

## CHAIRMAN'S FOREWORD

The Cultural Strategy has been in place since 2005. From its inception, there were doubts as to whether it could survive, let alone thrive, given that no extra funding was forthcoming.

However, it has stayed the course and much work has been done in promoting co-ordination within the Arts and Heritage sectors. Both are embraced within the Strategy and the overarching issues are addressed every year at the Council for Culture Conference.

The Minister laid down a challenge to the sector at the 2009 Conference for the key players to talk to each other and open up communication - a fact which was favourably commented on by several witnesses.

While our "health check" has been able to record good progress, there are major issues that need to be resolved imminently so that solid foundations are laid for the development and growth of this sector.

Thus, property management needs to be formalised and proper arrangements need to be made for ongoing maintenance and refurbishment and, in some cases, consideration given to possible relocation. The Arts Centre comes to mind.

The States has given some ad hoc funding to progress these matters but that does not obviate the need to have proper systems and agreements in place. The troubles affecting Jersey Heritage Trust also threw up major funding issues. The funding given to Jersey Heritage Trust by the Department for Education, Sport and Culture is the subject of a Service Level Agreement and this could prove a very good model for other agencies with its emphasis on risk sharing, and the achievement of negotiated targets.

Historically, there has been some unhelpful rivalry between some organisations. Greater co-operation and co-ordination is key to the Strategy and good progress has been made.

However, in the light of decisions (thankfully, reversed) to essentially close Hamptonne, it is important that the three major heritage bodies work very closely with each other.

As the Jersey Heritage Trust membership drive illustrated, there will sometimes be initiatives where different and potentially divisive views are held and this will call for leadership from the Department for Education, Sport and Culture.

In both sides of the Cultural Sector, there is a balance to be struck between retaining the identity of the players and achieving worthwhile co-operation.

The Panel was aware of the myriad organisations that form this sector who we were not able to draw in. Although not within our remit for this review, we acknowledge the vital role played by bodies that are not part of the traditional cultural picture, sometimes seen as the 'fringe'. We hope that their contributions are fully appreciated and that ways will be found of making them part of the two groups that will oversee Arts and Heritage.

Undoubtedly, new approaches will have to be considered by the players who rely on steady revenues, if the financial situation bites. We have seen the pressures that faced

Jersey Heritage Trust and to forestall them pro-active management and monitoring will be essential. For example, Jersey Opera House noted how they had to focus more on programmes which brought in larger audiences, programmes that might be blander than the arts community liked.

We were very impressed by the commitment and enthusiasm of the witnesses and, in particular, by the Minister's commitment and the considerable efforts and commitment of Rod McLoughlin, the Cultural Development Officer, who is tasked with bringing the Cultural Strategy to fruition - a never ending task!

Finally, I would like to apologise for the late issue of the Report. Because of staff changes and illness, it was considerably delayed. It was also necessary to review the evidence. I am pleased to present our report, if belatedly, for your consideration.

Deputy Roy Le Hérissier

A handwritten signature in black ink, appearing to read 'R. Le Hérissier', written in a cursive style.

Education and Home Affairs Panel Chairman

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## **Terms of reference**

1. To review the Cultural Strategy, as approved by the States in 2005.
2. To consider the Department of Education, Sport and Culture's review into the Cultural Strategy.
3. To establish how the Department of Education, Sport and Culture will be taking forward the Cultural Strategy, including future funding.
4. To examine any further issues relating to the topic that may arise in the course of the Scrutiny review and which the Panel considers relevant.

## **Panel membership**

The Education and Home Affairs Scrutiny Panel comprised the following members:

**Deputy R G Le Hérissier, Chairman**

**Deputy T M Pitman, Vice-Chairman**

**Deputy M Tadier**

**Deputy J M Maçon**

## **Declaration of interest**

Deputy R. G. Le Herissier declared a non financial interest as a member of two of the organisations interviewed in the course of this review: He is a member of the Council for the National Trust of Jersey and a member of the Société Jersiaise.

## Executive Summary

Each of the partnership organisations of the Council for Culture commented on the open and constructive relationship with the DfESC in recent years under the current Minister.

The Council for Culture has proved to be a strong voice for the cultural sector promoting a team spirit amongst the funded organisations. However, the Panel recommends that the Minister considers whether the nature and purpose of the Council for Culture is well understood by groups outside the core funded organisations.

The partnership organisations in the arts sector feel that the structure of the Council allowed for better co-ordination between groups as well as the maintenance of their individual identities. The new role of the Jersey Arts Trust has enabled it to foster grass roots activity.

It appears that the recent review of the operations of the Jersey Heritage Trust by the States of Jersey did not take into account the implications for the other two voluntary heritage organisations, in particular the potential for the fundraising target for the Jersey Heritage Trust to overwhelm the resources of the other groups.

It is difficult at this stage to judge whether the impact of the Heritage Trust membership drive will have damaging effects on the National Trust for Jersey and the Société Jersiaise. Nevertheless the three principal heritage organisations in the Heritage Alliance have committed themselves to collaborative working, including reaching a joint solution over Hamptonne.

The DfESC review acknowledges that, despite the warning contained in its own Strategy, little additional funding has been identified on a permanent basis; it had been necessary so far to address the strategy largely on the basis of existing resources. This has inevitably led to cutbacks in services and programming.

Increased financial support for the Jersey Heritage Trust and Fiscal Stimulus funding for the Opera House are welcomed. However, the issue of developing a coherent and comprehensive approach to funding the maintenance of our performance centres remains to be solved. A solution to the repair and maintenance of St James Centre is desperately required.

A three year funding arrangement, instead of the current year by year basis, would provide the core partnership organisations with greater certainty in terms of forward planning commitments and accounting practices. The Panel urges the Minister to proceed with these new arrangements as soon as possible.

The Service Level Agreement with the Jersey Heritage Trust provides a model for future financial arrangements with other cultural organisations such as the Jersey Opera House. Once the constitutional position has been resolved with the Jersey Arts Trust a Service Level Agreement between Jersey Opera House Limited and the DfESC should be negotiated setting out expectations and responsibilities on both sides.

