

STATES OF JERSEY



JERSEY HERITAGE TRUST: SERVICE LEVEL AGREEMENT AND FUNDING REQUIREMENTS

**Lodged au Greffe on 8th June 2010
by the Minister for Education, Sport and Culture**

STATES GREFFE

PROPOSITION

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

- (a) to agree that, subject to the necessary funding being agreed by the States in the Annual Business Plan, the Minister for Education, Sport and Culture should sign a Service Level Agreement with the Jersey Heritage Trust, set out in draft in Annex A, specifying the minimum level of service to be provided in return for total annual funding from the States of Jersey for revenue expenditure purposes of £2,300,000, and to request the Chief Minister to include the additional financial provision for the Trust of £200,000 per annum in the Draft Annual Business Plan for 2011 and beyond;
- (b) to request the Chief Minister to make additional provision in the Draft Annual Business Plan for 2011 and beyond to meet the Trust's expenditure requirements to enable the maintenance and renewal of heritage sites under its control.

MINISTER FOR EDUCATION, SPORT AND CULTURE

REPORT

Introduction

The Jersey Heritage Trust was established and incorporated by Act of the States of Jersey, registered in the Royal Court on 3rd June 1983. The Trust's objects in the Law are the 'acquisition, conservation and display of the buildings and objects which form part of Jersey's heritage'¹.

Its aims under the constitution² approved by the States are: to care for the Island's collections; make them available to the public; maintain and open key heritage sites and resources; provide a comprehensive education service; inspire the public; and promote pride and a sense of belonging in our Island.

The Trust has been very successful in achieving these aims. However, due to diminishing visitor numbers and increasing costs, expenditure exceeds available funding. This led to a serious financial crisis last year.

Independent reviews were undertaken; first by the Comptroller and Auditor General³, and subsequently by BDO Alto⁴ and Locum Consulting⁵. They give a clear and consistent picture of an organisation which, though it must adapt in a number of ways, also requires additional States support if it is not to cut back drastically on the services it provides. This proposition follows the recommendations contained in these reports and, if adopted, will help ensure the Trust's sustainability.

Although the Trust's responsibilities also include the Jersey Archive, this proposition does not address important issues relating to the archive: the lack of a lease on the premises, the limited public access currently provided, the backlog in dealing with records and the implications this has on the Public Records (Jersey) Law 2002 and freedom of information legislation. This will be the subject of a separate report and proposition.

Review Outcomes

In his report published in November 2009, the Comptroller and Auditor General found scope for improvement in a number of aspects of the governance of the Trust and its relationship with the DfESC. But he also recognised a fundamental problem: the current grant is insufficient to sustain existing activities. Consequently, the States has to decide the extent of support to the Trust and the level of activity it wishes to see.

To address the issues of governance, the DfESC commissioned independent auditors, BDO Alto, to undertake a detailed analysis of the Trust's financial affairs and to make appropriate recommendations which are set out in its report. Locum Consulting was commissioned by EDD to look specifically at commercial aspects of the Trust's work and its capacity to generate further income. Informal discussions have taken place with

¹ In the words of the Law 'l'acquisition, la conservation and l'exposition des meubles and des immeubles qui font partie du patrimoine jersiais.'

² See Appendix D for an extract from the Trust's constitution.

³ 'Jersey Heritage Trust: Report of the Comptroller and Auditor General', published 5th November 2009.

⁴ Report of BDO Alto, Parts I (March 2010) and II (April 2010).

⁵ 'JHT Review Report' by Locum Consulting (March 2010).

the Museums, Libraries and Archives Council ('the MLA'), the independent body which advises the UK government.

The 3 reports, together with the comments of the MLA, provide a consistent picture of the challenges facing the Trust. (Key observations are set out in Annex C.)

In terms of visitor numbers, the Locum report makes it clear that the Trust is doing well given the relatively small pool from which it can draw, and it is doing well in terms of the income it derives from those visitors. The potential to generate additional revenue is regarded as limited and, to the extent that it exists, is dependent upon further investment from the States to maintain public access to the current sites, and to refresh and refurbish them.

