

STATES OF JERSEY ORDER PAPER

Tuesday, 23rd April 2002

- A. **COMMUNICATIONS BY THE BAILIFF**
- B. **TABLING OF SUBORDINATE LEGISLATION**
(Explanatory note attached)
- C. **MATTERS RELATING TO COMMITTEE MEMBERSHIP**

Nomination of members of the Privileges and Procedures Committee.

Nomination of members of the Special Committee on the Composition and Election of the States Assembly.

- D. **PRESENTATION OF PAPERS**

- (a) **Papers for information**

Matters presented under Standing Order 6A(1)(a)

Financial Report and Accounts 2001.
Finance and Economics Committee.

Administrative Decisions (Review) (Jersey) Law 1982, as amended: report of the Administrative Appeals Panel for the year 2001. R.C.15/2002.
Special Committee to consider the relationship between Committees and the States.

St. Helier Waterfront: lease and sale of land to Waterfront Enterprise Board Limited (P.45/2002) - comments. P.45/2002. Com.
Finance and Economics Committee.

Matters presented under Standing Order 6A(1)(b)

(b) Notification of Standing Order decisions

17th April 2002

Decisions under delegated functions.
Finance and Economics Committee.

(c) Notification of acceptance of tenders

(d) Papers to be lodged “au Greffe” under Standing Order 17A(1)(a)

Housing Committee Strategic Policy Report 2002 - 2006 (P.2/2002): amendment. P.2/2002. Amd.
Senator C. Stein.

Draft Housing (Amendment No. 10) (Jersey) Law 200-. P.54/2002.
Housing Committee.

Optical appliances: sale of ‘ready readers’. P.55/2002.
Deputy A. Breckon of St. Saviour.

(e) Notification of Papers lodged “au Greffe” under Standing Order 17A(1)(b)

(f) Papers for consideration by the States in Committee under Standing Order 38A

E. STATEMENTS AND PROPOSITIONS RELATING TO THE ARRANGEMENT OF PUBLIC BUSINESS AT THIS OR ANY SUBSEQUENT MEETING

THE STATES are asked to agree that the following matters lodged “au Greffe” be considered at the next meeting to be held on 14th May 2002 -

Proposed Race Discrimination (Jersey) Law. P.32/2002.
Lodged: 5th March 2002.
Legislation Committee.

Proposed Race Discrimination (Jersey) Law (P.32/2002): comment. P.32/2002. Com.
Presented: 26th March 2002.
Human Resources Committee.

Proposed Race Discrimination (Jersey) Law (P.32/2002): comments. P.32/2002. Com.(2)
Presented: 9th April 2002.
Finance and Economics Committee.

La Collette, St. Helier, Phase II: transfer of administration. P.51/2002.
Lodged: 17th April 2002.
Public Services Committee.

Draft Public Markets (Administration) P.53/2002.
(Amendment) (Jersey) Regulations 200-.
Lodged: 17th April 2002.
Industries Committee.

In accordance with Standing Order 22(3) the President of the Planning and Environment Committee has instructed the Greffier of the States to withdraw the proposition regarding Sunburst Investments Ltd. (JMT (1987) Ltd.): lease of land at La Collette II, St. Helier (lodged "au Greffe" on 4th July 2001).

F. PRESENTATION OF PETITIONS

G. QUESTIONS

Senator P.V.F. Le Claire will ask a question of the President of the Policy and Resources Committee regarding the findings of the Code of Conduct group established to examine potentially harmful tax measures in EU member States.

Senator P.V.F. Le Claire will ask questions of the President of the Tourism Committee regarding business trips, advertising partnerships and bed losses.

The Connétable of St. Helier will ask a question of the President of the Agriculture and Fisheries Committee regarding the Agriculture and Fisheries: policy report 2001.

Senator C. Stein will ask questions of the President of the Health and Social Services Committee regarding that Committee's tobacco strategy and private hospital wards.

