

Ports of Jersey Incorporation: Scrutiny Request for additional information

21 January 2015

PoJ overview on Clubs Societies and Associations (CSAs)

- The attached paper (Appendix 1) sets out PoJ's response to the feedback from CSAs. This feedback was obtained via a series of meetings with a variety of CSAs both, before Public Consultation, and as part of the Consultation process itself.
- Also attached (Appendix 2) is a schedule of the dates of the meetings that are held with some of the larger bodies in the normal course of business. In the majority of cases these were simply normal Committee Meetings that PoJ were invited to attend and, as such, PoJ do not have minutes of these meetings. A list of contact names and addresses has provided as part of this submission.
- As part of the Public Consultation process, a meeting was set up specifically for CSA's. The questions raised at that meeting are attached.
- The issues raised at this meeting mirrored the general concerns that had been raised earlier. These are detailed in the attached paper.
- PoJ believe that the initiatives outline in the paper serve to address the general concerns that were expressed. They attempt to strike the balance between giving comfort to CSAs and giving them a cast iron guarantee than nothing will ever change as it is neither practical nor prudent to provide the latter.
- The proposed approach outlined in the attached paper has not yet been discussed with CSAs and this process was initiated last week immediately after lodging. The Chairman of the Shadow Board has written to each CSA to inform them of the lodging and that a follow up meeting will be arranged to address any outstanding issues that they may have. These are currently being scheduled. A copy of this letter is included in the documents supplied to Scrutiny.
- A second letter, which will detail the arrangements that are currently in place with each CSA, will be circulated in the next few weeks so that this can be discussed when PoJ next meet them.
- A member of PoJ staff has been seconded to focus on the development of a Corporate Social Responsibility Policy and the first draft of this will be completed prior to the debate
- As discussed at the briefing meeting with Scrutiny on Friday 9 January, PoJ's current understanding is that there are only two specific issues which are outstanding. These relate to the terms of rental for the Air Training Corps and St Catherines Sailing Club. Discussions are already underway with St Catherines and are being scheduled with ATC.
 - NB. Neither of these issues is related to incorporation and would be the subject of negotiations even if incorporation were not being considered.

Additional comments:

- Through the statements that have been made by PoJ in the 'Case for Incorporation' the clear intent is to continue to support CSA's in much the same way as we do now. The focus is on supporting them in the development and achievement of what we hope will be shared objectives and not on raising more income from this group.
- The actions that have been undertaken along with those that are planned, underline PoJ's intent to establish good quality, long-term relationships with CSAs that will endure long beyond incorporation.

Appendix 1

Ports of Jersey Incorporation: Public Consultation

Statement in respect of feedback from Clubs Societies and Associations

Background

As part of the Public Consultation process, there was a specific focus on Clubs Societies and Associations (CSAs) along with other key groups such as Ports Commercial users, Airport Commercial users, tenants and leaseholders. The attached letter was sent to all CSAs not only making them aware of the dates of the four Public Consultation Meetings, but also inviting them to a consultation meeting that was arranged specifically for CSAs. This meeting was held on 8th July.

Feedback and questions raised

The consultation meetings were very useful and a number of questions and concerns were been raised. These fall into the following general headings:

- Once incorporated a fear that PoJ will simply increase mooring fees and property rents
- Security of tenure: What happens at the end of the lease? Will we be thrown out for a more profitable tenant?
- A general concern along the lines of 'We believe what you are saying but you might not be here and what will happen then?'

The proposed response is shown later in this paper.

Overview of PoJ's current initiatives in relation to Clubs Societies and Associations

PoJ had already established a process aimed at improving the quality of communication and dialogue with these groups. This has entailed a series of meetings with these groups that are attended by a member of the Shadow Board, the Commercial Director and other relevant PoJ staff. These meeting are continuing and have proved very valuable to all parties.

The key message in all of the meetings with CSAs has been 'What PoJ do now, we intend to continue doing post incorporation'.

This approach was re-emphasised in 'The Case for Incorporation' which forms part of the supporting papers on the Consultation website. The relevant wording was as follows:

"The Ports of Jersey support many clubs, associations and societies (CSAs); all of which are connected to maritime and aviation activities. We feel strongly that vibrant and growing clubs and associations are very important and provide a valuable pipeline of interest into the sector, creating the boat owners of the future, as well as conduct valuable training and education. The intent is that PoJ will continue to be actively involved in supporting and developing the Island community to make a lasting positive impact, through partnerships and relationships that create value and benefit as well as aiming to make maritime activities aspirational, affordable and accessible.

Across the Island the nature and operations of these groups can vary significantly. Some are very structured with a committee and robust governance, and others run by enthusiastic volunteer amateurs. In all cases, our approach is to work with them to ensure that we are able to develop a common aim and a clear understanding how we can best support their objectives. Ports of Jersey take a

long term view in developing these relationships as it is important for these bodies to be able to plan for the future”

In order to clarify the current policy in respect of leases, the following wording was also included in the same paper. This is line with Financial Directions as detailed below.

“Ports of Jersey Policy is to seek Open Market Value (OMV) for all property transactions and identify and document individual discounts where they demonstrate a contribution to the Ports of Jersey objectives through commercial negotiation. This was formalised in MD-E-2010-0163 and is included in the Policy Framework contained within the Business Overview 2009 as published and available on the Port of Jersey website. In essence, this requires the PoJ to seek to ensure that clubs/ societies/associations that occupy PoJ accommodation pay a sensible/reasonable rent and where this falls below OMV then the difference should be justified through the negotiation of a grant and/or SLA”

This is an important clarification, as it is often assumed that this is a PoJ policy when, in reality, it is simply the implementation of a wider States policy in respect of property and leases.

