

STRATEGIC RESERVE: ALLOCATION OF FUNDS TO TOURISM INVESTMENT FUND

**Lodged au Greffe on 6th July 1999
by the Finance and Economics Committee**



STATES OF JERSEY

STATES GREFFE

175

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PROPOSITION

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

in accordance with paragraph (2) of Article 13A of the Public Finances (Administration) (Jersey) Law 1967, as amended, to authorise the transfer of £5.5 million from the Strategic Reserve to the Tourism Investment Fund to be used as follows -

- (a) the sum of £3 million for the redevelopment of Mont Orgueil Castle;
- (b) the sum of £2.5 million to provide additional lanes with spectator seating at the leisure pool to be constructed on the St. Helier Waterfront.

FINANCE AND ECONOMICS COMMITTEE

REPORT

Redevelopment of Mont Orgueil Castle

In 1998, the Tourism Investment Sub-Committee supported the Jersey Heritage Trust's proposal to refurbish Mont Orgueil Castle following research and feasibility studies which had been undertaken.

The scheme will provide the following -

- improved reception facilities, shop and new toilets;
- restoration of the historic medieval heart of the castle, opening up a labyrinth of new staircases and rooms to expand the experience of the castle;
- new displays and recreated interior spaces;
- rebuilding the 16th century ruined Great Hall;
- a recreated medieval garden;
- new car park at La Crete Quarry.

The Jersey Heritage Trust has demonstrated with a string of projects that it can deliver quality and innovative projects aimed at attracting visitors.

Visitor numbers at the castle have declined, and maintenance costs are met from visitor income, which is reducing. Investment in this project, which is the single most important and used image of Jersey, will make a positive statement to the Tourism Industry and will protect the enormous value of its current investment for the next millennium.

Additional lanes at the leisure pool to be constructed on the St. Helier Waterfront

The Tourism Investment Sub-Committee supports the inclusion of a six-lane 25 metre competition pool within the leisure pool development. In order to secure this, a further £2.5 million is required from the Tourism Investment Fund, over and above the £8.4 million currently earmarked in the Fund. The inclusion of the competition pool in the leisure pool development should replace the need to redevelop the existing pool at Fort Regent, which has been estimated to cost £4 million.

A report and proposition regarding the development and funding of a leisure pool on the St. Helier Waterfront will be separately considered by the States (P.92/99).

The Finance and Economics Committee has considered these requests, and comments as follows -

Funding

- (i) There are only two sources of funding available: either the General Reserve or the Strategic Reserve. It is recognised that the General Reserve will be under extreme pressure for at least the next two years and the Committee concluded, therefore, that this was not a possible option.

The balance of the Strategic Reserve as at 1st January 1999 was £292 million and income for 1999 is estimated to be £28 million. The Committee gave consideration to the use of this income within its policy of maintaining the real value of the Reserve whilst also meeting its longer term aim to increase the value of the Reserve to the equivalent of one year's taxation receipts.

Proposal

- (ii) The Finance and Economics Committee will re-examine its policy regarding the use of the Strategic Reserve later this year. However, due to the performance of the Reserve in 1998, when an additional £8.9 million over and above the sum required to maintain the Reserve's real value was generated, it believes that on this occasion it is possible to meet the request of the Tourism Investment Sub-Committee.