

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
BY THE DEPUTY OF GROUVILLE
ANSWER TO BE TABLED ON TUESDAY 29th MAY 2012**

Question

Given the States decision of 18th December 2001 to allocate £10 million to the Tourism Development Fund has never been implemented in full, why did the Minister decide to allocate the entire 'surplus' funds of £27 million to bolster the construction industry rather than honouring the previous States decision by allocating the remaining balance of the £10 million to the Tourism Development Fund and giving the remainder to the construction industry?

Answer

This is not a matter of the Tourism Development Fund being disadvantaged at the expense of Housing. Both are important. The reality is that the needs of each are different and are being addressed in different ways. It is also for the States to decide on allocation of capital funding.

Tourism Development Fund (TDF)

At the end of 2011 the TDF had funds of £937,000 of which £430,000 was committed. In the last round of applications only 5 of the 26 applicants were successful because of the strict criteria applied by panel members to ensure a good return for the tax payer. Furthermore, there is a proposal to be included in the Medium Term Financial Plan that £1.5 million be allocated into the Fund. A proposal was brought to the States on 1st May this year to extend the scheme to private sector entrepreneurs, supported by a proposal to be included in the Medium Term Financial Plan that £500,000 be allocated into the Fund annually. The Deputy will be aware that the States deferred P26 and referred it to Scrutiny. There has been no request to increase funding for the TDF but the Treasury Minister would welcome further discussions in the run up to debate of the MTFP.

Housing

The 6 Housing schemes to be funded, although included in the 2012 States Business Plan, would not have been able to go ahead now as they were dependent on the sale of properties – which is a difficulty in the current economic climate. They are essential schemes providing much needed refurbishments to meet the “Decent Homes” standard and build 121 urgently needed new homes.

It must be stressed that the £27.1 million to be provided is a short term funding requirement of Housing. The full amount will be reimbursed to the Consolidated and Stabilisation Funds. This would not have been the case with the TDF.

The fact that the States can deliver these essential and socially desirable developments, provide much needed support to the local construction industry, safeguard local jobs and benefit from very competitive tender prices makes this a pragmatic and sensible proposal.

As stated before it is not a question of Housing benefitting to the detriment of Tourism. The proposals have been aimed at ensuring the individual needs of each are addressed in the most appropriate way.