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## 1. Introduction

1.1 The Education and Home Affairs Panel noted that the Department for Education, Sport and Culture (DfESC) had undertaken a review in June 2010 of the progress of the Cultural Strategy (the 'Strategy')<sup>1</sup> in the five years since its adoption by the States in 2005. The Department's Report on this review was made available to the Panel and has subsequently been published on the States website.<sup>2</sup>

1.2 The Strategy was intended to clarify the role played by the government in encouraging cultural activity in the Island. The Strategy defines the role of government, not as prescribing or attempting to control 'culture', but rather as creating conditions in which culture can best flourish - an 'arms length' relationship between the States and the cultural sector where the States acts as facilitator not a direct provider of cultural services<sup>3</sup>.

1.3 The Minister for Education, Sport and Culture (the Minister) described the Strategy as

*a living document that provides us with a direction of travel rather than an ultimate goal.*

He said that he was looking at cultural organisations to set the priorities for future development:

*'We need to be guided by the organisations themselves because ultimately they are the ones that are dealing on a day-to-day basis with promoting culture on the island.'*<sup>4</sup>

1.4 The Strategy contained a series of broad and ambitious objectives for the cultural sector but has been widely criticised for the lack of sufficient funding to support its aims. One witness described the Strategy as

*a very aspirational document without any real teeth or bone to it.*<sup>5</sup>

Although the Strategy stated the commitment of the Education, Sport and Culture Committee of the time to find additional funding, in the main this has not materialised.

1.5 The five year period since the adoption of the Strategy has proved to be an extremely difficult one financially for a number of the Island's key cultural organisations as the effects of the recession and drop in the numbers of visitors to the Island have taken hold. The Panel was interested to gauge to what extent the new organisational structure established by the Strategy<sup>6</sup> had assisted these organisations during this period.

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<sup>1</sup> P.154/2005 - adopted by the States in September 2005

<sup>2</sup> Education, Sport and Culture Department Report: States Cultural Strategy Review, dated 17 June 2010

<sup>3</sup> Education, Sport and Culture Department Report: States Cultural Strategy Review 2.2

<sup>4</sup> Public Hearing with Minister for Education, Sport and Culture, 4th October 2010

<sup>5</sup> Ibid

<sup>6</sup> See Appendix 1

1.6 Accordingly, the Panel agreed that the DfESC report provided an appropriate opportunity:

- to review the department's relationship with the principal independent cultural organisations which receive States support under the Strategy; and
- to canvas the views of those organisations on whether the Strategy provides an adequate level of support to sustain and develop the services they offer.

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## 2. Scope of the Panel's review

- 2.1 The Panel invited evidence from the four main partnership agencies funded directly by the DfESC to deliver cultural activity in the Island, namely the Jersey Heritage Trust (JHT), Jersey Arts Trust (JAT), Jersey Opera House (JOH) and Jersey Arts Centre (JAC).
- 2.2 In addition, the Panel interviewed the Société Jersiaise (SJ) which receives a grant through the Jersey Heritage Trust, the National Trust for Jersey (NTJ) and l'Office du Jèrriais (OJ) which receives States funding through Le Don Balleine Trust.
- 2.3 The Panel acknowledges that cultural activity in the Island is delivered by a broad range of community and voluntary providers; however, discussions with these diverse groups were beyond the scope of the Panel's review.
- 2.4 Similarly, the Panel's review did not include cultural services provided directly by DfESC (eg Public Library, Jersey Youth Service).
- 2.5 The Panel notes that the Minister is currently in discussions with the Jersey Heritage Trust regarding the funding of the Jersey Archive to enable it to fulfil its obligations in accordance with recent legislation and records management. The Minister indicated that he intended to bring a separate proposition on this subject in the near future. The Panel's review has not looked at this issue in any detail.
- 2.6 The Panel also notes that the DfESC report identifies other States Departments (eg Economic Development Department and Jersey Property Holdings) as key partners in developing the Strategy. The Panel acknowledges the importance of these external links for the broad development of the Strategy but agreed to focus its review on the support and leadership provided by the DfESC to the key cultural organisations identified above.
- 2.7 The DfESC review examines how a range of 53 specific cultural objectives contained in the Strategy have been addressed. The Panel however did not seek to audit the detailed activities undertaken by the DfESC. Certain issues identified in the DfESC report including the development of a policy for public art, proposals to identify World Heritage sites, the promotion of a citizenship programme and off-island links were beyond the scope of the Panel's review.

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### 3 Key elements of the Cultural Strategy

- 3.1 The adoption of the Cultural Strategy in September 2005 marked the transition from States support by means of individual grants to cultural organisations to a strategic effort to raise the profile of cultural activity and to clarify the role of government in cultural provision.<sup>7</sup>

#### Structural reorganisation: a Council for Culture

- 3.2 Firstly, the Strategy aimed to create a direct relationship between Jersey's main cultural providers and the DfESC to enhance accountability for the use of public funds. In particular, the new structure removed the function of the Jersey Arts Trust as a conduit for funding for the Arts Centre and the Opera House and gave the Trust a new role in promoting voluntary arts and craft activities.
- 3.3 The DfESC report states that the structural reorganisation has been largely achieved in the last five years<sup>8</sup> (although there are still certain legal formalities to be completed, including replacing the legal position of the Jersey Arts Trust as sole shareholder of the Jersey Opera House with a legal model of an independent Opera House directly accountable for its funding to the DfESC). **The funded organisations made it clear in the hearings that they were pleased with the current arrangements which support the individual identities and strengths of their organisations (see Section 4 of this report).**
- 3.4 Secondly, the Strategy sought to establish the Jersey Council for Culture (the Council) comprising all States funded cultural bodies. The Council was intended to be the principal means whereby the Island's chief cultural organisations report back to each other and to the Department on how they are progressing the aims and objectives of the Strategy. This objective was taken forward in 2007 following further consultation with cultural organisations as set out in a report to the States (R.95/2006 Jersey Council for Culture: Formation). **The Council has proved to be a strong voice for the cultural sector promoting a team spirit amongst the organisations (see Section 4 of this report).**

#### Developing separate arts and heritage policies

- 3.5 The establishment of the Council included a commitment to an annual plenary conference bringing together all the diverse cultural organisations, including those not represented on the Council itself, in order to draw in wider public participation. Following a conference organised by the Council for Culture in 2009, two separate working groups were created from the overarching Council, one for heritage and one for arts, so that each sector could focus on what was required to fulfil the specific aspirations relevant to their sector and speak with a united voice to the Minister about the imperatives within it. From this development the Heritage

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<sup>7</sup> Education, Sport and Culture Department Report: States Cultural Strategy Review, 2.6