Acting on the recommendations of the C&AG and BDO Alto, the Trust has made fundamental changes to its business operation, achieving savings of £334,000 towards the annual deficit of around £550,000. These changes, while reducing some activities and some public access to sites, do *not* result in the permanent loss of any of the sites for which the Trust is responsible. Simultaneously, the DfESC is developing a new service level agreement which will include confirmation of the new minimum public opening periods for the heritage sites.

But these measures do not, in themselves, secure a sustainable position. This should not be a surprise because the extent of the problem was already predicted in the States Cultural Strategy adopted in 2005 –

“Research suggests that currently the funding levels of most of Jersey’s major cultural institutions have been set at or not much above the minimum amount necessary for their survival...”

The inescapable conclusion is that the States must either increase the level of funding significantly to the major cultural institutions if it wishes to ensure their sustainability or it must accept cuts in services – and the services which are most likely to be cut are precisely those which most would like to see preserved and enhanced.” [Introduction to the States Cultural Strategy, 2005]

There was no such increase in funding following adoption of the strategy. This proposition now seeks to address this long-term problem.

The proposal

The DfESC has developed a draft service level agreement on the basis of the plans developed by the Trust and scrutinised by BDO Alto. The aim of this new agreement is to fix a level of service which can be achieved without permanent closures of sites but taking advantage of the Trust’s new business model which entails outsourcing of a number of functions within the Trust and also some reduction in public access.

To achieve this new level of activity (set out in the draft service level agreement in Annex A) an increase in revenue funding of £200,000 is required.

In addition, a source of funding must also be established to refresh and refurbish the sites for which the Trust has responsibility. The need for such funding is highlighted

by the Comptroller and Auditor General among 4 required areas of financial support he identifies –

- The means to repay [the Trust's] overdraft;
- An annual operating grant;
- An annual maintenance grant;
- Financial assistance to permit investment in the Trust's sites.

The DfESC, with the help of the Minister for Treasury and Resources, has provided temporary revenue support for the Trust and additional funding to clear its debts; it has also secured funding to support the present transitional arrangements, such as staff redundancy costs. For its part, the Trust has set aside from within its grant an allowance for site maintenance. This leaves the outstanding revenue requirement and the site investment.

Site investment is calculated at £465,000 per annum, based on recommendations of Locum Consulting, adopted by BDO Alto, to be set aside annually and made available to the Jersey Heritage Trust by the States Treasury to support a planned programme of refurbishment and refreshment. Applications for funding from this source would be made by the Trust and would have to satisfy criteria agreed by the Trust, the States Treasury and DfESC.

Consequences of no further funding

It is important that the consequences of providing no further support to the Trust are understood. The BDO Alto report is clear –

“...in the absence of a commitment by the States to fund specific sites/activities, it appears to us that the Trust will need to effect site/activity closures in the short and medium term, in order to ‘balance its books’ through the reduction of its cost base.”

The Trust has already made savings equating to around 10% of its annual budget. If no further funding can be identified to meet the current shortfall, the Trust will be obliged to take additional measures to ensure that it operates within budget –

- permanent closure of the Maritime Museum and Tapestry Gallery;
- withdrawal from the Hamptonne Partnership with the National Trust for Jersey and the Société Jersiaise;
- further cuts to the schools education programme;
- a further reduction to public access at Elizabeth Castle.

These measures would jeopardise investment made by the States and private organisations over a number of years. They would also see the permanent loss of the Maritime Museum which received the accolade of Museum of the Year in 1997 and a reduction in planned educational visits to our heritage sites.

Moreover, even cuts of this severity would not generate the funding required to refurbish the sites for the future. A consequence of lack of refurbishment is likely to

be further loss of revenue from admissions income and a continuing spiral of decline. This would put at risk our Island's heritage sites.

