
STATES OF JERSEY



TOURISM DEVELOPMENT FUND: REPORT FOR 2011

**Presented to the States on 26th June 2012
by the Minister for Economic Development**

STATES GREFFE

Tourism Development Annual Report: Message from the Chairman

I am pleased to present our Report on the activities of the Tourism Development Fund in 2011.

The tourism industry is more important than ever, as the economic challenges facing Jersey mean that a diversified industry base is essential to Jersey's economy. It is a credit to the tourism industry that it has successfully bucked the recent economic trend. The number of staying leisure visitors and the contribution from visitor spending has remained largely consistent over the last 3 years, when many other similar destinations have seen falling visitor numbers as well as falling revenues. In 2011 the Island is estimated to have been host to 690,000 visitors who contributed £242 million to the economy.

The organisations supported by grants from the Fund last year and in prior years have all played their part in contributing to the resilience of the Island's tourism industry. The role of the Fund is to provide independent advice, support and finance in the form of grants to non-profit organisations in the Tourism sector. The Fund actively encourages applications for grants which are considered fully by our Panel under established guidelines as noted in our Report. By improving our tourism infrastructure, developing events, and extending our facilities, they are bringing people to the Island, improving visitors' experience once they are here, and encouraging their return. At the same time the Island's residents benefit from their participation.

In our Annual Report for 2010, I noted that we were in discussion with the Ministers for Economic Development and Treasury and Resources to secure additional funding. Those discussions were successful and resulted in a further commitment of £650,000 to the Fund in the summer of 2011. As a result of the delay, the Fund carried out one proactive application process in 2011 rather than 2 as in recent years. The Panel members continued to be pleased by the range and diversity of the applications.

As far as the future of the Fund is concerned, I noted in our 2010 Report that consideration was being given to expanding the remit of the Fund to enable us to consider grants to the private, as well as the non-profit, sectors of Tourism. The Panel are of the view that there should be no differentiation between non-profit and private organisations. If an application can be shown to bring a positive contribution to the Island by increasing visitors, enhancing infrastructure or the general tourism offering and leveraging additional investment in tourism, they are of the opinion that the nature of the organisation that submits the application should not prevent such applications being considered. The Minister for Economic Development, through the Minister for Treasury and Resources, introduced a Proposition to the States in March 2012 to expand our role, which is presently being considered. The Panel is wholly supportive of the Proposition. A further commitment by the States to allocate additional funding will also be required in the course of 2012.

Our Panel held 8 meetings in 2011 and I am grateful to the Panel members for voluntarily and constructively contributing their time and expertise. I would also like to thank Sarah Withers and her colleagues in the Economic Development Department for the excellent support they have provided to the Fund during the year.

The further development of tourism offers a significant opportunity for the Island and there is much hard work to be done to continue the success of the industry. The Fund and the Panel members look forward to continuing to make our contribution. As always, the Panel members welcome comments and suggestions as to how we best achieve this goal.

On behalf of the Tourism Development Fund Panel,

Peter C. Funk, Chairman.

REPORT

1. Introduction

In line with the terms of the Tourism Development Fund (TDF) Approved Scheme, the 2011 Annual Report is hereby submitted to the States of Jersey.

As of 31st December 2011, since the TDF began its operations in 2002, there were 98 projects that had received, or were receiving, assistance from the Fund. Eight new projects were approved for funding during the year and a further project was approved on the basis of further conditions being met.

2. Background to the Fund

The Tourism Development Fund was established in 2001 and replaced the Tourism Investment Fund. The aim of the Fund is to stimulate investment in the tourism product and tourism infrastructure, in order to improve Jersey's competitiveness and to sustain a flourishing tourism industry as a valuable contributor to the economy and the social fabric of the Island. Applications are assessed as to the likely impact on visitor numbers and the visitor experience, how sustainable the impact may be, and the associated investment that TDF funding would leverage.

When the Fund was established, an agreement was made in principle that the sum of £10 million would be set aside over the following 5 years. In 2003, £1.2 million was transferred to the Fund, and in 2006, an additional £1 million was transferred. The Panel Members were pleased that an additional £650,000 was granted to the Fund in 2011, although recognise that the total amount awarded to date is significantly less than the original £10 million agreed.