<sup>8</sup> Ibid, 5.3 and 14.5

Alliance has emerged which has played an important role in enabling the heritage groups to move forward together through the difficulties brought about by the crisis with the Jersey Heritage Trust. On the arts side, there have been a series of workshops exploring areas of synergy in their working, leading to the recent innovation of combined internet marketing. **The annual conferences have been a valuable spring-board for developing co-operation between the cultural organisations (see Section 5 of this report).**

## Funding the Strategy

3.6 One witness to the Panel heavily criticised the Strategy for being unrealistic:

*I do feel that it is something that should be absolutely adopted by the States that the funding comes with the strategy. If you approve a strategy that whereby it is wanting to achieve certain things in 5 years, it is unrealistic to expect those things to be achieved without any of the agreed or accepted finances to go with it<sup>9</sup>.*

3.7 The Cultural Strategy contained its own clear warning in 2005 that the level of funding for cultural organisations was insufficient:

*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. This has hampered their development. It has led to blander and less distinctive programming. It will make it difficult for them to work in a meaningful way towards many of the aims and objectives set out in this section because improvements in quality and increases in access and education work cannot happen without first paying the core organisational costs – staff costs, building overheads...*

*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 those which most would like to see preserved and enhanced.<sup>10</sup>*

3.8 **The DfESC review acknowledges that, despite this warning, little additional funding has been identified on a permanent basis; it has been necessary so far to address the strategy largely on the basis of existing resources.<sup>11</sup> The current levels of financial support for the funded organisations are examined in section 6 of this report.**

<sup>9</sup> Public Hearing with Jersey Arts Trust, 4th October 2010

<sup>10</sup> States Cultural Strategy Review, Education, Sport and Culture Department Report, p.4

<sup>11</sup> States Cultural Strategy Review, Education, Sport and Culture Department Report, p.6

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## Property management issues

3.9 The Strategy contains the following objectives relating to property issues:

- develop asset management plans for current cultural buildings with a commitment from the States to fund identified repairs and maintenance costs; and
- to develop a long term capital plan prioritising the utilisation redevelopment and/or the expansion of the existing cultural infrastructure of the Island.

3.10 **Despite these worthy ambitions it is clear that there are several long-standing issues relating to property maintenance and its funding which remain to be resolved.** The Minister outlined these to the Panel:

*We have St. James that still has scaffolding outside and that belongs, clearly, to the States. We have the Arts Centre, a fabulous building, but it is 25 coming up to maybe 30 years old now, and we have asked and inquired whether or not that facility is suitable for the future. We were also aware of the fact that another States property, the Opera House, was incomplete and the refurbishment of that property had not been completed when the major refurbishment took place some years ago.<sup>12</sup>*

**Issues concerning property management are examined in section 7 of this report.**

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<sup>12</sup> Public hearing with Minister for Education, Sport and Culture, dated 4th October 2010

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## 4 Council for Culture

### 4.1 Strengthening partnership with the States

4.1.1 A key and ongoing focus for the Strategy has been the strengthening of partnerships between the Department and all cultural organisations and the encouragement of joint working relationships where appropriate, without compromising the identities of the organisations concerned. The Minister told the Panel that he sensed:

*a real enthusiasm and genuine desire for a more collaborative approach by all the organisations to move forward.*<sup>13</sup>

4.1.2 Each of the organisations interviewed by the Panel commented on the open and constructive relationship with the DfESC in recent years under the current Minister. The Chairman of the Jersey Heritage Trust, for example, described the current working relationship with DfESC as ‘*entirely constructive*’. This was in marked contrast to the situation prior to the reorganisation of funding for the Trust, which had been referred to as ‘*dysfunctional*’ by the Comptroller and Auditor General<sup>14</sup>. The Chairman told the Panel:

*I think the advent of the present Minister and the actions he took, having recognised some of the nature of the problem and needing to describe and define it in order to find out what the solutions to it might be, have completely changed that relationship.*<sup>15</sup>

4.1.3 The Co-ordinator of the Jersey Arts Trust also referred to the improved relationship with the DfESC. In particular, he stressed the importance of the role played by the Cultural Development Officer, who had been able to select what was really important and deliverable within the ‘huge’ Cultural Strategy:

*We feel that it is very much a team within the organisations and it is exciting that that is the relationship at the moment.*<sup>16</sup>

4.1.4 The National Trust for Jersey had shown little enthusiasm for the Strategy when it was first discussed in the early 2000s and did not initially evince any interest during consultation in 2006 in being part of the original Council for Culture. The Trust now however plays an active part in the Council for Culture’s annual conference, is a member of the Heritage Alliance along with the Jersey Heritage Trust and the Société Jersiaise and is a partner with these organisations in the management of Hamptonne.

4.1.5 The Chief Executive Officer of the National Trust told the Panel that the Strategy had had a great deal to say about supporting the voluntary sector and helping it to grow and flourish:

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<sup>13</sup> Public Hearing with Minister for Education, Sport and Culture, 4th October 2010

<sup>14</sup> Jersey Heritage Trust: Report of Comptroller and Auditor General, dated 5th November 2009

<sup>15</sup> Public Hearing with Jersey Heritage Trust, dated 11th October 2011

<sup>16</sup> Public Hearing with Jersey Arts Trust, dated 4th October 2011

*but it does not really say how that can be achieved, what is needed and when it should be achieved by. ... if the Minister or if the States want the heritage groups to work closely together then they have to ensure that the benefits are equally shared and support is equally given, because otherwise there is no incentive for us to be at the table.<sup>17</sup>*

He commented that there had been in the past a tendency for government to focus on those organisations which received government funding and to ignore all the smaller organisations which are involved in culture.