Conclusion

If the public is to continue to enjoy the rich heritage offering found on the Island, then access to the sites for which the Trust has responsibility must be maintained even if the economic climate demands a realistic approach to periods of opening and to service levels in some areas. By keeping the sites open, the Trust will be able to react to improvements in the market place, especially in the Tourism sector, over the coming years.

It will also enable it to discuss other potential for adapting its business model further, as it has already done with the National Trust for Jersey and La Société Jersiaise in relation to Hamptonne.

But to achieve this, the annual funding below, index-linked to prevent erosion of its value, is required –

Existing JHT States grant	£2,100,000
Additional revenue element	£200,000
Fund for refurbishment	£465,000

Although this proposition introduces robust measures to secure the sustainability of the Trust, it should be noted that a drop in footfall to heritage sites or other reductions in revenue would leave the Trust in a position of having to renegotiate the service levels in the draft agreement. This vulnerability is highlighted in Part II of the BDO Alto report.

Financial and manpower implications

There are no additional manpower implications. The financial implications are set out in Annex B below.

The Minister will enter into the following agreement with the Jersey Heritage Trust in return for annual States provision of –

- (1) An annual grant of £2,300,000, index linked to avoid erosion of value.
- (2) An annual allowance for site refurbishment of £465,000 index-linked to avoid erosion of value.

DRAFT JERSEY HERITAGE TRUST AGREEMENT

This agreement is made between the Minister for Education, Sport and Culture (‘the Minister’) and the Jersey Heritage Trust (‘the Trust’).

Whereas:

The Jersey Heritage Trust was established by Act of the States, registered in the Royal Court on 3 June 1983 with the purpose of “acquiring, conserving and showing the buildings and objects which form part of Jersey’s heritage’.

The Department for Education, Sport and Culture (‘the DfESC’) is the States department charged in the States Cultural Strategy with supporting the development of culture in Jersey and specifically with supporting the Jersey Heritage Trust in its work on behalf of the Island.

The DfESC and the Trust have made this agreement to recognise the responsibilities given to the Trust by the States, to set out the ways in which those responsibilities relate to wider States policy and to specify services which will be provided, including a minimum level of public opening of its sites, in return for the grant which is provided by the DfESC.

NOW IT IS HEREBY AGREED as follows:

1 Objectives of the financial support provided to the Trust

That the DfESC will provide an annual revenue grant to the Trust in support of objective 16 of the States Strategic Plan 2009-2014: ‘[to] support the development of arts and heritage in Jersey’. Objective 16 sets out the department’s commitment to ‘implement, monitor and review the cultural strategy’ and to ‘continue to support the work of the Jersey Heritage Trust...’

- 1.1 The States of Jersey Cultural Strategy specifies a series of objectives pursuant to the mission statement that: “the States of Jersey is committed to creating an environment in which the development of the Island’s identity and cultural activities can flourish”. The Trust delivers, or helps to achieve, a number of these objectives which underpin the support which DfESC provides to the Trust. They are:

- 1.1.1 To support the guardian and stewardship roles for preserving the built and natural environment of the island, particularly those facilities and collections which most foster a sense of identity and pride. (CS objective 1.3)
- 1.1.2 To confer a general responsibility [on] the Jersey Heritage Trust for all monuments, ancient and modern. (CS objective 1.4)
- 1.1.3 To review the present blue plaque scheme with the aim of extending it throughout the Island. (CS objective 1.6)
- 1.1.4 To commission a series of programmes, activities, publicity and information which will celebrate a sense of identity and pride in the Island amongst the young people of Jersey. (CS objective 1.7)
- 1.1.5 To support and develop a role for culture to broaden Jersey's outlook and to strengthen Jersey's international profile. (CS objective 1.10)
- 1.1.6 To support programmes of activity which increase cultural tourism to the Island. (CS objective 3.1)
- 1.1.7 To help develop 'green tourism' through signage, artworks, information, tours etc (CS objective 3.3)
- 1.1.8 To commission local artists and craft workers wherever possible to enhance new public developments and to encourage the private sector to do likewise in their new developments. (CS objective 3.6)
- 1.1.9 To improve the public domain by developing and extending the current Public Art policy... (CS objective 4.1)
- 1.1.10 To adopt more comprehensive cultural objectives for inclusion in the next revision of the Island Plan. (CS objective 4.3)
- 1.1.11 To value and help local community cultural organisations, societies and individuals, recognising their particular contribution to the Island's identity and the quality of life. (CS objective 5.1)
- 1.1.12 To encourage increased participation in culture at the grass roots and at other levels. (CS objective 5.3]
- 1.1.13 To encourage all the major cultural providers to become learning organisations dedicated to helping their staff and volunteers in their self-development. (CS objective 6.1)
- 1.1.14 To encourage cultural providers to increase formal and informal learning opportunities particularly targeted at young people. (CS objective 6.2)
- 1.1.15 To encourage cultural providers to increase formal and informal learning opportunities particularly targeted at retired people. (CS objective 6.3)