Deputy R.G. Le Hérissier of St. Saviour will ask a question of the President of the Finance and Economics Committee regarding the Opera House.

The Deputy of St. John will ask questions of the President of the Agriculture and Fisheries Committee regarding exit strategies.

Senator P.V.F. Le Claire will ask a question of the President of the Industries Committee regarding the report entitled "2020.je".

H. MATTERS OF PRIVILEGE

I. PERSONAL STATEMENTS

J. COMMITTEE STATEMENTS

The President of the Special Committee to consider the Relationship between Committees and the States will make a statement about the annual report of the Administrative Appeals Panel and the operation of the administrative appeals system.

K. PUBLIC BUSINESS

La Collette, St. Helier, Phase II: approval of drawings and funding arrangements for the construction of a bus workshop facility and parking areas.

Planning and Environment Committee.
(Attached)

St. Helier Waterfront: lease and sale of land to Waterfront Enterprise Board Limited. P.45/2002.
Lodged: 26th March 2002.
Policy and Resources Committee.

St. Helier Waterfront: lease and sale of land to Waterfront Enterprise Board Limited P.45/2002.
(P.45/2002) - comments. Com.
Presented: 23rd April 2002.
Finance and Economics Committee.

Jersey Financial Services Commission: P.47/2002.
appointment of Commissioner.
Lodged: 2nd April 2002.
Finance and Economics Committee.
(consideration in camera)

Draft Motor Vehicles (International P.48/2002.
Circulation) (Amendment No. 13) (Jersey)
Regulations 200-.
Lodged: 9th April 2002.
Home Affairs Committee.

Jersey Arts Trust: appointment of Chairman. P.49/2002.
Lodged: 9th April 2002. (re-issue)
Education Committee.

Draft Companies (Amendment No. 7) P.50/2002.
(Jersey) Law 200-.
Lodged: 9th April 2002.
Finance and Economics Committee.

C.M. NEWCOMBE

Greffier of the States

18th April 2002

**NOTIFICATION OF STANDING ORDER DECISIONS -
FINANCE AND ECONOMICS COMMITTEE
(delegated functions)**

17th April 2001

- (a) as recommended by the Planning and Environment Committee, the renewal of the lease to Mrs. Linda Culkin, née Munroe, of the property known as the First Tower Kiosk, St. Helier, for a period of three years deemed to have commenced on 25th December 2000, at a commencing annual rent of £6,000, to be increased in December 2001 to £7,000 and in December 2002 to £8,000, with all other terms and conditions to remain the same as in the existing lease, and on the basis that each party will be responsible for its own legal costs arising from this transaction;

- (b) as recommended by the Harbours and Airport Committee, the lease to Mr. David Neil Cowburn of St. Catherine's Tunnels, St. Martin, for a period of three years from 1st January 2002, at an annual rent of £3,000, subject to annual review in line with the Jersey Retail Price Index;

- (c) as recommended by the Public Services Committee, the assignment from Mr. Gabriel De Silva Rodrigues and Elizabeth Rodrigues, née de Freitas, to Mr. Manuel Tomas Romao and Mrs. Maria Fatima Nunes Romao, née Nunes, of the nine-year lease entered into with effect from 1st January 1999 at a current annual rent of £18,000 in respect of the Howard Davis Park Tea Rooms, St. Saviour, following the submission by Mr. and Mrs. Romao of satisfactory trade, personal and financial references, on the basis that all legal fees incurred by the public as a result of the assignment would be met by the current lessees.

