

# St. Helier Yacht Club *Est. 1903*

SOUTH PIER, ST. HELIER, JERSEY, JE2 3NB, CHANNEL ISLANDS

Connétable John Le Maistre  
Chairman, Economic Affairs Scrutiny Panel  
Scrutiny Office  
Morier House  
St Helier  
JE1 1DD

13<sup>th</sup> March 2015

Dear Connétable

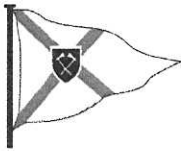
I am writing on behalf of the Executive Committee of St. Helier Yacht Club in response to your letter concerning the incorporation of the Ports of Jersey.

Firstly, we are pleased that Scrutiny is taking an active interest in the proposals for the incorporation of the Ports of Jersey, and we would like to thank you for providing this opportunity to comment. We can confirm that The Group Commercial Director, Myra Shacklady, and Frank Walker from the Shadow Board did indeed meet with our Committee in April last year to inform us about the progress made on the road to incorporation, the likely timescale, and to discuss any concerns we might have with regard to the proposed incorporation. This was followed up by an email in May telling us about the consultation website and offering the opportunity to contact the team by email or telephone if we wanted further discussions. We have also been kept informed through our representation on the Marine Development Group and Marine Leisure Growth Group. In January, we received a letter from the Chairman of the Shadow Board detailing the results of the consultation process, and stating that we would be contacted again to discuss the approach they would like to take and to potentially meet again to address any outstanding concerns. We have very recently been contacted about arranging a date for this subsequent meeting, so while we may have concerns about incorporation itself (which are outlined below) it cannot be said that we have not been kept informed, albeit sometimes in a *fait-accompli* manner.

We have already shared some of our concerns with the Ports of Jersey, and these broadly fall into three categories; the direct impact on our Clubhouse and our lease, the impact on our Clubs' activities, and the indirect impact on our membership as a result of potential developments in the marine leisure sector post incorporation. Although not directly related to our Club or its activities, many members have also expressed concern about potential property developments around the port, and this has been brought to the fore as a result of the recent Port Galots proposals.

## 1. Our Clubhouse

The Ports of Jersey is currently our Landlord and in 2008 we renegotiated an extension to our current lease until at least 2035, with an option for the Club to extend this until 2056. Agreement was also reached as to the rental value based upon the premises being occupied by a Club rather



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than a commercial enterprise. We raised concerns with Myra Shacklady and Frank Walker that the terms of our current lease would continue to be honoured under incorporation, and that the amount the Club pays to the Landlord in rent would not be adversely impacted by incorporation. We have been reassured that our lease would not be affected in any material way by incorporation and that the incorporated entity would be the "successor" landlord as defined within the current lease agreement. Notwithstanding this assertion, we have recently received a significantly higher re-evaluation of the market rental value of the Clubhouse property on South Pier, which we have disagreed with in writing, and this has raised some suspicions as to future intentions with regard to the rent we pay. Our other main concern with regard to the Clubhouse is related to parking. Currently this is free for our own staff and for visitors to the Club, and we would hope that it remains so under incorporation so as to not adversely affect usage of the Clubhouse.

## 2. The Clubs' activities

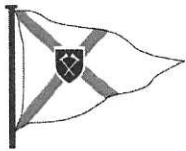
For our racing events, the Club enjoys free use of a start/finish hut on the outside jetty at La Collette, together with associated parking permits for that area. We also have storage boxes in the marina and in the boat park, as well as discounted berthing arrangements in La Collette marina for our safety boat; a small RIB. All of this is provided in recognition of the Club's contribution and importance to the local marine leisure industry. We have some concern that this infrastructure and the discounted rates remain in place under an incorporated entity.

Also concerning our water-based activities, currently the Ports of Jersey has a role as "enforcers" of the law. The Harbour Master, through the Minister, has sweeping powers to enforce restrictions on activities, not just within the harbour limits, but within Jersey's territorial waters. We would have some concern about how this role might be managed under incorporation, especially without Ministerial control, other than through shareholder influence. An example with regard to our racing activities might be that a speed restriction, or a restriction on the area of a race course, might be imposed immediately without the facility for referral to a political decision.

## 3. The broader impact on the boating community

In the recent past, the fees to boat owners have risen significantly, at a rate well above Jersey's RPI and certainly well above net salary increases. There seems to be little recognition or acceptance by the current Harbours authorities that these very large increases over a period of economic difficulty within the Island have had an impact on demand, with many empty spaces now appearing in the marinas. There are currently very few young people coming into the boating market or joining the racing fleet. It is important to our *raison d'être* as a boating Club that both our current as well as new members have the opportunity to enjoy the sea in an affordable manner. We have raised these concerns and have been assured that the new commercial entity, which will continue to operate in a monopolistic situation, will not further increase mooring and boating fees at an above-inflationary rate. We would seek assurances that fees will be governed and controlled by a regulator similar to CICRA. We would certainly hope that the new incorporated company will work in partnership with port users beforehand to assess the potential impact of any increases in fees. This is essential for us to remain as a thriving boating Club.

We have also raised concerns that the currently affordable route into boat ownership through the drying moorings in St. Helier should remain. In our meeting with Myra Shacklady and Frank Walker, this ongoing commitment was confirmed, so we are therefore not expecting to see any proposals to re-emerge with regard to "flooding" the old harbour and creating new marina berths in that area.



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On another important current role of the Ports, for the safety of our members, the Coastguard is a cost area that derives little or no income. It does, however, provide an essential service to the maritime community. There is a concern that this area might be targeted for future cuts, with an associated reduced level of service.

Finally, we would applaud any improvements in efficiency that may lead to any reduction in the already high costs of boat ownership in Jersey. There has been significant capital expenditure by the States of Jersey on port infrastructure projects in advance of incorporation, so we would hope that the entity being passed on is in a sufficiently robust financial position to deliver these cost savings to their customer base. However, we are of the understanding that there will be little change with regard to the number of persons employed and their terms of employment, and that therefore the main financial gains from incorporation will come from the land and property portfolio being transferred to the new company. There is certainly a lot of concern expressed by our members as to the intentions of the incorporated company with regard to property development around the St. Helier port area, and we would hope and expect that the Club will be fully consulted, rather than being purely informed of any future developments being considered.

I do hope that the above is helpful to the Scrutiny Panel and would welcome the opportunity to meet with you and your Committee, should you feel this beneficial, before you make your final recommendations.

With kind regards

Julian Barber  
Commodore