

# **STATES OF JERSEY**



## **MILLENNIUM TOWN PARK: FUNDING FROM STRATEGIC RESERVE**

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**Lodged au Greffe on 3rd January 2008  
by Deputy G.P. Southern of St. Helier**

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**STATES GREFFE**

## **PROPOSITION**

**THE STATES are asked to decide whether they are of opinion –**

to request the Minister for Treasury and Resources to lodge a proposition in accordance with Article 4(3) of the Public Finances (Jersey) Law 2005 asking the States to agree to transfer £10 million from the interest on the Strategic Reserve Fund to the Consolidated Fund so that the States can then be requested, during the debate on a future Annual Business Plan, to allocate these funds to meet the capital cost of creating the Millennium Town Park.

**DEPUTY G.P. SOUTHERN OF ST. HELIER**

## REPORT

### Background

In 1998, the States adopted a proposition (P.190/97) to create a public town park for the benefit and enjoyment of local residents. The proposition was carried by 45 votes to 2 and specified that—

- (a) the Town Park was to be created on the Talman and Gasworks sites;
- (b) the Town Park would be known as the Millennium Town Park;
- (c) the park would be for the benefit of all Islanders and future generations;
- (d) the land should not be used for a multi-storey car park or any other use in a way that would preclude the creation of a public park.

On 11th April 2000 the Planning and Environment Committee presented a report to the States which set out 3 options and made a recommendation for a full-size park and 3-storey underground parking for 826 vehicles.

This ambitious plan, which was costed at around £30 million, served only to delay progress on the Millennium Town Park (MTP) as debate raged about what was required; a green park in isolation or in combination with a car park, whether under- or over-ground, some commercial building on part of the site or not, and other variations too numerous to mention.

Since that time, the economic climate changed and the resources available for capital projects were drastically reduced in response first to an economic downturn and subsequently to tax changes due in 2010. In 2005, Deputy R.C. Duhamel lodged a proposition (P.169/2005) for the formation of a Trust to enable the MTP, then to include 3 storeys of underground parking, to be progressed using private funding. This proposition was rejected.

### Wide support

Throughout this time however, there remained a strong public desire to develop the site to provide a valuable community facility for the residents of St. Helier and the Island as a whole. This public desire was, and still remains, reflected in the position of the vast majority of States members.

Thus in comments on P.169/2005 we find –

*“The Policy and Resources Committee strongly supports the development of a Town Park on the Gasworks/Talman site, and it accepts that the delays in development have been unfortunate. The Committee believes that the project should be given a high priority and brought forward as soon as realistically possible.”*

and from the then Environment and Public Services Committee –

*“The Committee supports the development of a Town Park and has devoted a considerable amount of time to exam how a development on the Talman and Gasworks sites could be achieved within the funds available.”*

The Town Park project has remained high on the list of priorities in the minds of the public and in the States. It survives in both the Strategic Plan and the States Business Plan 2006 – 11 under Transport and Technical Services Objective 4.2.3 –

*“Develop a viable proposal in 2006 to provide a new town park for St. Helier within 3 to 4 years.”*

### Commitment

Yet Hansard reveals that the Minister for Transport and Technical Services could not commit himself to the delivery of the MTP despite the optimism demonstrated by Deputy Hilton over the issue as recently as 22nd November –

**2.14.4 Deputy J.A. Hilton of St. Helier:**

Would it be fair to say that the Town Park Project is on track, subject to funding, and should be delivered in 2010/2011 as indicated in the strategic plan?

**Deputy G.W.J. de Faye:**

Yes, it might be fair to say that, Sir, but clearly the Millennium Town Park project is not on track. It is already 7 years out of date.

**2.14.5 Deputy J.A. Hilton:**

That may well be, Sir, but will the Minister confirm that subject to the additional funding, which hopefully will be confirmed by the Council of Ministers, that the Town Park will be delivered as laid out in the Strategic Plan?

**Deputy G.W.J. de Faye:**

I am not prepared to make a commitment, Sir, on the delivery of the Town Park, to a set date at this time.

Members will note I am sure the key phrase, upon which all else depends “subject to funding”.

Subsequently the MTP was discussed at the Council of Ministers meeting of 29th November 2007. The minutes are reproduced below –

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**A5. Town Park: update**

The Council considered a progress report submitted by the Town Park Project Management Group (TPPMG).

The Council was advised that on 17th May 2007, Deputy J.A. Hilton had met with the Minister for Housing, Deputy J.A.N. Le Fondré and with officers from the Housing, Property Holdings and Transport and Technical Services Departments to discuss the scenarios for delivery of the project. The TPPMG, which was comprised of officers from the above 3 departments, had subsequently been formed to drive the project forward.

It was explained that the TPPMG endorsed the conclusions of the EDAW report on the future regeneration of St. Helier. On that basis it was recommended that existing residents of properties at Ann Court, St. Helier be relocated in existing vacant housing units in order to facilitate the construction of a new 4 – 5 storey multistorey public car park on the site. Replacement of the homes with a newly constructed car park would provide sufficient capacity for vehicles using the Gas Place car park and the adjacent Talman site. In turn the relocation of parking spaces would allow for ground remediation at Gas Place and the Talman site to proceed. Ann Court residents had been informed of and consulted regarding the proposals, both by the Minister for Housing and by Housing Department officers.