The Panel continue to be of the opinion that if the terms of the scheme allowed them to award grants to private sector investors, it would greatly expand the number of grant applications that they would receive. They consider that this would increase the number of potential projects with the capacity to have a greater impact on visitor numbers and associated impact on the Tourism Industry as a whole.

The Panel comprises: Peter Funk (Chairman), Lawrence Huggler (Vice-Chairman), Kristina Le Feuvre, Melinda Isherwood, Carol Canavan, Andrew Shrimpton, Dominic Jones and Steve Bailey. The Department is represented at officer level by the Chief Executive, and the Director of Tourism and Marketing; and the Panel are supported at executive level by the Project Manager of the Economic Development Department.

3. Activities in 2011

The Panel met 8 times during the year. Copies of the approved minutes of each of the Panel meetings are available on www.jersey.com/business.

An application for the refurbishment of Kempt and La Rocco Towers made in autumn 2010 was approved in March 2011 following the provision of further information, including an independent budget review and site visit. Once this had been taken into account, there were insufficient funds available in the TDF to have a pro-active spring round of applications. Therefore, until the autumn when the TDF was

allocated funds of £650,000, the Fund accepted applications on an ad-hoc basis. This resulted in 3 further awards.

Following the approval of additional money to the Fund, the procedures for applications that had been initiated in 2009 were reinstated. A round of applications was initiated in October 2011. To alert potential applicants of the opportunity of funding, adverts were placed in the Jersey Evening Newspaper, it was promoted on the Jersey.com website and it was highlighted in the Jersey Tourism e-newsletter. A press release resulted in both radio and newspaper coverage. Twenty-six applications were received. The Panel reviewed each application, taking regard of the potential impact on tourism, the additional investment from other sources that the project would generate, the sustainability of the potential impact and the project governance. Five applicants were awarded funding, one of which was subject to the fulfilment of additional conditions to be completed early in 2012.

During this round of applications, for those projects where further information was required, individual Panel members were tasked with contacting the applicant, and gathering details to report back to the Panel. This process proved to be an effective way to provide additional scrutiny to applications without causing unnecessary time delays in the application process.

The following projects were approved for funding during 2011:

1. Refurbishment of Kempt and La Rocco Tower – Jersey Heritage
2. P1 Powerboat racing – Jersey Tourism
3. Marketing for Branchage – Branchage
4. Tour Des Ports – St. Helier Yacht Club
5. Development of a wetland visitor centre – National Trust for Jersey
6. Development of a business plan to extend the scope of Branchage – Branchage
7. Liberation Music Festival – Music in Action
8. Development of a Marine Guide and Associated resources – Jersey Seasearch
9. Development of luxury camping at Durrell (subject to further conditions being met)¹ – Durrell Wildlife Conservation Trust.

The TDF committed £406,250 towards these projects, details of which can be found in the table below. The total investment in tourism through these projects, including the funds contributed by organisations themselves and additional project sponsors, amounted to £1,340,400.

4. The future

The Panel maintain the view that there should be no differentiation between the public and private organisations. If an application can be shown to bring a positive contribution to the Island by increasing visitors, enhancing infrastructure or the general tourism offering, and leveraging additional investment in tourism, they are of the opinion that the nature of the organisation that submits the application should not prevent such applications being considered. The Panel are of the view that if the TDF was extended to the private sector, it would be able to increase the impact of the Fund on the tourism sector as a whole.

¹ The conditions were met, and as such the grant received approval.

The Panel agreed that having pro-active rounds of applications is the most effective approach; and seek to continue this in the future. The Panel are optimistic that there are sufficient funds available for 2 successful rounds in 2012 but are still keen to develop a more secure funding system so that a repeat of 2011, where the spring round had to be omitted, is avoided.

ACCOUNTS

Highlights:

Closing Net Asset Position of £936,963, an increase of 105.1% on 2010

Net Revenue Income of £480,196, compared to Net Revenue Expenditure of £252,168

Key Results

<u>Changes in NAV</u>		<u>Changes in Net Asset Value from 2010</u>
	£'000	
2010 NAV	457	The Net Asset Value of the Fund increased from £456,766 to £936,963 an increase of £480,196 (105.1%). The increase is due to a grant received from the Economic Development Department (£650,000) and the payment of grants (£170,453) in accordance with the purpose of the Fund.
Grants paid	(170)	
<u>Grant received from EDD</u>	<u>650</u>	
2011 NAV	937	
<u>Key Variances from 2010</u>		<u>Performance compared to 2010</u>
	£'000	
2010 NRE	(252)	Income ↑ £650,000 more than 2010
Grants paid	82	
<u>Grant received from EDD</u>	<u>650</u>	The Fund received a grant of £650,000 in November 2011 from the Economic Development Department to allow the TDF Panel to continue further rounds of grant allocations during 2012 and beyond.
2011 NRE	480	Expenditure Grants ↓ £81,978 (32.4%) less than 2010
		Grants from the Fund are considered and approved by a committee comprising business leaders and senior officers from the Economic Development Department. The amount paid in grants each year is dependent upon the number and financial amounts of applications received and approved by the committee.

Operating Cost Statement		
	2011 Actual £'000	2010 Actual £'000
Notional Interest	4	5
Other Revenue	650	–
Total Revenue	654	5
Supplies and Services	2	4
Administrative Expenses	2	–
Grants and Subsidies Payments	170	253
Total Expenditure	174	257
Net Revenue (Income)/Expenditure	(480)	252

No other gains and losses were recognised in the year.

Balance Sheet			
	2011 Actual £'000	2010 Actual £'000	
Current Assets			
Trade Debtors	–	24	
Balance due from Consolidated Fund	987	435	
Total Current Assets	987	459	
Current Liabilities			
Creditors	(50)	(2)	
Total Current Liabilities	(50)	(2)	
Net Current Assets/(Liabilities)	937	457	
Total Assets less Current Liabilities	937	457	
Net Assets	937	457	
Reserves			
Accumulated Revenue Reserves	(937)	(457)	
Total Reserves	(937)	(457)	

*As at December 2011, £211,980 had been committed. Following the contractual arrangements being completed in early 2012 with reference to the autumn round of applications that the Panel considered in November and December 2011, a further £218,550 was committed. This leaves uncommitted funds of £506,000.

The Projects

As of 31st December 2011, in the last 3 years the following projects had received or were due to receive funding from the TDF. For projects where funding was allocated more than 3 years ago, please see previous annual reports.

	Code	Project	Project managers	Year	Amount approved £	Comment
1	NZT121	Development of Wetland Centre	National Trust	2011	£50,000	This project adds a new attraction to Jersey's portfolio by constructing a wildlife viewing centre at St. Ouen's Pond.
2	NZT247	Development of business plan to extend scope of the Festival	Branchage	2011	£10,000	Plans to develop the event to maximise its potential to benefit Jersey.
3	NZT291	Development of Marine exploration guide and resources	Jersey Seasearch	2011	£28,000	This project aims to increase marine tourism by exposing the great diving offering of Jersey, linking in to the UK Seasearch Network to maximise the exposure to the large UK diving market.
4	NZT254	Liberation Music Festival 2012	Music in Action	2011	£7,250	International marketing support is being provided to support this successful festival.
5	NZT170	Developing luxury camping at Durrell	Durrell Wildlife Conservation Trust	2011	£121,500	The funding will enable the development of a unique accommodation offering at Durrell.
6	NZT262	Tour des Ports de la Manches	St. Helier Yacht Club	2011	£1,500	TDF funds allowed the marketing and promotional activity for the 2011 event.
7	NZT247	Branchage – development of marketing, promotion and PR	Branchage	2011	£25,000	The successful 2011 festival saw an increase in overseas visitors and visitor spend.
8	NZT303	P1 Powerboat Racing	Jersey Tourism	2011	£20,000	Funding awarded to support this unique event which included exposure on satellite television networks.
9	NZT158	Refurbishment of Kempit and La Rococo Towers	Jersey Heritage	2011	143,000	Following the success of previous projects, these funds will be used to turn Kempit and La Rococo Towers into self-catering accommodation.
10	NZT 254	Liberation Festival 2011	Music in Action	2010	12,500	By marketing the 2011 event early enough, the organizers hope to attract more visitors to the event.