- 1.1.16 To encourage cultural providers to increase formal and informal learning opportunities particularly targeted at minorities. (CS objective 6.4)
- 1.2 These objectives connect with the constitutional objectives of the Trust, approved by the States of Jersey, which are set out below. The Trust will:
 - 1.2.1 collect, document, and preserve unique collections of artefacts, works of art, archival material, specimens and information relating to the history, culture and environment of the Bailiwick of Jersey; (1.1.1)
 - 1.2.2 make these collections widely accessible and promote learning through museums, galleries, the archives centre, exhibitions and events in a range of venues, publications and the internet; (1.1.6, 1.1.12, 1.1.13, 1.1.14, 1.1.15, 1.1.16)
 - 1.2.3 acquire, maintain, open and develop significant historic sites, museums and galleries; (1.1.2)
 - 1.2.4 provide comprehensive information, education and outreach services to a wide audience; (1.1.3, 1.1.7)
 - 1.2.5 provide outstanding, memorable and inspirational experiences for the visiting public; (1.1.2, 1.1.4)
 - 1.2.6 work with other organisations in and outside the Island, and in particular the Société Jersiaise, to deliver these aims; (1.1.10, 1.1.11, 1.1.12)
 - 1.2.7 promote an inclusive sense of belonging and pride in the Island, advance the cause of its heritage and support its cultural identity. (1.1.5, 1.1.8, 1.1.9.)
- 1.3 Appendix B sets out the performance indicators which are agreed by the DfESC and the Trust in order to measure performance of the Trust against these objectives and to provide an appropriate framework for reporting the financial performance of the Trust.
- 1.4 The DfESC recognises that the Trust's purpose of "acquiring, conserving and showing the buildings and objects which form part of Jersey's heritage" is not an activity confined to management of the buildings for which it has operational responsibility; nor is it confined to areas of governmental responsibility falling exclusively within the ambit of the DfESC. Consequently, the Trust's will provide other services consistent with its objects which are undertaken by agreement with the DfESC but under separate SLA with the body concerned. On the commencement of this agreement, these services are:
 - 1.3.1 Operation of Signal Station under SLA with Jersey Harbours
 - 1.3.2 Management of Historic Buildings register under SLA with Planning and Environment Department

- 1.3.3 Provision of Archaeological Services under SLA with the Planning and Environment Department
 - 1.3.4 Educational services regarding historic environment under SLA
 - 1.3.5 Management under agreement with Property Holdings of public heritage sites (currently 10) for conservation and access services
 - 1.3.6 Referrals on Open General Export Licence by agreement with Customs and Immigration for the Home Affairs Department.
- 1.5 It is agreed that the Trust will not enter into additional agreements without the approval of the DfESC.

