

# STATES OF JERSEY



## **DRAFT PUBLIC FINANCES (TRANSITIONAL PROVISIONS - STATES TRADING OPERATIONS) (JERSEY) REGULATIONS 200-**

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Lodged au Greffe on 27th September 2005  
by the Finance and Economics Committee

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STATES GREFFE





Jersey

# **DRAFT PUBLIC FINANCES (TRANSITIONAL PROVISIONS - STATES TRADING OPERATIONS) (JERSEY) REGULATIONS 200-**

## **REPORT**

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The Public Finances (Jersey) Law 2005 (the “Finance Law”) has been approved by the U.K. Privy Council and registered in the Royal Court and is expected to come into force on the commencement of Ministerial Government.

The Law enables the States to designate any disparate area of administration as a trading operation through the approval of Regulations. The attached Regulations have been prepared in order to confirm those areas of States operation which currently operate as Trading Committees under the terms of the 1967 Public Finances (Administration) (Jersey) Law or which currently operate within a trading arena.

Any area of States administration granted trading operation status will be required to have its revenue and capital estimates, and any negotiated financial return, approved by the States in the Annual Business Plan.

### **Jersey Harbours and Jersey Airport**

The current Harbours and Airport Committee has Trading Committee status under the terms of the 1967 Finance Law. As the Harbours and Airport will be two distinct areas under the new form of Government it is necessary to set up a separate Harbours trading operation and an Airport trading operation. The attached Regulations will enable this to happen.

### **Jersey Car Parking and Jersey Fleet Management**

#### *Jersey Car Parking*

The Car Parks Trading Account has been operated as a trading area but has not previously received formal recognition as such due to restrictions in the 1967 Public Finances (Administration)(Jersey) Law.

The 2005 Finance Law now enables any disparate or distinct area of operation to be designated as a States trading operation. The Finance and Economics Committee is firmly of the view that the commencement of the new Law is the appropriate time to formalise and approve the previous arrangement.

The Car Parking trading operation will continue to bear all expenditure related to the operation, maintenance and development of States of Jersey car parks including States of Jersey on-street parking. The operation will also continue to receive all income from car parking. The assets used by the trading operation will remain in public ownership.

Any future use for the Car Parking trading fund will need to be agreed by the States as part of the Annual Business Plan process as will the estimates of the operating account of the trading operation.

The Finance and Economics Committee wishes to emphasise that financial returns to the States from this trading operation will be subject to discussion and agreement between the Minister for Treasury and Resources and the Minister for Transport and Technical Services. Any such agreement will need to be formally ratified by the States in the Annual Business Plan.

#### *Jersey Fleet Management*

The Finance and Economics Committee believes that it is appropriate that this area be designated as a States trading operation under the terms of the Public Finances (Jersey) Law 2005 – Article 25.

This area has previously been referred to as the Vehicle and Garage Plant Account and has been operated as a rechargeable account under the terms of the 1967 Finance Law. The trading area, which will fall under the remit of the Minister for Transport and Technical Services deals with –

- vehicle fleet management services;
- vehicle contract services;
- workshop services;
- fuel supplies; and
- short term vehicle and plant hire.

The account bears all expenditure and receives all income related to the operation, maintenance and development of the area.

The designation of this area as a States trading operation will bring the operation into the formal States budgeting and approval process in the Annual Business Plan where revenue and capital expenditure will need to be formally approved by the States. This is not the case under the existing arrangements.

Any financial return to the States from this trading operation, as with all other trading operations, will be subject to discussion and agreement between the Minister for Treasury and Resources and the Minister for Transport and Technical Services. Any agreement will need to be formally ratified by the States in the Annual Business Plan.

### **Conclusion**

The Committee is pleased to present these Regulations and commends them to the States.

### **Financial and manpower statement**

There are no financial or manpower implications for the States arising from these Draft Regulations.

## Explanatory Note

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These transitional Regulations will establish 4 States trading operations. States trading operations are provided for by Part 4 of the Public Finances (Jersey) Law 2005.

The Regulations will continue in existence, but as separate States trading operations, Jersey Airport and Jersey Harbours, which presently comprise the Harbours and Airport Committee, a trading committee so designated by the States under Part 2 of the Public Finances (Administration) (Jersey) Law 1967.

