft letter was approved.</p> <p>Officers were directed to send the approved letter with the Chairman's e-signature.</p>	<p>NJF</p>
<p>4.</p> <p>Item 3</p> <p>26th</p> <p>Nov</p> <p>2006</p>	<p>Dairy Review – draft report</p> <p>The Panel considered a draft report from the Economic Affairs sub-Panel (Dairy Review).</p> <p>The Panel was broadly supportive of the content of the report but it was noted that the Sub-Panel would have to decide upon a coherent set of recommendations at its next meeting, even if this</p>	

	<p>was by means of a contested vote.</p> <p>The Panel commented that the report lacked in-depth analysis of the speculative nature of the export market that the jointly-engaged consultants suggested could revive the industry.</p> <p>Having broadly endorsed the report, the Panel delegated authority to Deputy Breckon as the Chairman of the Economic Affairs sub-Panel (Dairy Review) to finalise the report and bring it to the States in the name of the Panel. Deputy Breckon was also to act as rapporteur in any debate on the subject.</p> <p>Officers were directed to take the appropriate action.</p>	<p>NJF</p>
<p>5.</p>	<p>Jersey Telecom review briefing</p> <p>The Chairman informed the Panel that the review was nearly completed, but that the Sub-Panel had encountered some difficulties as it was not in agreement with the Economic Development Department over the timing of its report.</p> <p>Both the Sub-Panel and the economic advisor to the Economic Development Department considered that their function was to produce a report based on the other reports available, including the report from Citigroup (the executive's consultants) which was expected in the near future. Therefore neither the economic advisor nor the Sub-Panel wished to complete their report before having sight of the other.</p> <p>The Panel had been unable to determine if Citigroup was being reimbursed with a percentage of the sale value of Jersey Telecom, but it suspected that this was the case.</p> <p>This would result in the consultants holding an identical position to the Treasury and Resources Minister, inasmuch as it would be incentivised to achieve the maximum sale value for Jersey Telecom regardless of the future economic or social costs. This did not fit with the understanding of the Sub-Panel that consideration of social costs was an element of the instructions to Citigroup.</p> <p>The Panel noted that the legal advisor to the Sub-Panel, Advocate Hanson, had been instructed to inform officers if his fees were to exceed £4,000. He had not done so, and the Sub-Panel had received an invoice for £5,500.</p> <p>The Chairman proposed to pay the average of the two figures, £4,750, as a goodwill gesture and to reflect the assistance that Advocate Hanson had provided in the past.</p> <p>The Panel agreed with this course of action and made an additional £750 available to the Sub-Panel should it become necessary.</p> <p>Officers were directed to take the appropriate action.</p> <p>The report was to be presented to the States on 23rd January 2006.</p>	<p>IC</p>

6.	<p>Chamber of Commerce luncheon invitation</p> <p>The Panel considered a luncheon invitation to attend a presentation by the Chamber of Commerce on 31st January 2006.</p> <p>It was agreed that Deputy Martin would attend, with another Panel member to be agreed at a later date. This would cost £18.00 per person.</p> <p>Officers were directed to take the appropriate action.</p>	<p>NJF</p>
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Signed

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Chairman Deputy G. P. Southern
Economic Affairs Panel

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