2 Conditions attaching to the grant

- 2.1 Confirmation of the level of grant will follow a presentation by the Trust to the Minister for Education, Sport and Culture ('the Minister') in September (or a date mutually agreed by the Department and the Trust) the previous year. The presentation will include formal submission of a business plan, audited annual accounts and a report on the activities of the Trust for the previous year, and an operating budget for the forthcoming year.
- 2.2 The Trust's business plan will highlight any proposed changes, or reprioritisation, in services proposed.
- 2.3 The Trust will maintain monthly management accounts which will be considered on a monthly basis by the Board to ensure proper management control is exercised over its sites and activities, and which identify the cost of individual activities as set out in the report on the Jersey Heritage Trust by BDO Alto, dated March 2010.
- 2.4 The Trust will report to the department on a quarterly basis using agreed indicators (set out in Appendix B).
- 2.5 Neither the Board of the Jersey Heritage Trust nor its officers may authorise expenditure that is materially in excess of that provided in the budget submitted in support of the annual grant, or may act in such a way as to compromise the ability of the Trust to operate within its agreed budget, without the written consent of the Minister.
- 2.6 Neither the Board of the Jersey Heritage Trust nor its officers may undertake any borrowing without the written consent of the Minister.
- 2.7 The Trust will maintain a separate bank account, or accounts, for any reserved funds it holds on its own behalf or on behalf of any partner organisation; and such funds will not be used for purposes other than those specified in the establishment of the fund. The application of funds from reserved accounts will be approved by the Board and minuted appropriately.
- 2.8 The Trust will maintain in a separate bank account monies held under the usufruct agreement with the States of Jersey and designated as the 'Ancient Monuments Fund' to be used for the purposes set out in the agreement. The

fund will comprise a percentage of the admissions income derived from visitors to Mont Orgueil and Elizabeth Castles calculated on the basis of the memorandum set out in Appendix C. As required by the usufruct agreement, this may not be varied except by agreement with the Minister for Education, Sport and Culture.

- 2.9 The accounts and financial records of the Trust shall be open for inspection by the department, by the Chief Internal Auditor, and by the Comptroller and Auditor General in accordance with the requirements of the States Financial Directions relating to external bodies in receipt of States funding.
- 2.10 The Board of the Jersey Heritage Trust will present to the department plans to indicate how it proposes to utilise funding held by the Treasury and Resources Department for the purposes of undertaking minor capital works (including refurbishment and refreshment) of sites which are administered by the Trust. These plans will be considered by the department before submission to the Treasury and Resources Department.
- 2.11 The Trust may not take on new activities or responsibility for additional sites without the written agreement of the Minister.
- 2.12 The Trust will operate according to principles of good governance and will adhere to the guidance set out in 'Good Governance: A Code for the Voluntary and Community Sector', copies of which are available online or by request from the DfESC.
- 2.13 The Trust will comply with the requirements relating to bodies in receipt of grants from the States of Jersey set down in the States Financial Directions, copies of which are available on request from the DfESC.
- 2.14 The Trust will act in accordance with its obligations under the usufruct agreement relating to Mont Orgueil and Elizabeth Castles (p.218/1996).

3 Public Access to sites

- 3.1 The Trust will provide minimum levels of public access to the sites for which it has responsibility by agreement with the DfESC. These minimum levels of access may be varied only by agreement with the DfESC.
- 3.2 The agreed minimum levels of access at the commencement of this agreement are set out in the draft service level agreement, Appendix A.

4 Other responsibilities of the Trust

- 4.1 The Trust will ensure that it acts as a responsible employer, with relevant up to date employment policies which comply with best practice.
- 4.2 The Trust will work with other heritage organisations and with other non-profit cultural bodies in Jersey in order to support the aspirations of the States Cultural Strategy.

- 4.3 The Trust will enter into formal agreements with any other heritage organisations with which it may have, or develop, partnerships so as to ensure that any funding which it may distribute to those bodies is properly accounted for. Such agreements will require the approval of the department prior to signature and must be clearly identified in the annual Business Plan.
- 4.4 The Trust will work with the DfESC to undertake research to ensure that the Trust's work is consonant with the values held by the public in respect of Island heritage.
- 4.5 The Trust will ensure that the public is appropriately informed about the results of this work and of issues affecting public understanding of heritage issues in the Island.