The Regulations will also establish, as States trading operations, Jersey Car Parking and Jersey Fleet Management. Both of these operations are presently being run under the 1967 Law with their own rechargeable accounts. The only way in which this expedient arrangement for running semi-trading operations of the States can be accommodated and continued under the 2005 Law is to make the operations States trading operations.

*Regulation 1* defines “commencement day” and references to the Laws referred to in the Regulations.

*Regulation 2* provides that the part of the Harbours and Airport Committee that before Article 25 of the 2005 Law comes into force makes up Jersey Airport shall, on that Article coming into force, become a States trading operation called Jersey Airport. It also provides that the part of the trading fund of the Committee that presently relates to Jersey Airport shall become the trading fund of the new States trading operation.

*Regulation 3* provides the same in respect of Jersey Harbours.

*Regulation 4* will establish Jersey Car Parking which will have the task of managing the public parking places presently managed by the Environment and Public Services Committee. It also provides that money presently standing to the credit of the Environment and Public Services Car Park Trading Account shall become the trading account of the new States trading operation.

*Regulation 5* will establish Jersey Fleet Management. This States trading operation will be responsible for the acquisition, maintenance, servicing, fuelling, garaging and disposal of vehicles and mobile plant on behalf of the States. It also provides that money standing to the credit of the Vehicle and Garage Plant Account shall become the trading fund of the new States trading operation.

*Regulation 6* applies where money has been appropriated for a capital project and not spent and where the completion of the project is to be taken over by a States trading operation established by these Regulations. It provides that the States trading operation shall be taken to have approval under the 2005 Law to expend money in its trading account to complete the project to the same extent as the appropriated amount not spent.

*Regulation 7* provides for the citation and commencement of the Regulations.





Jersey

# **DRAFT PUBLIC FINANCES (TRANSITIONAL PROVISIONS - STATES TRADING OPERATIONS) (JERSEY) REGULATIONS 200-**

## **Arrangement**

### **Regulation**

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<u>1</u>	<u>Interpretation</u>
<u>2</u>	<u>Designation of Jersey Airport</u>
<u>3</u>	<u>Designation of Jersey Harbours</u>
<u>4</u>	<u>Designation of Jersey Car Parking</u>
<u>5</u>	<u>Designation of Jersey Fleet Management</u>
<u>6</u>	<u>Approval for expenditure on capital projects taken over by States trading operations</u>
<u>7</u>	<u>Citation and commencement</u>







Jersey

# **DRAFT PUBLIC FINANCES (TRANSITIONAL PROVISIONS - STATES TRADING OPERATIONS) (JERSEY) REGULATIONS 200-**

*Made*

*[date to be inserted]*

*Coming into force*

*[date to be inserted]*

**THE STATES**, in pursuance of Article 71 of the Public Finances (Jersey) Law 2005,<sup>[1]</sup> have made the following Regulations –

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## **1 Interpretation**

In these Regulations –

“commencement day” means the day Article 25 of the 2005 Law comes into force;

“1967 Law” means the Public Finances (Administration) (Jersey) Law 1967,<sup>[2]</sup>

“2005 Law” means the Public Finances (Jersey) Law 2005.

## **2 Designation of Jersey Airport**

(1) In this Regulation –

“Committee” means the Harbours and Airport Committee;

“Jersey Airport” means the disparate area of operation of the Committee designated to be a States trading operation by paragraph (2).

(2) On the commencement day the disparate area of operation of the Committee that immediately before that day was responsible for the administration, management, operation, financing, development and maintenance of Jersey Airport, its associated facilities and the Channel Islands Control Zone shall be taken to have been designated to be a States trading operation in accordance with Regulations made under Article 25 of the 2005 Law.

(3) The States trading operation so designated is to be known as Jersey Airport.

(4) The trading operation to be undertaken by Jersey Airport shall be the administration, management, operation, financing, development and maintenance of Jersey Airport, its associated facilities and the Channel Islands Control zone.

(5) On the commencement day money standing to the credit of the trading fund established under Article 32 of the 1967 Law in respect of the Committee shall, in so far as it relates to the activities of the Committee in respect of Jersey Airport, its associated facilities and the Channel Islands Control zone, be taken to be standing to the credit of a trading fund maintained by Jersey Airport.