QUESTION PAPER

(See Item G)

Senator P.V.F. Le Claire will ask the following question of the President of the Policy and Resources Committee -

Pursuant to the EU proposals contained in a package to tackle harmful tax competition in the European Union, the Code of Conduct group established to examine potentially harmful tax measures in EU member States, chaired by the U.K. Paymaster General, Ms. Dawn Primarolo has prepared a report which identifies four measures -

tax exempt companies
international treasury operations
international business companies, and
captive insurance companies.
Would the President advise members -

- (a) of the position on the findings of the Code of Conduct Group, and whether the findings will have an effect on Jersey?
- (b) whether any action is proposed as a result of the findings which will affect the above types of companies?
- (c) when the deadline is, or the closing date that has been agreed with Britain and its partners, in relation to the findings?
- (d) whether he will provide the text of the findings in relation to Crown Dependencies and advise whether they indicate in writing that the UK Government is committed to 'encouraging', or that it is committed to 'ensuring', our co-operation in adopting remedies for the measures that infringe the principles set out in the Council resolution? If the wording has changed to 'ensuring', would he explain how this change has come about and what the significance of this new wording is?
- (e) whether it is anticipated that Jersey will fall into line with the UK government's understanding that Jersey will adopt the same measures as those contained in the draft Council Directive to ensure effective tax of savings income in the form of interest payments within the Community?
- (f) whether Jersey's position is one that can be safeguarded?
- (g) of the current position in relation to the Code of Conduct Group and the European Union and United Kingdom Government since the last States' meeting?

Senator P.V.F. Le Claire will ask the following questions of the President of the Tourism Committee -

- “1. Would the President advise members -
 - (a) whether the Committee or its staff propose to make any business trips outside the Island during the remainder of 2002? If the answer is in the affirmative, would the President indicate how many trips are planned by the Committee and its staff, the destinations concerned and how many Committee or staff members will be involved?
 - (b) whether the Tourism Department works in partnership with airlines and boat companies etc. in providing advertising for Jersey?
2. What evidence does the Committee have of tourism premises intending to seek change of use or likely to be removed from the market, and the numbers of beds concerned, in the next 12 months?

3. In view of the continuing reduction in bed numbers, does the President consider that there is any longer a need for a separate Tourism Committee?

The Connétable of St. Helier will ask the following question of the President of the Agriculture and Fisheries Committee -

On 12th February the States acceded to the request that consideration of the Agriculture and Fisheries: policy report 2001 (P.126/2002 lodged "au Greffe" on 14th August 2001) be deferred to a later date. Given that the President stated that it was his intention to bring back the policy report within a few weeks, would the President explain to members what progress the Committee has made in this regard?

Senator C. Stein will ask the following questions of the President of the Health and Social Services Committee -

1. Would the President advise members -
 - (a) when he proposes that his Committee's Tobacco Strategy should be debated?
 - (b) what progress has been made in banning tobacco advertising, a course of action favoured by those States members who responded to a survey on this subject?
2. Would the President advise members -
 - (a) whether both the private wards in the general hospital are fully utilised, and does it happen that one is sometimes closed?
 - (b) whether the private wards are used for the overflow of public wards, and if the answer is in the affirmative, how often has this occurred over the last 12 months?

Deputy R.G. Le Hérisssier of St. Saviour will ask the following question of the President of the Finance and Economics Committee -

Would the President –

- (a) outline the assumptions under which the annual grant and initial loan support to the Opera House was determined?
- (b) outline why it was necessary to diverge from the original assumptions and grant extra monies?
- (c) advise whether he is satisfied that the funding of the Opera House is now on a more solid footing?
- (d) advise what proposals have been put forward by the Jersey Arts Trust to avert any further funding crisis with regard to the operation of the Opera House and St. James' Centre?

The Deputy of St. John will ask the following questions of the President of the Agriculture and Fisheries Committee -

1. Would the President advise members –

- (a) why the dairy industry exit policy does not currently apply to organic farms?
- (b) when the exit policy was discussed between the Finance and Economics Committee, the Agriculture and Fisheries Committee and the Jersey Milk Marketing Board, was it made clear to the Finance and Economics Committee that a level playing field for the exit strategy would not exist if organic milk producers were exempt from the scheme? If it was made clear, what was the Finance and Economics Committee's response?

2. (a) Would the President confirm that the President of the Jersey Farmers Union has presented to the Agriculture and Fisheries and the Planning and Environment Committees an exit strategy for the glass house industry?

