

STATES OF JERSEY



TOURISM DEVELOPMENT FUND: ASSISTANCE TO THE PRIVATE SECTOR (P.26/2012) – COMMENTS

**Presented to the States on 9th July 2012
by the Minister for Treasury and Resources**

STATES GREFFE

**JOINT COMMENTS FROM
THE MINISTER FOR ECONOMIC DEVELOPMENT
AND THE MINISTER FOR TREASURY AND RESOURCES**

We welcome the Corporate Services Scrutiny Panel report into P.26/2012, regarding the Tourism Development Fund: assistance to the private sector. This is an important piece of work which will ensure a better-informed debate, and we hope Members have had an opportunity to read the clear and concise report. A formal response to all the findings will be submitted according to procedure within 6 weeks. However, we feel it would be helpful for the Assembly to have our feedback on the recommendations made within the Panel's report in advance of the debate on 10th July 2012.

“Recommendation 1: *If the MTFP bid is accepted for TDF Funding then the amount allocated should be revisited by the Minister for Economic Development after the three-year period in order to evaluate its appropriateness.”*

We support and agree to this recommendation.

“Recommendation 2: *The Economic Development Minister should ensure that a new and strong compliance model is established and governance arrangements are put in place if the Proposition is agreed in the States.”*

The strong compliance and governance arrangements for the TDF that are currently in place will be adapted to ensure that these are effective in dealing with private sector applications. Treasury is supporting Economic Development in delivering this work.

“Recommendation 3: *The Proposition should not be debated unless the Economic Development Minister can clearly demonstrate how the TDF will be funded.”*

The Council of Ministers will shortly be lodging the Medium Term Financial Plan (MTFP) and within this, £500,000 per annum from 2013 to 2015 is allocated to the TDF. This will not be confirmed until the States have debated and approved the MTFP in November. Therefore, if this recommendation is suggesting that until there is final confirmation of funding it should not be debated, this proposition will not be decided in time for the next round of TDF applications due in autumn this year.

The Scrutiny Panel found that: *“The TDF would leverage additional investment in tourism and increase visitor numbers if grant assistance was extended to private organisations”,* and as such they; *“fully support the Proposition to grant assistance to private sector entities”*. If the Assembly accepts this perspective, shared by the Council of Ministers, the TDF Panel and the Scrutiny Panel, then it follows that this change should happen as soon as possible in order to put the Fund in a position to consider private sector investment should the States agree the TDF component of the MTFP in November. Whilst we accept it is not ideal, opportunities should not be missed because of the procedures and timings of the States' decision-making.

There is currently £435,000 unallocated within the TDF which will be used for the next round of applications in autumn 2012. It is our view that this is more than sufficient to accommodate applications from the private and voluntary sectors for at least this round of applications, due to the high level of scrutiny applied and noting that this is double the amount awarded in the last 2 rounds of applications.

Therefore, whilst we recognise the rationale for this recommendation, we believe it will be damaging to the tourism sector to delay the debate yet again. We hope that the firm commitment made within the MTFP to fund TDF in each of the next 3 years will reassure Members that if they support this proposition, sufficient funds will be available if Members wish to agree to such funds in the November MTFP debate.

As such, we believe that this recommendation has been complied with as far as is possible given the timing of States business, and would ask Members not to delay debate of this proposition.

Minister for Economic Development
Minister for Treasury and Resources