## **3 Designation of Jersey Harbours**

- (1) In this Regulation –  
“Committee” means the Harbours and Airport Committee;  
“Jersey Harbours” means the disparate area of operation of the Committee designated to be a States trading operation by paragraph (2).
- (2) On the commencement day the disparate area of operation of the Committee that immediately before that day was responsible for the administration, management, operation, financing, development and maintenance of the harbours of Jersey and their associated facilities shall be taken to have been designated to be a States trading operation in accordance with Regulations made under Article 25 of the 2005 Law.
- (3) The States trading operation so designated is to be known as Jersey Harbours.
- (4) The trading operation to be undertaken by Jersey Harbours shall be the administration, management, operation, financing, development and maintenance of the harbours of Jersey and their associated facilities.
- (5) On the commencement day money standing to the credit of the trading fund established under Article 32 of the 1967 Law in respect of the Committee shall, in so far as it relates to the activities of the Committee in respect of the harbours of Jersey and their associated facilities, be taken to be standing to the credit of a trading fund maintained by Jersey Harbours.

#### **4 Designation of Jersey Car Parking**

- (1) In this Regulation –  
“Jersey Car Parking ” means the disparate area of operation of the States designated to be a States trading operation by paragraph (2);  
“public parking place” means a public parking place as defined in Article 59 of the Road Traffic (Jersey) Law 1956<sup>[3]</sup> that is included in an Order made under that Article.
- (2) On the commencement day the disparate area of operation of the States that immediately before that day was administering public parking places that were the responsibility of the Environment and Public Services Committee shall be taken to have been designated to be a States trading operation in accordance with Regulations made under Article 25 of the 2005 Law.
- (3) The States trading operation so designated is to be known as Jersey Car Parking .
- (4) 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 functions of the Minister for Transport and Technical Services.
- (5) On the commencement day money standing to the credit of the Public Services Car Park Trading Account, being a rechargeable account established under the 1967 Law, shall be taken to be standing to the credit of a trading fund maintained by Jersey Car Parking .

#### **5 Designation of Jersey Fleet Management**

- (1) In this Regulation “Jersey Fleet Management” means the disparate area of operation of the States designated to be a States trading operation by paragraph (2).
- (2) On the commencement day the disparate area of operation of the States that immediately before that day was responsible for the acquisition, maintenance, servicing, fuelling and garaging of vehicles and mobile plant on behalf of the Committees of the States shall be taken to have been designated to be a States trading operation in accordance with Regulations made under Article 25 of the 2005 Law.
- (3) The States trading operation so designated is to be known as Jersey Fleet Management.

- (4) The trading operation to be undertaken by Jersey Fleet Management shall be the acquisition, maintenance, servicing, fuelling, garaging and disposal of vehicles and mobile plant on behalf of the States.
- (5) On the commencement day money standing to the credit of the Vehicle and Garage Plant Account, being a rechargeable account established under the 1967 Law, shall be taken to be standing to the credit of a trading fund maintained by Jersey Fleet Management.

## **6 Approval for expenditure on capital projects taken over by States trading operations**

- (1) This Regulation applies where –
  - (a) immediately before the commencement day money approved for or appropriated to a capital project by virtue of the 1967 Law was at that time wholly or partially unspent on the project; and
  - (b) by virtue of these Regulations the capital project is to be completed by a States trading operation.
- (2) On the commencement date the States trading operation shall be taken to have approval under the 2005 Law to withdraw from its trading fund an amount equal to the unspent amount for use on the capital project.
- (3) The provisions of this Regulation are in addition to those contained in Chapter 7 of the Public Finances (Transitional Provisions) (No. 2) (Jersey) Regulations 200-.<sup>[4]</sup>

## **7 Citation and commencement**

- (1) These Regulations may be cited as the Public Finances (Transitional Provisions – States Trading Operations) (Jersey) Regulations 200-.
- (2) They shall come into force on the seventh day after they are made.

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[1] L.14/2005.

[2] Chapter 24.900.

[3] Chapter 25.550.

[4] P.209/2005.