*'I think it is difficult sometimes for Government to get to grips with that, whereas it is much easier just to say, well, this is the one we fund, this is the one we have got to deal with and this is the one we have got to control and make sure we get so much for our money. But they have really got to look at heritage and culture in a wider remit really<sup>18</sup>.*

He believed that that the financial crisis at Jersey Heritage<sup>19</sup> had forced the DfESC to re-evaluate its relationship with the whole heritage sector:

*'There has been a new engagement with E.S.C. (Education, Sport and Culture) and I think that relates to the heritage sector as a whole. ... Suddenly the department needs to look at heritage throughout the Island as opposed to just Jersey Heritage singularly<sup>20</sup>.*

### Key Findings

**Each of the partnership organisations of the Council for Culture commented on the open and constructive relationship with the DfESC in recent years under the current Minister. The Council has proved to be a strong voice for the cultural sector promoting a team spirit amongst the funded organisations**

4.1.5 One witness to the Panel, a member of the National Trust for Jersey, criticised the Council for Culture for what she believed was its '*lack of transparency and openness*'. In a submission to the Panel's review she wrote:

*I submit that the membership of the Council - although it is sensible enough - was not appointed according to Nolan principle and there does not exist a wider membership. The public does not know anything about the membership of this group nor its responsibilities nor activities. There is virtually no publicity about this group whatever; they may do an excellent job but there is no evidence one way or the other. It is not possible to 'promote culture in the wider community' within a vacuum of silence.<sup>21</sup>*

<sup>17</sup> Ibid

<sup>18</sup> Public Hearing with National Trust for Jersey, dated 5th October 2010

<sup>19</sup> For further discussion of the impact of the financial crisis at Jersey Heritage see section 4 of this report

<sup>20</sup> Public Hearing with National Trust for Jersey, dated 5th October 2010

<sup>21</sup> Appended to Written Submission from National Trust for Jersey, dated 5th October 2010

4.1.6 In response to these criticisms the Cultural Development Officer informed the Panel:

*There seems to be a confusion here between representatives of the funded organisations working together as a co-operative group – which is not susceptible of a public appointments process to which Nolan might be applied - and the annual public gathering which is open to the general public and is widely publicised.*

4.1.7 The above criticism raises an important question about the nature and function of the Council for Culture. The Strategy approved in 2005 states that its remit is ‘to work with organisations to increase participation and improve opportunity for wider participation in cultural activities’.<sup>22</sup> The original proposal in the Strategy as approved in 2005 was for an Executive group consisting of a Chairman and two others, appointed to Nolan principles, and a wider Council membership representing major cultural interests in the Island.<sup>23</sup> However, as a result of further consultation with stakeholders a different model was selected, as set out in a subsequent report to the States (R95/2006 Jersey Council for Culture: Formation). This envisaged a Cultural Assembly as an inclusive body meeting annually in public and open to all, with four smaller groups or forums established to represent (i) partnership agencies (organisations funded directly by DfESC) (ii) community and voluntary sector organisations (iii) other States departments and stakeholders (iv) interests within the DfESC itself (such as the Public Library, l’Office du Jèrriais and the Instrumental Music Service. The Cultural Development Officer explained that the Council for Culture was not intended to be a new ‘supremo’ body for heritage and the arts, but a ‘collaborative structure’ which he believed was more suited to a small community like Jersey. This aimed:

*to bring the funded cultural organisations together round the table with an equal voice to encourage that sort of joint working, and to allow them to provide good advice, where necessary, to the department.<sup>24</sup>*

He said that the annual conference was designed to enable individuals and cultural groups to contribute to cultural development:

*Because I think we recognise that the cultural sector is a very diverse sector, the cultural public should not be excluded so there is a commitment once a year to have a conference with a degree of public involvement which gives people a chance to raise issues which they want to and which gives us the opportunity to try to respond to those.<sup>25</sup>*

### **Recommendation**

**The Panel recommends that the Minister considers whether the nature and purpose of the Council for Culture is well understood by groups outside the core funded organisations and ensures that the Council embraces the smaller community groups as well as any newly formed artistic groups**

<sup>22</sup> P.154/2005 - Development of a Cultural Strategy for the Island

<sup>23</sup> Ibid

<sup>24</sup> Public Hearing with Minister for Education, Sport and Culture, dated 4th October 2011

<sup>25</sup> Public Hearing with Minister for Education, Sport and Culture, dated 4th October 2011

## 4.2 Developing co-operative arts and heritage policies

### Arts

- 4.2.1 The most significant change brought about by the Strategy on the arts side has been the transformation of the function of the Arts Trust which had previously acted as an overarching umbrella organisation funding the Opera House and the Arts Centre. The 2005 report of the Education, Sport and Culture Committee noted that these arrangements promoted *'tension and confusion of roles within the cultural sector'*<sup>26</sup>. The Strategy instead created a direct funding relationship between the DfESC and the arts organisations, freeing the Arts Trust to take on a more specific community role<sup>27</sup>.
- 4.2.2 The partnership organisations in the arts sector felt that the structure of the Council allowed for better co-ordination between groups as well as the maintenance of their individual identities. The Co-ordinator of the Jersey Arts Trust, for example, spoke enthusiastically in the Panel hearing about the range of opportunities for learning and participation now supported by the Arts Trust, citing the examples of the New Plays project and poetry performance sessions. He pointed out that the Trust had been able to provide initial grants to foster the establishment of events such as Jersey Live and the Branchage Festival. He agreed that the new arrangements allowed the diversity and distinct flavour of the programmes offered by the Arts Centre and the Opera House and the grass roots projects of the Arts Trust to flourish:

*Each organisation has a history and it has a loyalty base. I think on both of those sides when you think about joined-up-ness, there is a certain amount to protect and particularly now given that the relationship between all the organisations is so strong and open to working together, I think it is more about looking for synergies and some cost savings if we can, but is more about how can we work together rather than how can we join up.*<sup>28</sup>

- 4.2.3 The Director of the Jersey Arts Centre also supported the current structure of the Council, which he said enabled each group to preserve its identity and recognise the value of what other groups were doing:

*If you had one umbrella organisation you could easily lose the unique identity of what individuals can bring to a community like Jersey, so that diversity and a range of experience is always really exciting. I have always thought that the programme at the Opera House complements the programme at the Arts Centre and vice versa. If they were one organisation then you would have one vision, whereas you have two very distinct programmes, which fulfil very, very distinct needs and desires in the Island.*<sup>29</sup>

He said that there was *'a sense of collective responsibility'* among the arts groups on the Council working group and cited initiatives such as the Literature Week which was now in its third year as an example of successful joint working.

<sup>26</sup> P.154/2005 - adopted by the States in September 2005

<sup>27</sup> Public Hearing with Minister for Education, Sport and Culture, dated 4th October 2011

<sup>28</sup> Public Hearing with Jersey Arts Trust, 4th October 2010

<sup>29</sup> Public Hearing with Jersey Arts Centre, dated 11th October 2010

4.2.4 The Director of the Jersey Opera House agreed that there was a good working relationship between the arts groups although she felt that there was potentially room for improvement in terms of economies of scale or marketing. It was important, however, to recognise that each organisation had its own identity and its own brand. The brand of the Opera House, for example, was determined by the scale of the theatre, its stage and its auditorium. Within these confines it aimed to present a diverse programme extending, wherever possible into new areas such as the recent National Theatre offerings.