- (b) if the answer is in the affirmative, does this plan include the entire glass house stock across the Island, and if not, why not?

(c) is this strategy supported by the Committee, and if so, would he indicate the strength of that support?

Senator P.V.F. Le Claire will ask the following question of the President of the Industries Committee -

- (a) would the President confirm that the Committee commissioned consultants to produce a report entitled '2020.je' which involved interviewing hundreds of local residents about their views on the future of Jersey?
- (b) if the answer is in the affirmative, would he advise members

of the findings of the report?

- (c) would the President confirm that a public presentation of the findings were scheduled for last year but the presentation was cancelled?
- (d) would the President explain why the document has not been released and if there is any intention to release it in future?
- (e) how much did the report cost?

PROPOSITION

SITE AT LA COLLETTE, ST. HELIER, PHASE II: APPROVAL OF DRAWINGS AND FUNDING ARRANGEMENTS FOR THE CONSTRUCTION OF A BUS WORKSHOP FACILITY AND PARKING AREAS

THE STATES are asked to decide whether they are of opinion -

- (a) to approve Drawing Nos. 4281/10,12,13 and 14 showing the construction and fitting out of a new public bus service maintenance workshop of approximately 12,500 square feet and associated parking areas on reclaimed land at La Collette Phase II, St. Helier (as shown on Drawing Nos. 1171/02/42 and 4281/07) for occupation by the authorised operators of the Island's public bus service, and to authorise the Greffier of the States to sign the said drawings on behalf of the States;
- (b) to authorise the Finance and Economics Committee on behalf of the Public to enter into an agreement with an authorised lending institution for the direct external borrowing of a maximum of £2,200,000 (two million two hundred thousand pounds) to finance the construction of the building and parking areas described in paragraph (a) on terms, and at a date, to be agreed by the Finance and Economics Committee;
- (c) to authorise the Planning and Environment Committee on behalf of the Public to enter into a fixed price development agreement with A.C. Mauger and Son Limited for the design and construction of the building and parking areas described in paragraph (a);
- (d) to authorise the Treasurer of the States to credit a suspense account established for this purpose in the name of the Planning and Environment Committee under Articles 7(1)(e) and 20(2) of the Public Finance (Administration) (Jersey) Law 1967, as amended, and to authorise that Committee to pay from the account the costs of the development and all professional and legal fees associated with the development and funding arrangements; and
- (e) to authorise the Attorney General and the Greffier of the States to pass, and the Greffier of the States to sign, as appropriate, on behalf of the Public, such contracts or agreements as may be necessary.

PLANNING AND ENVIRONMENT COMMITTEE

- Notes:
- 1. The Planning and Environment Committee approved the plans on 19th March 2002 under Development Permit No. P/2002/0141.
 - 2. The Public Services Committee supports this proposition.
 - 3. The Finance and Economics Committee considers that the funding mechanism proposed is appropriate for this development as the loan sum can be fully repaid from an income stream not previously available to the States. In so agreeing, the Committee also recognises the need to develop the bus depot in a very short timescale to meet the contractual obligations resulting from the States' decisions under Projet P.104/2001.

REPORT

Introduction

On 4th July 2000, the Planning and Environment Committee lodged au Greffe a Report and Proposition (P.128/2000) asking the States to approve the lease by the Public to Sunburst Investments Limited (holding company of JMT (1987) Limited trading as Jersey Bus) an area of land on reclaimed land at La Collette, Phase II, following satisfactory completion of the infilling and infrastructure works, for the purpose of constructing a building for the garaging and maintenance of its public service vehicle fleet.

The States were not asked to decide the Proposition at that time pending the outcome of on-going consideration by the Public Services Committee of the future of the public bus service. The proposition has now been withdrawn.

In July 2001, the States declared their intent to introduce a revised basis through which to secure the provision of local bus services in the Island, replacing the present system founded in the Motor Traffic (Jersey) Law 1935.

It was proposed that new legislation will be introduced to allow the placing of the whole Island bus network out to competitive tender, with one operator gaining the exclusive contract for an initial period of seven years.

