



States
of
Jersey

Jersey Harbours

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Our Ref: h\strat\Scrutiny

Your Ref:

Carol Le Quesne
Scrutiny Panel Officer
States Greffe
Morier House
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12 May 2004

Dear Carol,

Shadow Scrutiny Panel: Review of the Jersey Harbours Trust Port Proposals

Further to the acknowledgement by Captain Nibbs of the letter of 30 April last, the Committee has now discussed the matter and I write to give you a detailed response based on the published Terms of Reference. I trust this will be found useful to the Scrutiny Panel.

1. To ascertain why and with whose authority the decision was made that Jersey Harbours should operate as a Jersey Limited Company as opposed to a Trust Port.

No Committee or States decision has been made. The Committee does not yet have the authority of the States to create either a Trust Port or a Jersey Limited Company.

The Committee has followed a policy referred to as "Jersey Harbours: A Strategy for a Sustainable Future" since the autumn of 2000. This culminated in a Report and Proposition to seek States approval and projet 128/2002 was lodged on 23 July 2002.

As a result of a joint meeting of the Policy and Resources, Finance and Economics, Economic Development and Harbours and Airport Committees, held on 18 October 2002, the Committee withdrew the Proposition in order that further work on financial matters should be addressed between officers at Treasury and Jersey Harbours.

A Résumé of implementing the Sustainable Future policy was drafted for Treasury in December 2002 and a set of possible objectives for the future of Jersey Harbours was agreed with both the Treasury and the Economic Development department. A review of the strength or otherwise of the Trust Port option was sought by Treasury and terms of reference for an external review agreed.

The Deloitte and Touche Review was presented to the joint Committees and staff in February 2004. It is clear that a Jersey Limited Company meets the objectives more accurately than any other alternative. However, further detailed analysis of the cost and benefit of implementing the Deloitte and Touche recommendations have been requested by these Committees.

Work is now on-going to produce a Business Plan that will provide the evidence on which a States decision can be made.

2. To ascertain what explanation was put to the States in connexion with the change of direction from Trust Port to a possible Jersey Limited Company.

Until the Business Plan has been completed and endorsed by the relevant Committees and the States it remains the case that there is no specific commitment either to become a Trust Port or a Jersey Limited Company. However, the Harbours and Airport Committee is committed to seeking a viable replacement for itself as part of the Machinery of Government Reforms and is strongly in favour of a solution that enables Jersey Harbours to operate as an efficient commercial organisation at arm's length from government.

3. To review all of the evidence prepared for the Committee relating to Jersey Harbours becoming a Trust Port.

Jersey Harbours will provide all evidence requested. The Committee Acts and Minutes provide a good history of progress and it may be that you would wish to spend some time looking through the relevant ones here at Maritime House as they are recorded under the Trust Port/Incorporation headings.

4. (a) To establish the overall cost to the taxpayer of the research undertaken for both the Trust Port and Jersey Limited Company options.

Jersey Harbours is self-sufficient and raises its income from harbour dues, marine leisure and a range of associated land assets. As a result the cost of the internal work has been met without recourse to the taxpayer. The Deloitte and Touche Review was carried out at the request of the Finance and Economics Committee but funding was by Jersey Harbours.

Treasury may have ancillary costs and any analysis would have to be sought from that department.

(b) To assess the advantages and disadvantages of both options.

This was the core reason for Treasury carrying out the Deloitte and Touche Review and its findings measure these two options against six others – it is essential reading!

If the Scrutiny Panel is able to make its own comments as to why one option is better than the other we would find that very valuable.

5. To assess the financial implications of Jersey Harbours becoming either a Trust Port or a Jersey Limited Company.

The long-term advantages of a professional Board, financial independence, being able to make commercial decisions and employ one's own staff are well known to anyone in business. These advantages greatly reduce the liability of the States for the successful day-to-day operation of the harbour and increase the accountability of the Senior Management. The advantages are applicable to either a Trust Port or a Jersey Limited Company.

Nevertheless, the financial implications are being further spelled out in the Business Plan now being prepared.

Please let me know if there is any further help the Committee or the staff at Jersey Harbours can give.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Piers', written in dark ink.

Piers G H Baker
Strategic Development Co-ordinator

Cc Captain Howard Le Cornu, Acting Chief Executive and Harbour Master