

2016.06.14

**3.7 Deputy A.D. Lewis of the Minister for Treasury and Resources regarding the retention by the Jersey Development Company of income from the Waterfront and Esplanade car parks: [9497]**

Could the Minister advise why the income from the Waterfront Car Park and the Esplanade Car Park - currently totalling £1.7 million per annum - is currently retained by the Jersey Development Company rather than being remitted to the Car Park Trading Fund?

**Senator A.J.H. Maclean (The Minister for Treasury and Resources):**

The question is a little misleading. The income from the Esplanade Car Park has been remitted to the States by way of dividend as agreed under R.7/2012. In 2015, for example, that amounted to £759,000. The Waterfront Car Park is not part of Jersey Car Parking's assets as the land was transferred originally to W.E.B. (Waterfront Enterprise Board) and then S.o.J.D.C. (States of Jersey Development Company) built the car park and currently operate and maintain it.

**3.7.1 Deputy A.D. Lewis:**

In a public hearing that P.A.C. conducted recently when reviewing the Car Park Trading Fund the then Treasurer of the States said: "Principally the concept of the Car Park Trading Fund is to make sure that the car parking activity is not being cross-subsidised from other areas." Does the Minister not think that the same principle should apply to the Jersey Development Company; a clue is in the name; it is a development company, not a property holding company.

**Senator A.J.H. Maclean:**

As I have already pointed out, half of the revenue the Deputy is referring to, more or less, in fact more than half, is already being paid by way of dividend. So in fact we are only talking about the Waterfront Car Park which was built by S.o.J.D.C. at a cost of £7.8 million. They retain the revenue which, by the way, since 2005 was round about £268,000, it is now £759,000, if I am right. So it has grown by about £700,000. That revenue is used to maintain key infrastructure around the Waterfront, like the road network, the Promenade, gardens, Weighbridge and so on. About £400,000 is used in order to maintain that important area. I think that is a perfectly appropriate use. I would simply point out one further matter and that is when you set a company up, as indeed W.E.B. were originally, you cannot set a company up with thin air and, of course, share capital and assets were transferred to them and they used some of that to build this particular car park.

**3.7.2 Connétable C.H. Taylor of St. John:**

When S.o.J.D.C. was set up with P.73, part of P.73 was quite specific that the Waterfront Car Park was returned to the States. Could you explain why it has not been returned to the States?

[10:30]

**Senator A.J.H. Maclean:**

Yes. The Constable is in part, of course, correct. What he failed to mention was that as part of that it said that the transfer would occur at market value and it would not be, therefore ... well, 2 factors: one in the interests necessarily of the States to see that transfer occur at market value. The second point of course is that S.o.J.D.C. have been using the assets that they have in order to undertake the developments that they have been tasked to undertake by this Assembly. One of those developments is the Jersey International Finance Centre and this car park. This point has been put in the public domain before; this is no revelation. This particular car park is part of the assets used as security for the first building on the Jersey International Finance Centre. Of course, when practical

completion is made, that will be released and of course the issue of whether the car park should be transferred back to the States is one that will be taken after that point.

### **3.7.3 Deputy A.D. Lewis:**

A report on the Car Park Trading Fund published by P.A.C. in 2013 predicted there will be some cash shortfalls in the fund. One of the purposes of the fund is to pay for maintenance and renewal of car parks and also contribute to sustainable public transport and associated environmental initiatives. Can the Minister explain how these objectives can continue to be met without the income from 2 of the States most profitable car parks?

### **Senator A.J.H. Maclean:**

Well, first and foremost, there is a fairly considerable amount of money already residing within the Car Park Trading Fund and the revenues that are currently being generated are believed to be sufficient to undertake the requirements that it was set out to undertake in the first place. It is not my belief necessarily that the figures that I think the report to which the Deputy is referring did appear to be somewhat inflated in terms of what the future costs may be of replacing certain car parks or certain levels of maintenance but my understanding is that the sums available are sufficient for the purposes they were laid out for.