Proposed response to the consultation process

The above section outlines what is already in place to support CSAs and the initiatives that have already been taken to address the very natural concerns and issues that some of them still have. However, in the light of the feedback from the recent meetings, the Shadow Board have decided that the following actions will be taken in order to provide additional assurance.

Initiatives that lie with in PoJ’s own remit

- The Shadow Board’s intention is to allocate responsibility for Corporate Social Responsibility (CSR) to a Non-Executive Director. This responsibility will specifically include Clubs, Societies and Associations.
- PoJ will allocate a member of staff to the development of a CSR Policy which will set out how the relationships with CSAs will operate along with the expectations/requirements of both parties.
- A letter will be sent to each CSA, signed by the Chairman and the Group Chief Executive, confirming the detail of the arrangements that are currently in place and PoJ’s future intent in respect of these arrangements. The aim being to provide assurance that commitments made by PoJ now, will sustain beyond any future changes in management.
- In conjunction with CSAs, PoJ will consider providing support to assist them in the development of their business plans. This initiative will not be imposed and will only be provided where it is requested by an CSA
- In addition to the above initiatives, PoJ will continue to hold regular meetings with CSAs to ensure that good quality relationships are maintained and that any questions and issues can be addressed as quickly as possible

Initiatives that require the involvement of the Shareholder

- A proposal will be discussed with the Shareholder that a CSR section be incorporated in the Strategic Business Plan with specific reference to CSAs which would then be agreed by the Shareholder to ensure that its receives due recognition.
- As part of this, the total financial value of the total benefit provided by PoJL to CSAs will be identified separately in Strategic Business Plan and will, therefore, be agreed by the Shareholder as part of his/her agreement to the content of the plan.

- These measures will provide further assurance to CSAs that there is political oversight and sign off on PoJL's plans in this area.

Other areas where the Law or Regulations may provide comfort

The regulations that will be established and that will be overseen by the JCRA may also serve to provide assurance to CSAs namely:

- JCRA will have a responsibility to ensure that POJL does not abuse its position as a monopoly.
- JCRA will have a responsibility to ensure that price increase are reasonable

Conclusion

The Public Consultation process has provided invaluable feedback in relation to the concerns that exist amongst some CSAs. PoJ believe that the initiatives that are proposed, along with the ongoing programme of open dialogue with all CSAs, will serve to address these concerns.

- The establishment of Board responsibility for CSR shows:
 - That the Board are committed to CSR and to supporting Clubs, Societies and Associations
 - The incorporated body will include details of its activities in respect of CSR in its Annual Report
- The letter to each CSA:
 - Confirms the detail and value of the current arrangements that are in place for each CSA
 - Is a formal commitment from the Board, to continue to work with and support CSAs even although the management team in the business may change over time
- The proposed amendment to the MoU with the Shareholder:
 - Ensures that the States, via the Shareholder, will be fully aware of PoJL's plans and policies in respect of CSR
 - The Shareholder will have to agree within the Strategic Plan, the total value of the benefit provided by PoJL to CSAs
- Finally, the existing proposals on regulation of PoJL will provide protection against significant increases in prices and on PoJL abusing its monopolistic position.

The above proposals will also have the added benefit of creating a framework and set of policies that will allow all parties to be clear on how the relationship will be managed and what the expectations are of each party.

Finally, to restate that the intent of PoJL is to continue to be actively involved in supporting and developing the Island community to make a lasting positive impact, through partnerships and relationships that create value and benefit as well as aiming to make maritime activities aspirational, affordable and accessible.

Appendix 2

Schedule of meetings with Clubs, Societies and Associations

Year	Marina Development Group MDG	Marine Leisure Growth Group MLGG	General Aviation Development Group GADG	St Aubins Boat Owners Association SABOA	Gorey Boat Owners Association GBOA	Jersey Marine Traders Federation JMTF	St Helier Boat Owners Association STHBOA	Royal Channel Island Yacht Club	St Catherines Sailing Club
2014	*25-Feb-14		26-Feb-14	AGM 24-Feb-14	13-May-14	20-Feb-14	*Apr/May-14	01-Feb-14	*16-Jan-14
	*23-Apr-14		21-May-14	*27-May-14	02-Jun-14	01-Oct-14	AGM 09-Dec-14	*11-Apr-14	*Apr-14
	*07-Aug-14		03-Sep-15	25-Jun-14	16-Sep-14	03-Nov-14			
	*17-Dec-14			28-Oct-14	20-Nov-14	15-Dec-14			
				25-Nov-14					
2013	24-Jan-13	11-Apr-13	21-Jan-13	29-Jan-13	09-Apr-13	21-Mar-13	AGM 10-Dec-13	18-Apr-13	
	28-Mar-13	30-Sep-13	04-Apr-13	AGM 25-Feb-13	08-Oct-13	04-Jun-13		18-Dec-13	
	26-Jul-13		24-Jul-13	26-Mar-13		23-Oct-13			
	01-Nov-13		30-Oct-13	30-Apr-13		AGM 7-Dec-13			
				28-May-13					
				25-Jun-13					
2012	26-Jan-12	01-Feb-12	21-Nov-12	31-Jan-12	06-Mar-12	22-Mar-12	AGM 10-Dec-12	26-Apr-12	
	27-Mar-12	16-May-12		AGM 25-Feb-12	12-Jun-12	02-May-12			
	24-May-12	11-Oct-12		29-May-12	AGM 22-Nov-12	24-Jul-12			
	27-Jul-12			26-Jun-12		14-Nov-12			
	28-Sep-12			25-Sep-12		AGM 6-Dec-12			
	30-Nov-12			30-Oct-12					
				27-Nov-12					