

# STATES OF JERSEY



## **MEDIUM TERM FINANCIAL PLAN 2016 – 2019 (P.72/2015): THIRD AMENDMENT**

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**Lodged au Greffe on 18th September 2015  
by the Council of Ministers**

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**STATES GREFFE**

MEDIUM TERM FINANCIAL PLAN 2016 – 2019 (P.72/2015):  
THIRD AMENDMENT

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**1 PAGE 3, PARAGRAPH (d) –**

For the words “Summary Table G” substitute the words “Revised Summary Table G as set out on page 5 of the amendment of the Council of Ministers dated 18th September 2015”.

**2 PAGE 3, PARAGRAPH (e) –**

For the words “Summary Table H” substitute the words “Revised Summary Table H as set out on page 5 of the amendment of the Council of Ministers dated 18th September 2015”.

COUNCIL OF MINISTERS

## REPORT

### Background

In October 2012, the States approved “in principle” the incorporation of Jersey Airport and Jersey Harbours into a single limited liability company, subject to appropriate legislation being brought to the States to achieve this ([P.70/2012](#)).

On 2nd June 2015 the States adopted the Air and Sea Ports (Incorporation) (Jersey) Law 201- (*see* [P.5/2015](#)), as amended (*see* [P.5/2015 Amd.](#)). This puts in place the framework for the creation of a wholly States-owned self-funding company to be called the “Ports of Jersey Limited” (POJL), to control and operate the air and sea ports.

The Law provides for the effective regulation and control of the new company, while permitting it to operate commercially in its regulated environment. This commercial operation will allow it to generate the income necessary to resolve a potentially very significant liability in the form of a demanding and essential programme of capital investment, in what is a capital intensive business. The aim is to enable the ports to become self-sustainable.

The draft Law was the first step in the legislative process which will allow incorporation. It will be followed by subordinate legislation in the form of draft Regulations, which will make provision for the transfer of property, staff and assets to the new company.

The draft Law was approved by H.M. Privy Council on 15th July 2015 and registered in the Royal Court on 24th July 2015 (*see* [L.9/2015](#)). The draft Regulations ([P.80/2015](#)) were approved by the States on 8th September 2015 (*see* [R&O.106/2015](#)), along with the Appointed Day Act ([P.81/2015](#)), which brings the Law into force (*see* [R&O.105/2015](#)). The incorporation date is 1st October 2015.

### Amendment required to Draft MTFP 2016 – 2019 ([P.72/2015](#))

The Draft MTFP 2016 – 2019 ([P.72/2015](#)) was lodged in advance of Privy Council approval, and at that time it was inappropriate to assume the draft Law would be approved. The Draft MTFP 2016 – 2019 included provision for Jersey Airport and Jersey Harbours to continue as States Trading Operations for the period 2016 – 2019, in the event that either Privy Council or final States approval was not forthcoming.

The Privy Council approval, and now the States approval, of the remaining propositions to establish POJL and transfer the agreed manpower, assets and liabilities, confirms the position for 2016 and beyond, and indeed POJL will operate from 1st October 2015.

This Amendment provides for the removal of the financial and manpower implications of Jersey Airport and Jersey Harbours from the Draft MTFP 2016 – 2019, in accordance with the Incorporation of Ports from 1st October 2015 and the establishment of POJL.

Following the debate of the Draft MTFP 2016 – 2019, an amended MTFP Report and Department Annex will be produced to reflect all the outcomes of the debate, and will

include the removal of the Jersey Airport and Jersey Harbours proposals – but retaining the future forecasts of income from the new POJL organisation.

Revised Summary Tables for States Trading Operations, and a revised manpower forecast, are attached for the States debate and for States members' information.

### **Financial and manpower implications**

The Amendment provides for the removal of the proposed net revenue and capital expenditure of Jersey Airport and Jersey Harbours from the Draft MTFP 2016 – 2019 and an adjustment to the manpower forecasts.