The Planning and Environment Committee brought forward an initiative which provides the Public with greater control over a bus garage/workshop operation, which involves the Committee, through its Department of Property Services, constructing a facility on the La Collette, Phase II site, using either public or private sector funding, and leasing this to any company which operates the public bus service, or part thereof, for the Island. This proposal received the support of the Public Services Committee and in October 2001 the Finance and Economics Committee, recognising the urgency of the situation, approved a Planning Vote of £35,000 to progress a procurement and preliminary design package for the workshop facility and associated bus parking on an identified and completed infill site at La Collette, Phase II.

A Project Design Team led by the Director of Property Services completed a feasibility study in January 2002 which was supported by both the Planning and Environment and Public Services Committees. On 20th February 2002, the Finance and Economics Committee supported in principle the development of the bus workshop at La Collette, Phase II as proposed. The Planning and Environment Committee approved the plans on 19th March 2002.

In February 2002, first stage tenders were invited for a 'Design and Build' contract for the construction of the building and parking areas at La Collette II.

Choice of site

The benefits of developing the reclaimed site at La Collette II were obvious in that it

- (1) is available for immediate development following completion of the infill in that area of La Collette;
- (2) allows completion within the required timescale;
- (3) is in a location which has adequate access and is relatively close to the centre of St. Helier and the proposed Transportation Centre;
- (4) is capable of providing relatively uncomplicated site construction;
- (5) is of sufficient area to accommodate a maintenance workshop, small operational offices, and bus parking areas with fuelling and washing facilities of the required size and layout; and
- (6) is close to existing roads and services and does not depend upon the eventual infrastructure required for the further development of La Collette, Phase II.

Initial brief

The initial brief for the facility, prepared by the Department of Property Services, was for a bus maintenance garage with associated facilities and ancillary parking on the identified La Collette site adjacent to the existing Fuel Storage Depot. The facility is required for the planned commencement of the new public bus service contract.

The building requirement is for an economical facility with a minimum of six bays suitable for bus maintenance with vehicle

inspection pits and/or provision for heavy vehicle lift hoists. The building is likely to be of steel-framed construction of sufficient size and height to accommodate single deck bus maintenance in full compliance with best current or projected health and safety practice. It is also to include lost property/vehicle parts/equipment/tyre stores, reception, a small offices provision for fleet maintenance administration, toilets, showers, crew rooms with locker facilities and a secure cash handling area. The tenant bus operator will be required to undertake the fitting-out to meet its own requirement.

The building is to include heating to the required standard for maintenance workshops and office, with appropriate energy conservation features to provide a low maintenance/low running cost premises. It should be equipped with fixed compressed air lines and a safe area for electric/gas welding/small panel fabrication equipment operation with provision for the operator to fit an enclosed 'low bake' point spray booth and rolling road equipment for brake/suspension testing. Waterproof vehicle inspection pits and waste oil storage facilities are also to be provided. Adequate general and localised lighting facilities are to be provided within the building, together with appropriately positioned three phase electrical connection points and socket outlets for connection of the operator's maintenance equipment.

Parking space is to be provided for a minimum of 60 buses and 20 cars. Allowance is to be made for the tenant operator to fit an external bus wash facility, high pressure water or steam cleaning area for degreasing/cleaning the underside of buses, a 50,000 litre diesel fuel oil storage tank and fuel filling point. Due consideration is to be given to the safe circulation of vehicles, in both the maintenance building and throughout the site, to ensure reversing is kept to a minimum. Special importance is to be given to the minimum bus turning/manoeuvring requirement and the maximum gradient of vehicle ramps/slopes/approach roads for "low ride" vehicles. The building is to meet all the current requirements of the Planning, Building Control, Health and Safety and Vehicle Standards authorities.

