

**STATEMENT TO BE MADE BY THE PRESIDENT OF THE HARBOURS AND
AIRPORT COMMITTEE ON TUESDAY 19th APRIL 2005**

The future of Jersey Harbours has been under discussion for many years; whether it should follow Postal and Telecoms route to incorporation or its own more distinctive form of corporate governance, has never formally been agreed by the States.

The Harbours and Airport Committee has been working with the Policy and Resources, Economic Development and Finance and Economics Committees to develop an effective and sustainable proposal for the future structure of the Harbour in the best interests of the Island.

In less than nine months time there will no longer be a Harbours and Airport Committee. This statement is made because it is now very important that both States members and the staff at Jersey Harbours should know more clearly what the plans are for the future: for too long a decision has seemed elusive. Whilst there have been good reasons for this, it has not been good for morale and is not good for the efficient management of the organisation.

Under the Machinery of Government Reform programme (P.70/2002) the continuation of a Harbour Master with statutory enforcement powers was envisaged. The projet also stated that 'for the time being' Jersey Harbours would be part of Economic Development. The plan was, and still is, that the Economic Development Minister should have 'policy oversight.'

Members will be aware that a high-level review of the best corporate governance of the organisation was undertaken by Deloitte and Touche in the autumn of 2003 leading to major presentations to the Committees concerned and to all staff in February 2004. The study compared a wide range of governance options against an agreed list of key objectives for Jersey Harbours. The outcome was a strong recommendation that the best way Jersey Harbours could serve the Island was to become a Jersey limited company, wholly-owned by the States.

Based on the recommendation that Jersey Harbours should have its own corporate identity, a thorough in-depth and cautious Strategic Analysis and Business Plan has been developed over the last year. As its primary goal this analysis had to deliver a definitive proof whether or not a separate entity could exist in the long-term as an efficient and sustainable organisation. We have been prudent in this matter. We needed to be as certain as is possible that we had found the right way forward.

In parallel with this, a Shadow Scrutiny Panel undertook its own enquiry and on 15th February 2005, it published the report "Future of Jersey Harbours" (S.R.2/2005). The Assembly will appreciate, as the Committee does, that Scrutiny carried out a thorough and very helpful enquiry. I endorse its key findings and recommendations.

The Policy and Resources, Finance and Economics and Economic Development Committees have now received the Strategic Analysis. The analysis points clearly to the benefit of a new corporate governance structure with legally accountable directors, financial independence and a property portfolio supported by WEB. At the same time, policy oversight and ultimate control will still rest with the States. Together these changes will provide best value for the Jersey tax-payer.

The joint Committees recommend firm political endorsement for the formation of a wholly States owned Limited Company.

However, the Machinery of Government Reform programme must be allowed to take priority for States time during 2005. The Committee understands this, and in the light of the firm political endorsement received from the tripartite Committees we can positively progress a number of the recommendations whilst planning for a report and proposition to be brought forward for debate during 2006.

Members will be pleased to note that the Harbours and Airport Committee will pursue the following matters in particular -

1. Responsibility for maritime safety regulation, shipping policy and legislation will be separated out so as to rest appropriately with central government enabling Jersey Harbours to focus on business

development and its core business.

2. The formal partnership with the Waterfront Enterprise Board, as envisaged by the Scrutiny panel, will continue to develop and ensure that the Island and the port get best value for money for property within the port area.
3. The Jersey Appointments Commission will convene a Board to formally appoint a Chief Executive and Harbour Master for Jersey Harbours. This will end the uncertainty of a continuing acting-up role and make a clear statement about the continued existence of the Harbours department as a separate trading operation.
4. The Chief Executive under the direction of the Harbours and Airport Committee will put in place the necessary management changes in preparation for the new organisation and bring forward formal proposals for determination by the States
5. The project management team will be formalised further to progress the recommendations, operating under the direct guidance of the Chief Executive and an independent project Chair.
6. A consultation and communications strategy will be implemented for all staff and stakeholders.
7. A formal report and proposition will be developed to be presented during 2006 and once the change to Ministerial government has taken place. The report will give detailed proposals for the corporate governance of Jersey Harbours. States members will then have the final say on the long-term future of the organisation.

I should like to emphasise that over the last year the work carried out by the Acting Chief Executive and his team to produce the analysis has been prolific and highly commendable. It has been carried out 'in house', through the commitment and dedication of senior management across all the relevant States departments. It has involved extensive consultation. It has been verified by external experts with extensive experience in such matters. Taken together with the original Strategic Service Review in 1999, Deloitte's review of 2004 and Scrutiny's report of 2005, I cannot believe any more time or resources ought to be spent on analysis.

The time has come for actual implementation of what have been consistent recommendations. I am confident that the above offers a clear statement of what the Committee will do in the remaining period of its existence, setting and progressing the clear direction for the future of Jersey Harbours.