4.2.5 The Chairman of the Jersey Arts Centre pointed out that there was a potential for more ambitious events and more organisational development across the arts to emerge from the Council. He said:

*Personally I think the objectives of having this umbrella organisation where there is co-ordination, better use of resources and efficiency is absolutely right and also for long-term planning. But I think we have still got a way to go to do that<sup>30</sup>.*

He suggested for example the re-establishment of an International Arts Festival and the development of event-led tourism based on key events in the Island's calendar, namely, Liberation Day, the Battle of Flowers and the Battle of Britain.

4.2.6 The Panel asked how the arts groups were reaching out beyond what was often seen as a narrow elitist group. The Chairman put the following question to the Cultural Development Officer:

*One of the arguments that is always made about arts organisations in particular, not necessarily heritage, is this famous one in England that at Covent Garden every seat is subsidised to the extent of £80 or £90 every time somebody goes to the opera. Why should the general public subsidise what is perceived by some as a highly elitist activity? What is happening with the Council for Culture, given the strong emphasis you have put upon the role that all these groups play and how they play a big part in it, what about reaching out to groups who are not necessarily embraced by the subgroups within the council? How are we bringing more people into culture and making it, for want of a better term, a more democratic activity?<sup>31</sup>*

The Cultural Development Officer responded that the changing role of the Jersey Arts Trust, freeing it from responsibility for the Arts Centre and the Opera House, had resulted in a tremendous burgeoning of grass roots activity. The Minister commented on the focus on developing the talents of young people from the Battle of the Bands through to playwriting:

*In particular, we were amazed at how with very, very little money in reality the individuals at Jersey Arts Trust have been able to provide this broad range of activities that not only reached out to the young people, but actually brought through and culminated in, for argument's sake, the Radio Plays.<sup>32</sup>*

<sup>30</sup> Ibid

<sup>31</sup> Public Hearing with Minister for Education, Sport and Culture, dated 4th October 2011

<sup>32</sup> Ibid

## Key Findings

**The partnership organisations in the arts sector felt that the structure of the Council allowed for better co-ordination between groups as well as the maintenance of their individual identities.**

**The new role of the Jersey Arts Trust has enabled it to foster grass roots activity**

## Heritage

4.2.7 On the heritage side, the Minister took the initiative following the first plenary Conference in 2009 to invite the Island's heritage groups to attend a workshop in early 2010 in order to assist in drawing up a practical plan for the future, with the assistance of KVS Consultants.

4.2.8 The workshop began with an acknowledgement that the general perception that there was a certain amount of 'fighting and rival lobbying' within the sector<sup>33</sup>. To counter this and to encourage the development of a single voice KVS proposed in their report the formation of the Heritage Alliance which was conceived as a heritage sector 'trade association' providing clarity and co-ordination of the sector's needs and aspirations for Government and the public.<sup>34</sup>

4.2.9 Each of the three heritage organisations was enthusiastic about this concept although they assured the Panel that there had previously been good working relationships between them. The Director of the Jersey Heritage Trust told the Panel that the differences between the organisations had been exaggerated, whereas there were in fact many examples of successful joint working between the Heritage groups, notably the joint management of Hamptonne and the development of conservation plans for dolmens. The Chief Executive Officer of the National Trust for Jersey agreed with this view:

*I think there is a lot of talk about organisations not getting on but we do not think that is the case.*<sup>35</sup>

4.2.10 The recent review of operations by the Jersey Heritage Trust, in particular the decision by the Jersey Heritage Trust to close down the operation of the Country Life Museum at Hamptonne and the requirement by the States for Jersey Heritage Trust to initiate a fundraising campaign as part of the financial rescue package<sup>36</sup> have presented serious challenges to joint working.

4.2.11 The Chief Executive Officer of the National Trust told the Panel that the potential damage to the other two organisations caused by the closure of Hamptonne had

<sup>33</sup> Heritage Sector Groups in Jersey: Consultation on the Potential for increased co-operation and partnership working, KVS Consultants

<sup>34</sup> Ibid

<sup>35</sup> Public Hearing with National Trust for Jersey, dated 5th October 2010

<sup>36</sup> see section 5.2 of this report for further detail on this review

not been fully appreciated by the States. Entry to this site had represented an important element of their offering to local members. In addition the Trust had major concerns about the potential for the new fundraising imperative of Jersey Heritage to overwhelm the resources of his own organisation. He commented:

*No one, it seems to me, at that time considered whether that actual fundraising could have an impact on the other heritage organisations. So it was very much single focused again on the one group without looking at making those judgments by looking at it as a whole.*

*It could become increasingly difficult if Jersey Heritage, for example, were to have a major legacy campaign because that could undermine our future.... I think what we have always said is that we do not mind operating on a level playing field, but Jersey Heritage has an enormous marketing budget which it could use to promote those different elements and that could be to our detriment. Our marketing budget is nil.<sup>37</sup>*

4.2.12 The Executive Director of the Société Jersiaise echoed these comments. He said that the recent membership drive by the Heritage Trust had come as a surprise and was regarded as a potential threat because the three heritage organisations were likely to be chasing the same people for membership within a small island<sup>38</sup>.

4.2.13 The Director of the Jersey Heritage Trust acknowledged the issue but felt that all the heritage organisations could turn this drive to mutual advantage:

*The fundraising targets in the new arrangement are certainly the elephant (or woolly mammoth) in the room. The big question here is can we start major new fundraising in a way that benefits all heritage organisations? Can we grow the overall total support for Island heritage, each part of the sector gaining a portion of a much 'bigger cake'? Or do we see a future of dwindling resources and increasing competition for them? Well, I think we have no choice on that. We must work together to find ways to grow support at every level for Island heritage as a whole.<sup>39</sup>*

4.2.15 Each of the three organisations confirmed its commitment to exploring ways of maintaining and opening Hamptonne as much as possible in the future, despite the financial restraints. Initiatives including self-catering and ways of increasing sponsorship were being investigated<sup>40</sup>.