Project Tenders

Due to the timescale for the completion of the building, it has been agreed that a 'Design and Build' fixed price contract would be the most appropriate solution for the project. The Consultant Design Team and Property Services worked closely with representatives of the Public Services Department and its consultants in preparing a comprehensive Schedule of Requirements, including indicative layout plans.

A Building Specification and Brief of Employer's Requirements was issued to four local building contractors. Four comprehensive proposals were received from the first phase tender process, based on a notional Bill of Quantities.

These were assessed by the Director of Property Services, the Project Manager and representatives of the Planning and Environment Committee, with advice from the Consultant Design Team.

The submitted proposals were evaluated for -

- (a) acceptable design;
- (b) compliance with Employer's Requirements and Specification;
- (c) practicality;
- (d) cost;
- (e) value for money;
- (f) future maintenance and likely running costs;
- (g) programme and contract periods;
- (h) performance bond, guarantees, warranties, insurances and collateral warranty requirements.

The proposal based on notional rates put forward by A.C. Mauger and Son Ltd. best met the criteria. The building and ancillary works proposed offers good value for money and the contract period of 26 weeks is sufficient to enable the work to be completed within the timescale.

A.C. Mauger and Son Limited and the Design Team have made progress by submitting the Building Byelaws application in order to achieve the final approvals to enable the contractor to commence on site as soon as practical, subject to States approval.

The project budget of £2,158,754 is recommended, which includes the contract price, preliminary costs, professional fees, enabling works and a small contingency provision. An additional second stage negotiation construction contingency has been included to allow for any alterations which become necessary following completion of the final designs and approval of the Building Byelaw application.

The proposed funding arrangement

The Committee, in consultation with its advisers, has considered the available options for the funding of the project, which was not included in the Capital Projects Bids for 2002.

(a) Direct external funding

Leading financial institutions have informally quoted for the direct borrowing of £2 million to £2.2 million for periods of 20 to 23 years at both floating and fixed rates of interest. The quoted arrangement fees and costs associated with direct external funding are not significant and would not require an external audit opinion.

Although this is an exception to normal policy under the Public Finance (Administration) (Jersey) Law 1967, the Finance and Economics Committee is able to borrow funds commercially, subject to the approval of the States. Subject to the agreement of the States, the Committee would negotiate the most favourable terms with one of the lending institutions subject to the final agreement of the Finance and Economics Committee.

(b) Internal borrowing

The alternative to direct external borrowing is for funding to be advanced from the Capital Fund utilising States cash balances and charging notional interest. This arrangement has the advantage that there are no arrangements fees, but would require States' approval to set up a specific special fund.

Similar funding arrangements have been used by the Housing Development Fund for Housing Committee projects and by the Planning and Environment Committee for the construction of Jubilee Wharf offices for the Housing Department.

The use of internal cash reserves to support term borrowing over a period of 20 to 25 years could place constraints on the States' ability to provide sufficient cash flow for other projects. It is, therefore, proposed that the Finance and Economics Committee provide funding initially from internal cash reserves but externalise the loan balance as soon as the necessary agreements can be put in place.

Rentals

The Planning and Environment Committee will administer the proposed bus workshop facility and enter into a lease agreement on behalf of the Public with the bus service operator for a period of seven years to coincide with the period of the contract for the operation of the public bus service.

The rental payments from the bus operator will be set at a level to meet the regular repayments of the funds borrowed internally and from the external lending institution through the Finance and Economics Committee plus interest received.

It is proposed that a full economic rental will be charged which will be subject to regular periodic review to ensure that it does not become out of step with the open market.

Summary

In order to achieve the timescale for completion, to coincide with the commencement of the bus operator's contract, it is essential that the construction of the building and parking areas begins as soon as possible. All the target dates for the design, tendering and approval process have been met to date. The funding arrangements and legal agreements can, subject to the agreement of the States, be finalised to achieve the construction timescale.

The design proposed by the contractors provides a value for money solution which meets the identified needs of bus service operators generally. It also meets the requirements for a functional facility with good access to available services and the proposed Transportation Centre in St. Helier.

There are no additional manpower implications for the States.