APPENDIX

Revised Summary Table G – Proposed Income and Expenditure of each States' Trading Operation for 2016

States Trading Operations	Gross Expenditure	Income	Net Revenue Expenditure	FTE	Financial Return		
	2016 £'000	2016 £'000	2016 £'000	2016	2016 £'000		
Jersey Car Parking	6,420.3	(6,743.8)	(323.5)	24.0	1,672.0		
Jersey Fleet Management	4,242.0	(4,381.2)	(139.2)	29.0	-		
<b>Net Revenue Expenditure Allocation</b>	<b>10,662.3</b>	<b>(11,125.0)</b>	<b>(462.7)</b>	<b>53.0</b>	<b>1,672.0</b>		
States Trading Operations	Near Cash			Non Cash	Total		
	Income	DEL	2016 Net Revenue Expenditure	2016 Net Revenue Expenditure	2016 Net Revenue Expenditure	2016 FTE	2016 Financial Return
	£	£	£	£	£		£
Jersey Car Parking	(6,743,800)	5,448,000	(1,295,800)	972,300	(323,500)	24.0	1,672,000
Jersey Fleet Management	(4,381,200)	3,092,300	(1,288,900)	1,149,700	(139,200)	29.0	-
<b>Net Revenue Expenditure Allocation</b>	<b>(11,125,000)</b>	<b>8,540,300</b>	<b>(2,584,700)</b>	<b>2,122,000</b>	<b>(462,700)</b>	<b>53.0</b>	<b>1,672,000</b>

Revised Summary Table H – Proposed Total Capital Programme for each States' Trading Operation and Indicative Capital Projects for 2016 – 2019

Proposed Capital Programme and Indicative Capital Projects for States Trading Operations	Proposed Programme	Proposed Programme	Proposed Programme	Proposed Programme
	2016 £'000	2017 £'000	2018 £'000	2019 £'000
Car Park Maintenance and Refurbishment	1,488	2,334	2,204	1,492
Sustainable Transport and Road Safety Schemes	1,000	1,250	1,500	1,500
<b>Jersey Car Parking Proposed Programme</b>	<b>2,488</b>	<b>3,584</b>	<b>3,704</b>	<b>2,992</b>
Vehicle and Plant Replacement	1,344	1,285	2,169	1,556
<b>Jersey Fleet Management Proposed Programme</b>	<b>1,344</b>	<b>1,285</b>	<b>2,169</b>	<b>1,556</b>

Revised Figure 46 – Indicative Forecast of Budgeted FTE by Department for 2016

States Funded Bodies	2015 Revised FTE	Indicative 2015 2% Savings	2015 Service Transfers	Other 2015 Changes	Indicative 2016 Growth	Indicative 2016 Savings	Indicative 2016 FTE
<b>Ministerial Departments</b>							
Chief Minister	286.5	-	(18.5)	(22.0)	-	(3.0)	243.0
- Jersey Overseas Aid Commission	1.5	-	-	-	-	-	1.5
Community and Constitutional Affairs	694.1	(5.0)	11.0	-	-	-	700.1
Economic Development	58.3	-	-	(20.1)	-	-	38.2
Education, Sport and Culture	1,789.9	-	-	-	44.4	-	1,834.3
Department of the Environment	118.5	(1.0)	-	-	-	(2.6)	114.9
Health and Social Services	2,735.0	(15.0)	(4.0)	-	47.0	-	2,763.0
Social Security	243.5	-	17.0	-	-	-	260.5
Transport and Technical Services	518.9	(3.0)	-	-	1.1	(22.1)	494.9
Treasury and Resources	283.3	(5.0)	(5.5)	(10.0)	-	(2.0)	260.8
<b>Non Ministerial States Funded Bodies</b>							
- Bailiffs Chambers	10.0	-	-	-	-	-	10.0
- Law Officers' Department	68.0	(0.5)	-	-	5.0	-	72.5
- Judicial Greffe	45.2	-	-	-	-	-	45.2
- Viscount's Department	23.9	(1.0)	-	-	-	(1.0)	21.9
- Official Analyst	9.6	(0.2)	-	-	-	-	9.4
- Office of the Lieutenant Governor	14.4	(0.6)	-	-	-	(0.2)	13.6
- Office of the Dean of Jersey	-	-	-	-	-	-	-
- Data Protection Commission	1.0	-	-	-	-	(0.5)	0.5
- Probation Department	28.5	-	-	3.8	-	-	32.3
- Comptroller and Auditor General	1.5	-	-	-	-	-	1.5
States Assembly and its services	28.5	(1.0)	-	-	-	(0.5)	27.0
<b>States Trading Operations</b>							
Jersey Car Parking	24.0	-	-	-	-	-	24.0
Jersey Fleet Management	29.0	-	-	-	-	-	29.0
<b>Total FTE</b>	<b>7,013.1</b>	<b>(32.3)</b>	<b>0.0</b>	<b>(48.3)</b>	<b>97.5</b>	<b>(31.9)</b>	<b>6,998.1</b>