5 Responsibilities of the Department

- 5.1 The DfESC recognises that the Trust has been established to fulfil the ambitions of the States of Jersey in relation the acquisition, conservation and appropriate display and promotion of the Island's heritage. In order to allow the Trust to fulfil this role, DfESC will support the endeavours of the Trust and specifically will:
 - 5.1.1 Develop and maintain effective communication with the Trust to facilitate timely exchange of information to support planning and funding decisions.
 - 5.1.2 Ensure that there is an annual meeting at which the Trust has the opportunity to present its business plan and other supporting material to the Minister for Education, Sport and Culture.
 - 5.1.3 Facilitate such other meetings with the DfESC senior management team as may be required in order to ensure that this agreement can be discharged effectively.
 - 5.1.4 Support the Trust through the provision of advice and guidance with regard to administration, finance and human resource matters as and when required by the Trust.
 - 5.1.5 Advise the Trust of States or Departmental policy decisions and strategies which may have an impact on the organisation's plans or services.
 - 5.1.6 Take account of the Trust's views and plans when determining its own strategic and business direction.
 - 5.1.7 Champion the Trust's aims objectives and services within the States of Jersey and the community at large.
 - 5.1.8 Represent the Trust within the States with respect to reporting achievement, funding needs and strategic development.

- 5.1.9 Pass on to the Trust any annual increases in staff and non-staff inflation which it secures from the Treasury and Resources Department in order to sustain the value of the revenue funding made available to the Trust.
- 5.1.10 Work with the Trust on any applications for capital funding to be sought through the States capital expenditure application process, ensuring that appropriate revenue streams to support such plans have been identified and agreed.
- 5.1.11 Support the Trust's application for funding from the Heritage Minor Capital works budget, employing criteria agreed between the Trust, the DfESC and the States Treasury and Resources Department.
- 5.1.12 Advise the Trust of States policies with regard to future funding decisions with a view to aid forward financial planning.

6 Implementation of the Agreement

- 6.1 To achieve the above, the DfESC will nominate an officer in the Department with specific responsibility for day-to-day liaison with the Trust to ensure regular and effective communication and feedback between both partners, and the management of the grant application process set out in 1.1, 1.2 and 1.3, above.

7 Updating of Agreement

Whilst the purpose of this agreement is to provide a clear, long-term relationship between the Trust, the Minister and the DfESC, it is recognised that circumstances change and that the agreement should be reviewed periodically to ensure that it reflects the needs of the States of Jersey and the Trust. It will, therefore, be reviewed triennially but may also be subject to amendment through discussion and mutual agreement between the Minister and the Trust.

Appendix A to Agreement

This appendix sets out the minimum level of public opening which has been agreed between the Department and the Trust, and which is required under the terms of this agreement. The Trust may extend the opening times if additional income can be secured by ticket sales or other means but it must not do so if the effect of such variation(s) is to cause the Trust to fail to operate within its agreed budget.

2010 Season	Jersey Museum	Maritime Museum	Mont Orgueil	Elizabeth Castle	La Hougue Bie	Hamptonne Country Life Museum	Jersey Archive
Summer Opening From the start of Easter Holidays *to the end of the Autumn Half Term *	Daily 10a.m. to 5p.m.	Daily 10a.m. to 5p.m.	Daily 10a.m. to 6p.m.	Daily 10a.m. to 6p.m.	Daily 10a.m. to 5p.m.	Open for private and corporate hire c.6 public events p.a.	Tuesday, Wednesday and Thursday only Reading Rooms Open from 9a.m. – 1p.m. and 2p.m. – 5p.m. Late night opening on the last Thursday of the month until 7p.m. As above except 1st week of December and Christmas week.
End of Autumn Half Term* to the start of Easter Holidays*	Daily 10a.m. to 4p.m. until 31st December 2010.	Closed	Friday, Saturday, Sunday and Monday only 10a.m. to 4p.m.	Closed	Closed	Closed	

*Jersey School term dates – where English/French School dates differ opening periods may be extended if economic to do so.