4.2.16 A further challenge was a proposal from the heritage workshop in 2010 that the three organisations consider some form of joint membership. It was suggested by KVS Consultants that this *'might do much to remove the current rivalry and suspicion in relations to any membership drive by Jersey Heritage, the National Trust for Jersey and the Société Jersiaise and might be a natural evolution of the*

<sup>37</sup> Public Hearing with National Trust for Jersey, dated 5th October 2010

<sup>38</sup> Public Hearing with Société Jersiaise, dated 4th October 2010

<sup>39</sup> Council for Culture - Heritage Alliance Workshop - introductory remarks, November 2010

<sup>40</sup> Jersey Heritage Trust announced on 22nd March 2011 that Hamptonne would be open from April for 100 days in 2011

*successful new public partnership represented by the Heritage Alliance.*<sup>41</sup> The Minister told the Panel that this proposal was in his view extremely important:

*If we do not encourage and enable the 3 partners in the area of heritage to collaborate together, to work together and to develop joint memberships, I think that the danger is that the membership of one of the organisations will continue to reduce to a point where they will find it difficult to continue and I think that that would be tragic, absolutely tragic.*<sup>42</sup>

4.2.17 The two voluntary heritage organisations however were very cautious about this proposal as they saw a risk that this could water down the different identity of the groups. The Chief Executive Officer of the National Trust said:

*It is sometimes difficult to see what the exact benefits would be to an organisation such as the National Trust or the Société, who are independently funded, from greater collaboration, especially given that we have to market our identity strongly in order to secure support, whether that be from membership or legacies which, in essence, is essential for our future resourcing and sustainability. So there is danger that if you begin to water down your identity then you may well undermine your future support, and it is that balance that is the difficult thing to strike.*<sup>43</sup>

The Société Jersiaise also felt that the three organisations were very different:

*The Société is more like joining an organisation and getting in and doing things, whereas the National Trust is very much a volunteer organisation supporting what they do and membership is a contribution.*<sup>44</sup>

4.2.18 The Director of Jersey Heritage Trust, on the other hand, told the Panel that there was no evidence that a significant increase in membership for the Heritage Trust had caused any parallel decrease in the membership of the other organisations:

*I think that it is a legitimate anxiety but I think the evidence suggests that the cake can be made bigger.*<sup>45</sup>

He said that it was essential for the heritage organisations to communicate regularly on a face to face basis and, although this had not always been a priority in the past, he was keen to correct that both informally and through the medium of the Heritage Alliance.

4.2.19 The Panel believes that there may be some confusion in the minds of the general public about the constitutional position of the Jersey Heritage Trust - whether it is a quango or a branch of government. Many are surprised to find the Trust promoting membership and seeking private sponsorship funds to support its activities. The Service Level Agreement quoted below<sup>46</sup> makes it clear that the Trust is 'an

<sup>41</sup> Heritage Sector Groups in Jersey, KVS Report on consultation with Heritage Groups 2009

<sup>42</sup> Public Hearing with Minister for Education, Sport and Culture, dated 4th October 2011

<sup>43</sup> Public Hearing with National Trust for Jersey, dated 5th October 2010

<sup>44</sup> Public Hearing with Société Jersiaise, dated 4th October 2010

<sup>45</sup> Public hearing with Jersey Heritage Trust, dated 11th October 2011

<sup>46</sup> Section 5.2

independent publicly-funded non-governmental incorporated body'. The Panel suggest that the Minister takes every opportunity to clarify this position.

4.2.20 At the most recent Conference in 2010 each of the leaders of the three principal heritage organisations spoke positively of the opportunities for collaborative working and affirmed their commitment to taking practical steps forward. The Chief Executive Officer of the National Trust said:

*'A year has been spent talking about the Heritage Alliance or Link. Surely the time has come to stop talking and undertake something practical. We all want to work closer together. So let's get Hamptonne up and running again, let's start discussing joint marketing initiatives, let's start to promote the Buildings at Risk register, let's start to make a difference to our heritage as opposed to undermining its value through a perceived lack of vision and co-operation'.<sup>47</sup>*

### **Key Findings**

**It appears that the recent review of the operations of the Jersey Heritage Trust by the States of Jersey did not take into account the implications for the other two voluntary heritage organisations, in particular the potential for the fundraising target for the Jersey Heritage Trust to overwhelm the resources of the other groups.**

**It is difficult at this stage to judge whether the impact of the Heritage Trust membership drive will have damaging effects on the National Trust for Jersey and the Société Jersiaise. Nevertheless the three principal heritage organisations in the Heritage Alliance have committed themselves to collaborative working, including reaching a joint solution over Hamptonne.**

### **Recommendation**

**When reviewing the support and funding given to any particular organisation by the States the Minister must take care to ensure that the potential impacts on other relevant organisations are considered.**

<sup>47</sup> Council for Culture - Heritage Alliance workshop - introductory comments, November 2010

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## 5 Financial strains

### 5.1 Introduction

- 5.1.1 Recent history has shown the impact of financial stress on the core funded organisations. There have been major financial crises at the Jersey Opera House in 2005 and Jersey Heritage Trust in 2009. However, it is not within the scope of this review to examine in detail the circumstances of these crises which have been well documented elsewhere. The Panel's focus was to try to gauge whether the DfESC new organisational structural arrangements with funded organisations, brought about by the Cultural Strategy, had enabled them to survive the current financial strains.
- 5.1.2 The Minister told the Panel that he had been successful in finding some additional financial support, notably the financial rescue package for Jersey Heritage Trust, some one-off funding grants for the Jersey Arts Centre and Fiscal Stimulus funding for the Opera House. He had also made every effort to preserve current cultural funding levels from budget cuts through the Comprehensive Spending Review process<sup>48</sup>.
- 5.1.3 Despite these ad hoc successes, the issue of developing a coherent and comprehensive approach to funding our performance centres remains to be solved. The Minister has not been able to address the fundamental lack of adequate funding which was starkly highlighted in the Cultural Strategy of 2005:

*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 those which most would like to see preserved and enhanced<sup>49</sup>.*

- 5.1.4 The Panel's interviews with the core cultural groups as reported below indicate that they have had to bear the consequences of the current spending restraints with what that entails for public support and government financing. Service cuts foretold in 2005 have been inevitable. In the current harsh economic climate it would be difficult to argue for substantial increased levels of funding for the arts and culture. Nevertheless it appears vital to the Panel that the Minister continues to work with the funded groups to ensure that realistic levels of support are available.
- 5.1.5 The financial problems of the Jersey Heritage Trust have resulted in the establishment of a Service Level Agreement. In return for the States commitment in terms of funding and other support, the agreement sets out the contribution that the Jersey Heritage Trust will make to the States Cultural Strategy, specifies the minimum level of service to be provided by the Trust and details how the performance will be monitored. This could prove a very good model for other agencies with its emphasis on risk sharing, and the achievement of negotiated targets.