An outline timetable for the project had been determined. The Council was advised that construction of the new car park by December 2010 and completion of the Town Park by December 2011 would be achievable; however, it would be necessary to take a number of key decisions in early course in order to have a realistic chance of meeting the 2011 deadline. Provision of sufficient funding over the life of the project, together with completion of certain property transfers, would be necessary to facilitate the ground remediation works and to achieve delivery of the new car park, the Town Park, and new States housing. Timely progression of the new car park would be key to delivering the Town Park before 2012. It was believed that all costs arising from the design and construction of the car park could be borne by the Car Park Trading Account; however, this could not be

confirmed until such time as consultants had been appointed and design work had commenced.

**The Council endorsed the progress report and agreed that consultants should be appointed to commence work on a new multi-storey car park on the existing Ann Court site. It further recommended that the Minister for Planning and Environment liaise with the Ministers for Housing and for Transport and Technical Services regarding planning solutions for the site, particularly in respect of those residential properties on the site which had been listed as Buildings of Local Interest. The Council instructed the TPPMG to continue its work and to produce a further progress report for consideration by the Council within 3 months.**

Deputy G.W.J. de Faye requested that his dissent to the above decision be recorded.

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## **Funding**

The MTP has recently received full backing from the Chief Minister and from the Council of Ministers. What it does not yet have is funding. Hansard records the following statements on funding from Question Time on 4th December 2007 –

### **4.9 Deputy G.P. Southern:**

In discussions of the Millennium Town Park project, can the Minister clarify how much has been allocated to fund the town park currently and from where these funds are coming and when those funds will be delivered.

### **Senator F.H. Walker:**

I think the Deputy full well knows the answer to his own question, but nevertheless the Deputy is, I am sure, aware, or he should be as the Deputy of St. Helier for that part of St. Helier, that over £4 million is available through the now somewhat historic Millennium Fund. He should also be aware that the cost of decontamination is very considerably higher than was originally anticipated, but that is now a fact of life, and he will be aware of the statement, the commitment made by the Council of Ministers last week, which Deputy Hilton put into the public arena, that the money will be found in 2010 and 2011, subject to the express wishes of this House, of course, to fund the entire town park, including all the remediation work.

### **Deputy G.P. Southern:**

Where will that money be coming from?

### **Senator F.H. Walker:**

Subject to the wishes of this House, my guess is that it will come, and the proposal I believe, will be that it will come from the capital programme.

### **4.10 Deputy S.C. Ferguson:**

Given that by 2010/2011, we shall be heading into a structural deficit position, how can the Chief Minister justify that this money will be available?

### **Senator F.H. Walker:**

I said it would come from the capital programme. I did not say it would add to the capital programme.

The situation is clearly set out in the above extracts; in summary –

- The Millennium Town Project will be expensive; decontamination costs will be high.
- There is £4 million in the car park trading fund.

- The car park trading fund can support development and building costs of the Ann Street car park.
- On funding the MTP, all are silent, but
- The MTP will have to compete for funds with other capital spending projects.

No wonder that the Minister for Transport and Technical Services dissented from the decision. He is required to deliver the MTP by 2012 with no funding having been identified.

Examination of the Capital Programme reveals that the MTP is competing with essential spending over the period 2007-2010 of £17 million from Education, £25 million from Health and £25 million from Home Affairs, mainly on the Police and the Prison. Transport and Technical Services is allocated £53 million, mainly on the Energy from Waste plant. A total of £42 million is allocated for 2011, with some £103 million of unsuccessful bids for 2011, including £15 million for the General Hospital Phase 2 extension and over £50 million of TTS capital expenditure bids.

It seems to me to be highly unlikely that despite the continued support from all quarters for the principle of the Millennium Town Park, that funding will be found in the timescale envisaged given the competing bids for essential spending.

### **Use of the Strategic Reserve**

Although the Minister for Treasury and Resources has tightened the rules around the use of the Strategic Reserve in P.133/2006, Establishment of a Stabilisation Fund and Policy for Strategic Reserve, as follows –

*“to agree that the Strategic Reserve Fund, established in accordance with the provisions of Article 4 of the Public Finances (Jersey) Law 2005, should be a permanent reserve, where **the capital value** is only to be used in exceptional circumstances to insulate the Island’s economy from severe structural decline such as the sudden collapse of a major Island industry or from major natural disaster.”* (my emphasis),

he has protected the capital whilst retaining the flexibility to use the interest on the Strategic Reserve as he sees fit.

The Strategic Reserve, or ‘rainy day fund’ as it is known, stood at £456 million in 2005 when it grew from net realised income of £24.5 million (unrealised profit on investment was £13.4 million). It currently stands at £516 million.

Support for this proposition will mean that the Minister for Treasury and Resources will have to find the funding for the Millennium Town Park. It will mean that a decade of promises from States members can become reality. Without a clear direction from members, there is a severe risk that once again the Town Park will fail to become any more substantial than a mirage in the desert.

The financial costs are set out in the proposition. There are no additional staffing costs.