

2016.11.15

4.2 Senator S.C. Ferguson of the Minister for Economic Development, Tourism, Sport and Culture regarding the grant provided to the Jersey Rugby Club: [9713]

Has use of the grant provided by the department to Jersey Rugby Club met its objectives, and does the Minister intend to renew it?

Senator L.J. Farnham (The Minister for Economic Development, Tourism, Sport and Culture):

The Senator's question assumes that my department provided grant funding to the rugby club. We did not, and do not. We sponsor a club that performs on the national stage at one of the highest levels of sport with a huge following in exchange for a package of marketing and promotional services. The sponsorship benefits are used carefully to promote the Island to sports tourists and as part of Jersey's highly successful and much-needed inward investment programme. The result captured in visitor numbers and inward investment growth speak for themselves, not to mention the numerous other benefits that sponsorship such as this brings. If we are offered the opportunity for the 2017 season it will be evaluated, as it has in all previous years, and considered against the potential benefits and previous performance set against the cost.

4.2.1 Senator S.C. Ferguson:

I should note that I am a big supporter of the rugby club and the academy they provide. But there are something in the order of 378 visitors to matches, and deducting the departmental representation this is about 300. According to the Freedom of Information I have received resulting from the international matches there are 3 high-net-worth individuals and 3 investment businesses. So there is not a great deal of return in tax, so is this a reasonable return?

Senator L.J. Farnham:

Yes, it absolutely is a reasonable return. In fact, it is an excellent return, because while you cannot quantify the total financial benefit of inward investment companies and high-net-worth individuals, just the tax from the high-net-worth individuals repays the sponsorship probably twice over. But it is more about that. The Senator should remember that sponsorship of sport helps to build communities in the Island. Especially now, we have all heard in the last week that the going is getting tough for Jersey Rugby Club so rather than toss a few grenades into the equation we should be getting behind them and finding ways to support them. But on top of that, I would like to say that just the rugby club alone, just from their own admin, have been contributing in social security, I.T.I.S. (Income Tax Instalment Scheme), G.S.T. (Goods and Services Tax) and accommodation to the tune of about £1 million in the last 4 years. That is just in the administration of the club and its players and their players' affairs. Not to mention the additional visitors that come to the Island to watch rugby. So I have no doubt that our sponsorship has been helpful. It has helped Locate Jersey to develop business and it is good for the Island.

4.2.2 Deputy A.D. Lewis of St. Helier:

I am sure the Minister will agree the multiplier effect on the economy of sponsoring the rugby club is significant. Does he have any figures to hand that he can make Members aware of as to what the economic multiplier effect is of investing in the rugby club in the way that you currently do?

Senator L.J. Farnham:

If we look at the increasing visitor numbers, there are some there. I cannot recall them off the top of my head, but since 2014 we have seen a considerable increase in staying leisure visitors and we

know much of that has been attached to sporting and other types of events. I will try and get some more accurate information relating to the rugby club, but it does bring in visitors. They do stay, they do spend; it is very beneficial to the economy.

4.2.3 Deputy M. Tadier:

Would the Minister confirm that his department has ruled out giving any financial support to the Jersey Rugby Club given the fact that they find themselves in financial difficulty?

Senator L.J. Farnham:

We have not needed to rule it out, because we have not been requested to. I think if the States were to be approached, it would be a matter for the Minister for Treasury and Resources. But I have spoken with the chairman of the rugby club, who has been keeping the department briefed, and as Members may know from the media they have made new financial arrangements, which will see them through the rest of this year and set them up, hopefully, for the next 5 years. The arrangements they have made with the sale and lease back of some of the club's assets are based on a very reasonable 5-year plan.

4.2.4 Deputy M. Tadier:

But given the importance that the Minister said that Jersey Rugby has - I think which we all agree with - not just in economic terms but across the board, would he give an undertaking that if necessary his department will be willing to underwrite the future of Jersey Rugby Club to make sure that they are successful, so that the continuing good work that they do cannot go under?

Senator L.J. Farnham:

I am sure that all Members will join me in saying that we would not sit by and let professional rugby in this Island disappear because of financial restraints. However, it is only right that the Jersey Rugby Club are given time and allowed to sort out their own financial affairs. That is exactly what they have done and I commend them for doing that. **[Approbation]**

4.2.5 Deputy G.P. Southern:

Will the Minister confirm that he is prepared to circulate some figures which show the direct benefit of the rugby club to the Island's economy?

Senator L.J. Farnham:

I will do that with absolute pleasure, although I am surprised the Deputy needs those figures. The benefit of the rugby club, in its entirety to this Island and its community, is huge. But I will circulate figures.

4.2.6 Deputy J.A. Martin of St. Helier:

Notwithstanding the benefit of the rugby club, and I am a great rugby fan myself, up there on a Saturday afternoon. But the follow-up Senator Ferguson asked the Minister was there was around, I think, 70 employees from the department who attend regularly. I would like to know who pays for these people to attend regularly, and they do attend regularly. Is it the corporate or is it the department? How do you justify it if it is the department?

Senator L.J. Farnham:

I think the Deputy's figures are incorrect, because it is nothing like 70 members of staff. On occasions, as part of the sponsorship package, Locate Jersey get tables for the sponsors' lunch at

home matches where usually an officer and a Minister, or Assistant Minister, will attend with invited guests, and the expenses are paid for as part of the sponsorship package.

4.2.7 Senator S.C. Ferguson:

From the figures that I have been looking at, it is probably about 6 or 7 members attend each week. However, a grant/sponsorship is money from the States. The lady at the bookshop and I have had the greatest trouble trying to find the accounts. It was agreed some years ago that all organisations receiving money from the States in grants, or sponsorship, or so on, would supply a set of accounts which would be available at the bookshop. We could not find them. Would the Minister like to dig out the accounts please and circulate them to States Members?

Senator L.J. Farnham:

There is a level of an amount and I am not sure, the Senator should know, because I think it was on her proposition that was introduced, that organisations in receipt of States money over a certain amount, I think it is £100,000, in any one year must produce accounts.

[10:00]

The Economic Development sponsorship has never exceeded that amount in any one year. It started at £78,000 for the 2012 season and has gradually reduced and this season the total sponsorship is £18,375.