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<sup>48</sup> Public Hearing with Minister for Education, Sport and Culture, dated 4th October 2010

<sup>49</sup> States Cultural Strategy Review, Education, Sport and Culture Department Report, p.4

## Key Findings

The issue of developing a coherent and comprehensive approach to funding our performance centres remains to be solved. The DfESC review acknowledges that, despite the warning contained in its own Strategy, little additional funding has been identified on a permanent basis; it has been necessary so far to address the strategy largely on the basis of existing resources. This has inevitably led to cuts in services.

## Recommendation

The Minister should develop financial arrangements with other cultural organisations on the lines of the Service Level Agreement with the Jersey Heritage Trust.

## 5.2 Jersey Heritage Trust

*The Jersey Heritage Trust is the principal advisor to the States on matters relating to the Island's public heritage assets; it was established by Law 'to acquire, conserve and show the buildings and objects which form part of Jersey's heritage'. It is an independent publicly funded non-government incorporated body, recognised as a charity by the Comptroller of Income Tax, with up to 12 trustees, which is also free to generate income by other means including entry charges to sites<sup>50</sup>.*

5.2.1 After a period of significant deficits due to falling visitor numbers and rising costs the financial future of the Jersey Heritage Trust was secured by the approval by the States of P.75/2010, which recognised an additional revenue funding requirement of £200,000 per year, increasing the States grant to £2.3 million, together with a States contribution of £150,000 towards an annual allowance for site refurbishment and refreshment of £465,000<sup>51</sup>. This was provided on condition that the Trust would do everything it could to raise the remaining requirement of £315,000.

5.2.2 The Director of Jersey Heritage Trust told the Panel that the Trust had been:

*more or less £1 million short of a sustainable level of spending and that we were pretty much near the boundary of what was possible in terms of commercial activities from existing streams.<sup>52</sup>*

5.2.3 With the assistance of the DfESC a great deal of work was done to analyse the financial structure and position of Jersey Heritage, as well as looking at its marketing potential in terms of what can be done to grow its self-generated income. The solution to the crisis was threefold:

<sup>50</sup> Jersey Heritage Trust Service Level Agreement 2011 - 2013

<sup>51</sup> Although the Council of Ministers agreed to underwrite this sum in 2011 and review the requirement in future, it is important to note that the *current* funding allocation agreed in the 2011 Business Plan is £150,000.

<sup>52</sup> Transcript of public hearing, 11th October 2010

- one third through the grant increase mentioned above;
- one third to be achieved through new fundraising initiatives beyond existing commercial streams to raise money for capital investment in the sites.
- one third through reduction to the organisation's cost base through staff cuts and a shrinkage of services.

5.2.4 The Chairman of the Heritage Trust told the Panel that the Trust's cost base had been reduced by 10% in 2010 involving the loss of 18 FTE (full time equivalent staff) and the reduction of two senior manager posts, in addition to one and a half senior posts shed in the previous two or three years.

5.2.5 A number of activities had been outsourced, including marketing and craftsmen. The Trust Director told the Panel that this did not mean spending less but allowed greater flexibility for the organisation to react to changes in self-generated income without needing to resort to redundancies.

5.2.6 Reducing the cost base had also resulted in a significant reassessment of service to the visiting public, which included restricting direct support for educational visits, and the closure of the Maritime Museum during the winter season and Jersey Museum for the first quarter of the year.

5.2.7 The Trust agreed that it could no longer afford to subsidise the ongoing operation of the Country Life Museum at Hamptonne, although it would continue to pay for the maintenance of the building and grounds while ways of developing new revenue streams for the facility were explored<sup>53</sup>. The Trust Director acknowledged that the effective closure of Hamptonne as a regular tourist attraction had been a difficult and regrettable decision; however, it was the inevitable product of financial analysis:

*I'm afraid it was simply a question of where we can save money, where we are generating the least income... What we have now established is that without subsidy Hamptonne will have to run on a basis where the opening helps pay on a day to day basis and we are doing what we can with our partners to establish how that can best be done.<sup>54</sup>*

5.2.8 The Panel asked whether there might be a risk that by stripping out services there would come a point where the Trust would lose its 'critical mass' of visitors and move into inexorable decline. The Trust Chairman responded that they had taken the necessary steps to remodel themselves to halt the decline in numbers, though there was always a realisation that external economic factors could further influence tourism in the Island:

*But what was clear to us before we were able to get the engagement of the Minister was that we, as a Board of Trustees, were doing little other than manage a process of genteel decline. We are now optimistic that things have*

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<sup>53</sup> Plans to develop self-catering accommodation and further commercial sponsorship are currently being investigated

<sup>54</sup> Transcript of public hearing, 11th October 2010

*been restructured and we have been supported in such a way that we will be able to manage a normal level and as we are able to progressively invest be able to grow.*<sup>55</sup>

- 5.2.9 The funding solution for the Trust has also brought about the development of a new Service Level Agreement with the DfESC, a copy of which has subsequently been made available to the Panel. This Agreement includes a provision for a refurbishment fund. The Trust Director told the Panel that it was particularly important that the solution had recognised the requirement for investment to refresh and renew the heritage sites:

*One of the points we have been trying to make over the last couple of years is that there is really not much point in providing additional revenue to prop up failing attraction businesses. ... Part of the grant increases includes an allowance for that. There is obviously considerable onus on us to go out and raise the rest.*<sup>56</sup>

### 5.3 Jersey Opera House

*The Jersey Opera House was acquired by the States of Jersey in 1995. In 1995 the states of Jersey became the new owner of the Jersey Opera House at a cost of £1.3 million. In January 1997 the theatre closed for a major restoration project. A fund raising campaign was launched but it was clear after a year that it was taking too long and the people of Jersey wanted their theatre back. A proposition was presented to the States of Jersey for a loan of £5.5 million to add to the £1.5 million that had been raised by the good will of the people and business's of Jersey. This was successful and this major programme of work started in August 1998. After an extensive programme of rebuilding and renovation the new theatre opened its door on the 9th July 2000.*<sup>57</sup>

- 5.3.1 The Jersey Opera House receives an annual grant of £456,000 directly from the DfESC, whereas previously grant funding was received through the Arts Trust. This means that the Opera House is now directly accountable to the DfESC.
- 5.3.2 The grant is used for operational costs (utilities, staff etc) to keep the building running day by day. The Director explained that this level of funding was considerably less than afforded to comparable theatres in the UK where the rule of thumb was £1,000 per seat. In Jersey the funding amounted to less than £700 per seat.
- 5.3.3 The Chairman of the Opera House told the Panel that the Opera House tried to assist local amateur groups as much as possible to use their facility but it was necessary to cover costs and they were unable to provide any financial subsidy for them. The daily rates for community groups were discounted (approximately £1400 for a one-off day, compared to nearly £1,700 for commercial companies; around

<sup>55</sup> Ibid

<sup>56</sup> Ibid

<sup>57</sup> Jersey Opera House website

£735 per day for bookings of a week or more) and there was also a 25% discount on hire fees for local groups. The facility was used by local amateur dramatic groups for between 14 and 15 weeks a year.