All of the properties administered under the Forts and Towers scheme are available for hire year round. The properties are:

Elizabeth Castle Apartment
Barge Aground
Fort Leicester
Radio Tower
L'Etacquerel Fort
La Crete Fort
Seymour Tower
Lewis Tower
Archirondel Tower
La Tour Carrée

Appendix B to Agreement

Performance indicators

The DfESC agrees the following performance indicators with the Trust which will be used in the Business Plan and in periodic reporting to the DfESC. These are the measures which will be used to determine the success of the Trust's work. The annual Business Plans agreed with the DfESC will specify the agreed targets. The Trust will:

- 1 Collections (1.2.1 above)
 - Achieve national accreditation of the Museums, Libraries and Archives Council for the Trust's work.
 - Achieve a year on year increase in documented items available to the public on-site and on-line.
 - Monitor the number of Jersey Archive readers.
2. Sites
 - Respond to requests for listings reports.
 - Agree current conservation plans for all sites in the Trust's care.
 - Maintain public access to all sites (see agreed schedule of opening).
 - Publish three-year rolling programmes of exhibitions.
3. Access
 - Achieve the Visitor Attraction Quality Assurance Scheme (VAQAS) standard.
 - Record numbers of visitors in person to sites.
 - Record numbers of website visitors.
 - Monitor occupancy rates for Forts and Towers sites.
4. Learning
 - Maintain statistics visits to sites by students in formal education.
 - Maintain statistics on contact with other students within the curriculum.
 - Maintain statistics on participation of children under-16 in non-curriculum learning events.
 - Maintain statistics on contact with third age and other community groups.
5. Community partnerships
 - Monitor the number of hours of voluntary support given to the Trust.
 - Maintain statistics on corporate and project partners.
 - Publish details of collaborative projects with other heritage groups and with other cultural groups, as appropriate.

6. Sustainability

- Publish annual accounts, annual report annual review, annual business plan.
- Achieve an agreed ratio of earned income to grant.
- Operate within budget to avoid year-end deficits.
- Publish unqualified year-end accounts.
- Achieve Investors in People standard.

Appendix C to Agreement

The Ancient Monuments Fund ('AMF') is defined in the usufruct agreement between the States of Jersey and the Jersey Heritage Trust (p218/1996). It is to be used for the maintenance of Mont Orgueil and Elizabeth Castles.

Under clause 4.05 of the agreement the Trust shall agree with the Minister for Education, Sport and Culture (the Minister having inherited the original obligation falling to the Finance and Economics Committee) the percentage of the Admissions Income which shall be paid into the Fund.

The Minister for Education, Sport and Culture has agreed at the commencement of this agreement that the percentage of Admissions Income shall be 17%. This figure will be calculated on the admission price to Mont Orgueil Castle and to Elizabeth Castle, the latter figure including the cost of amphibious vehicle transport to the castle.

Funding Requirements

(i) Revenue Funding

The additional revenue requirement to sustain the above level of activity is summarised as follows. The detail is set out in Part II of the BDO Alto report.

		£'000
Existing SoJ annual and other grants	2,100	
Other income	1,437	
Total incoming resources		3,537
Operating expenses		(4,023)
Société Jersiaise grant	(41)	
Base budget deficit		(527)
Savings from Trust restructuring		334
Loss of admission income		(15)
Normalised reforecast deficit	(208)	

The forecasting on which these figures is based is not free from risk, as the BDO report Part II notes, though there are also compensating opportunities to control costs and derive some limited income from the occasional opening of Hamptonne.

(ii) Capital Fund

The purpose of the capital fund is to permit planned refreshment of the sites for which the Jersey Heritage Trust is responsible to ensure that the work of the Trust is sustainable. The absence of such funding and the ongoing problems which it creates are noted in all 3 reports.

