

# Economic Affairs Scrutiny Panel

## Meeting No. 44

27th June 2007

Blampied Room, States Building

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

Apologies

Absent

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

Ref Back	Agenda matter	Action
1.	<b>Minutes of previous meetings</b>  The Minutes of the meeting held on 23rd May 2007 were approved following a minor alteration.  The Minutes of the meetings held on 6th June 2007 and 13th June 2007 were approved.	
2.	<b>Matters arising</b>  The Panel noted that it had previously agreed dates for future meetings. It was decided that in addition the Panel would also meet on 25th July 2007.  Officers were directed to take the appropriate action.	<b>NJF</b>
3.	<b>Action updates</b>  <u>Future of the dairy industry</u>  Deputy Breckon informed the Panel that a meeting had been held on 21st June 2007 between members of the Dairy Review Sub-Panel and the Chief Minister. A mediator had been appointed to assist all parties currently involved in the dispute over the future of the dairy industry to reach an amicable conclusion.  Deputy Breckon was of the opinion that the Chief Minister should announce the progress of the negotiations to the States in order to clarify the position following various media reports.  The key areas Deputy Breckon identified for future progress were a viable export market and an orderly exit strategy.  Officers were directed to draft a letter to the Chief Minister	

	<p>requesting clarification of which of the recommendations within the Dairy Review Sub-Panel's report the he intended to accept, and as to any further developments within the industry.</p>	<p><b>NJF</b></p>
<p><b>4.</b></p>	<p><b>Resignation of Orchid Communication</b></p> <p>The Panel noted a letter dated 15th June 2006 from Orchid Communication to Deputy Ferguson, indicating that company's intention to resign as public relation consultant to Scrutiny.</p> <p>The company stated that its position was 'consistently hampered by internal disagreement' within Scrutiny and accordingly intended to withdraw from its contract.</p> <p>The Panel expressed regret that Orchid communications had been unable to continue in its role, and discussed various means by which they could increase the public profile of Scrutiny.</p> <p>The Panel noted that the Communications Unit supplied the press with the answers from the Ministers ahead of reply given to the States.</p> <p>The Panel agreed to schedule press release preparation meetings for Wednesday lunchtimes on States weeks.</p>	
<p><b>5.</b></p>	<p><b>Forthcoming Propositions</b></p> <p><u>P.76/2007 - Price Charge Indicators</u></p> <p>The Panel delegated the Chairman to suspend debate of the second reading of this proposition by exercising the Panel's powers under Standing Order 72.</p> <p>The Panel noted that this proposition was under its remit as it had been lodged by the Economic Development Minister. Furthermore, the Greffier of the States was of the opinion that it was within the purview of Economic Affairs as it was consumer protection legislation.</p> <p>The Panel noted that the terms of reference would be considered at its next meeting.</p> <p>Deputy Breckon declared that he would take no part in this review as he was conflicted by virtue of his links with the Jersey Consumer Council, which had expressed strong views on the subject.</p> <p><u>P.84/2007 – Retail Strategy – Impact Assessment</u></p> <p>The Panel recalled that this proposition had been lodged on 18th June 2007. It noted that the final retail strategy review was dependant on the outcome of the work being carried out by consultants for the Economic Development Department.</p> <p>The Panel questioned the future role of the JCRA in a review of retail space in the Island, in light of the statement of the Minister to the States to the effect that such a review has been planned for</p>	

