

STATES OF JERSEY



DRAFT BUDGET STATEMENT 2015 (P.129/2014): FIFTH AMENDMENT (P.129/2014 Amd.(5)) – COMMENTS (P.129/2014 Amd.(5) Com.) – COMMENTS

**Presented to the States on 22nd September 2014
by the Minister for Treasury and Resources**

STATES GREFFE

COMMENTS

The principle of not being constrained by the available unallocated balance of the Consolidated Fund and of using all available resources is fully endorsed by the independent Fiscal Policy Panel as an appropriate measure to address the funding pressures identified in the Budget.

“The focus of supporting the economy in 2014 and 2015 should not be deflected in light of lower tax receipts (outturns or forecasts) especially where this is a result of a weaker than expected economic performance. Given the weak economic recovery that is expected for 2014 and 2015, the Panel supports the Budget’s proposed approach to mainly use savings and reserves to fund this shortfall in revenue, if it occurs.”¹

There are no plans to immediately utilise the full balance on the Car Parks Trading Fund in the short term, and it is deemed an appropriate source of funding for projects associated with transport and parking. The alternative to this proposal would be to reduce the capital programme at a time when there is still a strong focus on supporting the economy.

Jersey Car Parking is recognised as a valuable States of Jersey resource. The future of the operation is being carefully considered as part of a fundamental review between the Treasury and the Transport and Technical Services Department to ensure the effective and appropriate use of resources. The results of this will be fed into the next Medium Term Financial Plan.

The full response provided by the Minister for Transport and Technical Services to the Committee’s report was presented to the States on 11th March 2014 as [P.A.C.3/2013 Res.](#) (Car Parks Trading Fund (P.A.C.3/2013): response of Departments). An update on the recommendations has been included in the attached report, as well as links to the ‘Sustainable Transport Policy’ and subsequent progress report for reference.

[Jersey’s Sustainable Transport Policy \(2nd July 2010\)](#)

[Jersey’s Sustainable Transport Policy - Progress Report \(18th December 2013\)](#)

¹ Jersey’s Fiscal Policy Panel Annual Report, July 2014

Progress Report – Car Parks Trading Fund (P.A.C.3/2013)

The following is a report setting out progress to date by the Treasury and the Transport and Technical Services Department in implementing the findings of the Public Accounts Committee:

	Recommendation	Departmental Comment	Target	Progress
1	The Treasurer of the States and the Chief Officer, TTS, should revisit the aims and objectives of the Car Parks Trading Fund in conjunction with their respective Ministers and report back to the Committee within 3 months.	The definition as provided in the Public Finances (Transitional Provisions – States Trading Operations) (Jersey) Regulations 2005 is considered appropriate: “The trading operation to be undertaken by Jersey Car Parking shall be the administration, management, financing, development and maintenance of the public parking places that are within the function of the Minister for Transport and Technical Services”. However, the Chief Officer of TTS will liaise with the Treasurer to clarify the aims and objectives, with particular reference to any ‘additional uses’. It is highlighted that the Car Parks Trading Fund is unlikely to provide profits above and beyond the return already made to the States, as the potential for this is restricted by the Connétable of St. Mary’s amendment to the 2010 Sustainable Transport Policy.	End of June 2014	Discussions have been held between Treasury and TTS. TTS is in the process of drafting revised objectives and aims. Issues have recently arisen as a result of the long-term revenue planning process, which includes further reviewing the interactions between the Car Parks Trading Fund and the Sustainable Transport Policy.
2	The TTS Department should ensure that its Car Parks Trading Fund financial model is updated in close alignment with the production cycle for future Medium Term Financial Plans.	The model will be planned to be in alignment with the MTFP timetable, but it should be noted that over the course of the plan, it is inevitable that the model parameters will change, due to political, financial, environmental and demand considerations.	Prior to publication of next draft MTFP	BDO were commissioned to produce a revised model, concurrently with the PAC review. This is now being reviewed by the Department to ensure that all the inputs are representative of trading conditions.

Recommendation	Departmental Comment	Target	Progress
<p>3 The TTS Department should seek to improve the quality of management information concerning the Jersey Car Parking operation without delay and, in this regard, should complete its evaluation of the Sand Street electronic ticketing trial as soon as possible and report on it publicly and candidly.</p>	<p>Where appropriate, automated systems for the production of management information will be implemented, the results of the ANPR trial at Sand Street Car Park will be published, subject to consideration of commercially sensitive or proprietary information.</p>	<p>To be published in Q2 2014</p>	<p>TTS is in the process of preparing tenders for new multi-storey car park counting systems and flexible payment facilities for all off-street car parks.</p>
<p>4 The Minister for TTS should refer to paragraph (n) of the Act of the States dated 1st December 2010 and publish, without further delay, a progress report on the Sustainable Transport Policy, with particular reference to areas exhibiting a lack of progress.</p>	<p>The progress report was published on 18th December 2013 and is available on the gov.je website at: http://www.gov.je/Government/Pages/StatesReports.aspx?ReportID=1011</p>	<p>Published December 2013</p>	<p>Complete.</p>
<p>5 Subject to the outcome of Recommendations 1 and 4, the Treasurer of the States and the Chief Officer, TTS should propose an updated methodology for calculating future financial returns to the States.</p>	<p>As part of the development of the next Medium Term Financial Plan, TTS will be reviewing its general income and charges policy. This will be a good opportunity to consider the methodology for future financial returns and income to the Fund.</p>	<p>To be discussed as part of next MTFP process</p>	<p>Work ongoing, to be included within 2016 to 2019 Medium Term Financial Plan (MTFP).</p>

Recommendation	Departmental Comment	Target	Progress
<p>6 Subject to the outcome of Recommendation 1, the Treasurer of the States should include within the Draft Medium Term Financial Plan 2016–2018 a statement confirming the aims and objectives of the Car Parks Trading Fund and that the proposed financial returns to be paid from the Car Parks Trading Fund align with these aims and objectives.</p>	<p>The Minister for Treasury and Resources will discuss and agree with the Minister for Transport and Technical Services the estimates and minimum financial return required for the period of the next MTFP as required in the Finance Law. This discussion would include confirmation that the financial returns are aligned with the stated aims and objectives of the Car Parks Trading Fund.</p>	<p>Lodging date of next draft MTFP</p>	<p>Treasury and TTS are working on the aims and objectives and considering methodologies for calculating future financial returns as part of the long-term financial planning process to feed into the next MTFP.</p>
<p>7 The Council of Ministers should review the Sustainable Transport Policy following publication of the Minister’s progress report and, as part of that review, assess how or whether Jersey Car Parking should fit within that revised policy.</p>	<p>The progress report was published in December 2013, and the Minister will recommend any changes that may be required to the Council of Ministers for approval and, if necessary, ratification by the States.</p>	<p>By end of June 2014 to tie in with Rec. 1</p>	<p>As Rec. 1 is still being developed, this work will be undertaken as part of the preparation for the 2016–2019 MTFP.</p>