The value of the fund is based on an assessment made by Locum Consulting based on 10% of the cost of the displays at the sites for which the Trust is responsible, excluding Hamptonne. This figure is calculated at £465,000 per annum.

ANNEX C

This table sets out some of the principal recommendations of the reports undertaken on the Jersey Heritage Trust in the past 6 months.

C&AG Report	BDO Alto Report	Locum Report	MLA Comments
The States must decide the level of activity it wishes to support	It is critical for States to determine what services or sites it wishes to support and protect in order to agree a sustainable strategy	ESC and the States needs to consider the level of services they wish to support	A service level agreement should make clear what JHT delivers in return for government investment
The Trust requires an operating grant based on that level, a maintenance grant and capital support to invest in sites	On the basis of current provision, there is an annual deficit in the Trust's finances with no means to make it good	JHT is performing relatively well in attracting visitors from a limited market and in generating income from its operations	Attention should be given to developing a clear understanding of the outcomes and benefits expected
The present level of grant will not sustain the current level of activity	If there is no change to current level of grant, JHT will have to manage decline in activities and lack of funding for capital; consequently, there will be short- and medium-term site and activity closures	A target of between £50,000 and £100,000 additional income could reasonably be set, including a review of free admissions policy but only if the current offering of sites is maintained	A robust and sustainable business model including a fair realistic expectation of income generation must be developed
Support to the Trust should be conditional on suitable arrangements being made for the management of its activities, governance arrangements, stakeholder relationships and financial planning	The purpose of the current grant is not sufficiently specifically set out; financial and non-financial reporting by the Trust needs to be improved	Any additional income will be insufficient to meet the current revenue shortfall (which does not include an ongoing maintenance/investment requirement of around £465,000 per annum)	A jointly agreed performance framework must be agreed around the SLA
	JHT needs to address a number of issues relating to governance and budgeting both internally and to ESC	There is a need to assess a number of clear options for the future, depending on the level of grant	JHT should review its cost base to consider more flexible ways of operating to reduce staff costs

	A review should be undertaken regarding staffing levels and staff contractual terms	JHT could consider diversifying its offer to place greater emphasis on the Island as a whole rather than individual sites	Consideration should be given by the board of JHT to raising the profile and funding base of the Trust
	Central costs and procedures should be reviewed		A more joined-up approach is adopted in relation both to the heritage offer and its advocacy
			Assets and structure of JHT are reviewed in light of revenue expectations

Extract from JHT constitution as approved by the States of Jersey:

- 3.1 Jersey's heritage is special. The purpose of the Jersey Heritage Trust is to care for it, promote wide access to it, act as advocates on its behalf, and bring imagination to telling its stories so as to inspire people to create a better Island for everyone.
- 3.2 In order to accomplish this, the Jersey Heritage Trust shall, in addition to any other method that may seem appropriate to it from time to time –
 - 3.2.1 collect, document, and preserve unique collections of artefacts, works of art, archival material, specimens and information relating to the history, culture and environment of the Bailiwick of Jersey. These collections define the Island, hold the evidence for its historical development and act as the community's memory;
 - 3.2.2 make these collections widely accessible and promote learning through museums, galleries, the archives centre, exhibitions and events in a range of venues, publications and the Internet;
 - 3.2.3 acquire, maintain, open and develop significant historic sites, museums and galleries, including Mont Orgueil, Elizabeth Castle, Hamptonne, La Hougue Bie, the Jersey Museum, No. 9 Pier Road, the Jersey Archives Centre and the Sir Francis Cook Gallery;
 - 3.2.4 provide comprehensive information, education and outreach services to a wide audience;
 - 3.2.5 provide outstanding, memorable and inspirational experiences for the visiting public;
 - 3.2.6 work with other organisations in and outside the Island, and in particular the Société Jersiaise, to deliver these aims;
 - 3.2.7 promote an inclusive sense of belonging and pride in the Island, advance the cause of its heritage and support its cultural identity.