	<p>some time.</p> <p>The Panel also questioned the appropriateness of appointing the Economic Adviser to the Economic Development Department to take part in the survey, given his prior involvement with the Retail Framework document. The Panel did not consider the Economic Adviser sufficiently independent.</p> <p><u>P.85/2007 – Environment Scrutiny Panel - Vote of No Confidence</u></p> <p>The Panel noted this proposition.</p>	
<b>6.</b>	<p><b>Questions to Ministers</b></p> <p>The Panel considered questions for the Home Affairs Minister and Treasury and Resources Minister.</p>	
<b>7.</b>	<p><b>Current Reviews: Business Plan</b></p> <p>The Panel was informed that officers had attended a briefing from the Treasury and Resources Department intended to aid the Panel's understanding of the Economic Development Department's 2007 Business Plan. It was further informed that the Treasury had stated that the budgetary format had changed from 'sectoral' headings, which indicated to what section funds were allocated, to a 'functional' system, under which the central criteria was on what objective funds had been spent.</p> <p>The Panel questioned whether sufficient funds had been allocated to the Enterprise and Business Development to balance the apparent reduction in direct funding of the Tourism Industry and the Rural Economy.</p> <p>The Panel noted that a presentation from the Economic Development Department on the Enterprise and Business Development Strategy (EBDS) was overdue. It further noted that assurances had been made by the Department that briefings on the EBDS, the role up of the glasshouse industry, and the review of retail space by the Jersey Competition Regulatory Authority would follow in due course.</p> <p>The Panel considered the need to review the Enterprise and Business Development Strategy. It noted that future workload could not currently be assessed, and that this issue would be revisited at the next meeting.</p>	
<b>8.</b>	<p><b>Current Reviews: Retail Strategy</b></p> <p>The Panel considered the future of this review, and It was minded that that the work was dependant on the Economic Development Department response to the Scrutiny Review, the associated proposition P.84/2007 (see item 5), and the proposed impact assessment detailed therein.</p> <p>The Panel noted that the debate of the proposition was currently scheduled for 25th September 2007.</p>	

<p><b>9.</b></p>	<p><b>Future Reviews: Anti-Money Laundering</b></p> <p>The Panel was of the opinion that there was a pressing need to conduct a review into an aspect of the Finance Services Industry, which it noted was by far the largest constituent to the local economy.</p> <p>The Panel noted a letter from Deputy Ryan regarding the formation of a Sub-Panel for a review into Money Laundering.</p> <p>The Panel was informed by Deputy Breckon that he would need to consider his other responsibilities before committing time to this review.</p> <p>The Panel considered suggestions for suitable Sub-Panel members and noted that the Chairman would investigate the possible candidates.</p> <p>The Panel considered the draft terms of reference.</p> <p>The Panel noted that the pressure group 'Tax Justice Network' had raised concerns relating to the regulation of Jersey Financial Services industry. It further noted that concerns relating to the risk based approach to client due diligence had been raised by industry representatives during the JFSC Prevention and Detection of Money Laundering and the Financing of Terrorism Handbook consultation period in 2006. Additionally, the Panel noted that concerns had been raised by the IMF at the level of resources available for enforcement and that the 2006 Police report stated that although extra posts had been granted the budget had not been increased accordingly.</p> <p>The Panel agreed in principle to proceed.</p> <p>The Panel noted that a scoping document would be prepared for the next meeting. The Panel delegated authority to the Chairman to make a statement to the States to the effect that the review was to go ahead.</p> <p>Officers were directed to take the appropriate action</p>	<p><b>GPS</b></p> <p><b>EKW</b></p>
<p><b>10.</b></p>	<p><b>Part B Agenda Papers - Council Of Ministers</b></p> <p>The Panel noted that the following items were relevant to the Panel's remit-</p> <ul style="list-style-type: none"> <li>• B1 - Annual Business Plan 2008;</li> <li>• B3 – School Milk;</li> <li>• B5 – Winter Fuel Payment; and</li> <li>• B6 – States Debates: Autumn 2007</li> </ul> <p>Officers were directed to take the appropriate action to obtain these.</p>	<p><b>NJF</b></p>
<p><b>11.</b></p>	<p><b>Future Meetings</b></p>	

	The Panel noted that the next meeting was to take place on 11th July 2007 at 9.30am in the 1st Floor Meeting Room, States Greffe.	
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**Signed**

**Date**

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**Chairman Deputy G. P. Southern**  
**Economic Affairs Panel**

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