11	NZT 247	Branchage 2011	Branchage	2010	10,000	Branchage is now becoming an anchor event in the calendar and the marketing for the event needs to begin early to ensure that it attracts increasing numbers of visitors.
12	NZT 265	Jersey Fish Festival 2011	Jersey Fisherman's Association	2010	6,000	These funds were used to market the event at similar events in the UK. The event organisers also attracted marketing assistance from other local partners.
13	NZT 290	Improvements to Dolmens	Société Jersiaise	2010	4,500	Société Jersiaise maintains many of the Island's Dolmens and these funds allowed some much-needed maintenance and improvements.
14	NZT 262	Tour des Ports de la Manche	Jersey Yacht Club	2010	1,500	The Tour des Ports has a long history and in 2010 Jersey led the honour of hosting the departure of the race.
15	NZT 254B	Liberation Festival	Music in Action	2010	4,000	The funds provided helped market the event off-Island and helped develop this event.
16	NZT 185B	Joint marketing for air and sea routes	Jersey Tourism	2010	85,000	Jersey Tourism used the funds on a £ for £ basis with carriers to encourage more visitors to the Island.
17	NZT 271	Development of a Jersey Food Festival	Jersey Tourism and partners	2010	8,000	Jersey Tourism in association with other local organisations began the development of a new food festival that will celebrate local produce and dining excellence.
18	NZT 246B	Jersey Boat Show 2010	Jersey Harbours	2010	8,000	Fast becoming a major spring event, the funds were used on off-Island marketing.
19	NZT 265	Jersey Fish Festival	Jersey Fisherman's Association	2010	6,500	Another event with the potential to become a major spring event, the funds were used on off-Island marketing.
20	NZT 233	Animation of arrivals hall in Jersey Airport	Jersey Airport	2010	[11,000]	This project was delayed, and as such the Panel took the decision that the Airport should apply again should they wish to undertake the project. As such, none of the £11,000 was granted.
21	NZT 255B	Motoring Festival	Classic and Vintage Motor Racing Club	2010	20,000	Funds were used to help market the event at special shows and in motoring publications in the UK.

22	NZT 149C	Installation of mains electricity to occupation sites	Channel Islands Occupation Society	2010	8,000	By installing mains electricity into some of the bunkers, the CIOS are now able to extend the opening hours of many of their facilities.
23	NZT 263	Jersey Textile Showcase 2011	Art in the Frame	2010	4,000	By marketing the 2011 event early enough, the organizers hope to attract more visitors to the event.
24	NZT 269	Filming of the Town Crit 2010 for Television	Jersey Cycle Association	2010	8,000	The Town Crit [cycle race] is growing in stature and attracting media interest.
25	NZT 247B	Branchage Film Festival 2010	Branchage	2010	25,000	Building on the success of recent years, the organisers are now developing a very sophisticated marketing and sponsorship package for the event.
26	NZT 248	Support for the Tour De Bretagne – Jersey Stage 2010	Jersey Tourism and ESC	2009	€50,000	Building on the success of the 2006 event, Jersey held 2 stages of the 2010 Tour de Bretagne. Over 100 riders spent 3 days in Jersey, and the media exposure in the Brittany region was tremendous.
27	NZT 250	Tourism Industry Marketing	Jersey Tourism on behalf of the Tourism Industry	2009	250,000	With the recession seriously affecting bookings, the Panel agreed to allocate funds to Jersey Tourism to spend on additional marketing for the 2009 season.
28	NZT 247	Branchage Film Festival 2009	Branchage	2009	35,000	Building on the success of the 2009 event, the Panel provided funding to help market the event in the UK and to help with infrastructure.
29	NZT 149B	Mains Electricity for Channel Islands Occupation sites	Channel Islands Occupation Society	2009	13,000	The CIOS has opened several occupation sites in recent years. This grant allowed the Society to equip some sites with electric lights, thus allowing greater flexibility in opening hours.
30	NZT 256	Development Plan for Durrell site	Durrell Wildlife Conservation Trust	2009	100,000	The DWCT has major plans for the future of the site in Trinity. This £ for £ funding allowed the Trust to develop those plans and helped secure funding for the work to be carried out.

31	NZT 252	International Veterans Fencing Competition	Jersey Fencing Association	2009	1,500	Competitors from many countries visited Jersey for the Commonwealth Veterans Tournament. It is hoped that this event will help fencing to grow in Jersey and for future competitions to be held here.
32	NZT 259	Development of Family History tourism	Jersey Heritage Trust	2009	4,500	With television programmes such as <i>Who do you think you are?</i> proving so popular and people showing an interest in discovering their roots, JHT will attend a conference in the UK with a view to marketing their archive services to interested people.