- 5.3.4 Since its reorganisation 2005 the Jersey Opera House has stabilised its financial position and plans its programme within strict financial parameters. The Opera House aims to manage its artistic programme on a zero budget basis with minimised financial risk which has inevitably imposed limitations on its artistic programming and educational outreach programme. The Chairman of the Opera House told the Panel that the amount of risk to be taken had been reduced at the present time because of the general downturn in the current economic climate.

*We are not getting as much sponsorship as we used to and not quite as many people in the theatre, so that is constantly under review by the board in conjunction with Director, and she works to the parameters the board lays down.*

The Director told the Panel:

*If we want to try and operate within the bounds of the Cultural Strategy and to provide that diversity, it can be very, very difficult, particularly at our scale where the risks are even greater because we are expected to put on things for the middle scale i.e. for 600-seater plus.... So you have to try to find that balance and, yes, when times get hard you have to think next year we have to cut our cloth accordingly. If we have to have less risky stuff on, then that is what we do because ultimately it is the bottom line for all of us.<sup>58</sup>*

- 5.3.5 An important issue which remains to be resolved is the constitutional relationship with the DfESC. The Chairman explained that at present the Opera House building was owned by the States and the shares for the operating company, Jersey Opera House Limited, were owned by the Arts Trust. As there was no longer a funding relationship with the Arts Trust the share ownership was outdated. Instead it was hoped to form the Jersey Opera House Charitable Trust which would be responsible for the operating company and receive grants from the States. It is anticipated that this would mirror the current arrangements for Jersey Finance.

#### **Key Finding**

**Once the constitutional position has been resolved with the Jersey Arts Trust it will be possible for a service level agreement between Jersey Opera House Limited and the DfESC to be negotiated, setting out expectations and responsibilities on both sides.**

<sup>58</sup> Public Hearing with Jersey Opera House dated 11th Oct 2010

## 5.4 Jersey Arts Trust

*'We are a charitable organisation, funded by the States of Jersey and various individual sponsors. We act as an independent adviser and advocate for the arts community through communication, joint working and research. Our aim is to provide a community-led service that is transparent, accountable and evidence-based.'*<sup>59</sup>

- 5.4.1 A recent increase in the Jersey Arts Trust revenue grant from the DfESC to £152,000 in recognition of its increased work with grass roots cultural activities has placed the Arts Trust in a relatively secure financial position. However, there are financial limitations in the support it can offer to community groups.
- 5.4.2 The Trust's revenue funding includes a budget of £50,000 for the distribution of grants to support grass roots activity. This allocation is small compared to Guernsey, which has a larger allocation of between £120,000 and £130,000 for a smaller population of 60,000 people.
- 5.4.3 The Cultural Development Officer said however that it would be misleading to make a straight comparison without recognising the different functions performed by bodies in the two islands. The Arts Centre sustains, for example, a community theatre company, a youth theatre, a subsidised gallery which places emphasis on local artists. There is no comparable organisation in Guernsey. Consequently, the total revenue funding for 'the arts' is less there than in Jersey.
- 5.4.4 While the Arts Trust is able to provide small scale grants to established activities such as the Eisteddfod it does not have the finance to support larger scale new and innovative ventures, which carry risk in their early stages. Other forms of States funding for cultural activities, such as small grants from Education for visiting artists to go into schools, or larger funds from the Tourism Development Fund have been increasingly difficult to obtain due to the economic circumstances.
- 5.4.5 The Co-ordinator cited recent examples such as the Liberation Festival and the Branchage Festival which had received support from the Tourism Development Fund. He said that it was essential for the Strategy to develop a pot of funding like this to dip into. The Co-ordinator of the Arts Trust told the Panel:

*We know we are not in a position to be able to do it at the moment, we cannot take risks or big risks and the arts are about taking risks. The most exciting things happen when you take a risk.*<sup>60</sup>

He told the Panel that it was *'quite frightening what would happen if this [the Tourism Development Fund] is not renewed.'*<sup>61</sup>

<sup>59</sup> Jersey Arts Centre website

<sup>60</sup> Public Hearing with Jersey Arts Trust, dated 4th October 2010

<sup>61</sup> Ibid

## 5.5 Jersey Arts Centre

*The Jersey Arts Centre is an independent membership body which manages the Arts Centre in Phillips Street and is responsible for programming St. James. It programmes and produces a wide range of concerts, plays, recitals, dance, jazz, day and evening classes, exhibitions and related events. There are around 30,000 visits to the Arts Centre annually and it has around 2,000 members. It also helps promote a range of outreach and outdoor events, including Alfresco Arts.<sup>62</sup>*

- 5.5.1 The Jersey Arts Centre receives a grant from the DfESC which amounts to between 45% and 50% of its total spending. This grant effectively covers its overheads; other income is generated from sponsorship and ticket sales.
- 5.5.2 The Chairman of the Arts Centre told the Panel that, despite the economic downturn in the Island, the Arts Centre was not seeking any increased government support. He acknowledged the difficulty of generating commercial sponsorship in the current financial climate but said they were focussed on maintaining a balanced budget through exercising a tight discipline on programming, generating income through more commercial activities and freezing certain posts.
- 5.5.3 The Chairman said that they had had to plan for a sharp drop in grant support from States Departments for event driven programmes such as Theatre in Education and the al fresco street theatre (Jersey Tourism). These grants had declined from £209,000 in 2004 to £29,000 in 2009, which he described as:

*a retrograde move because those one-off events generate a lot of well known activity, a lot of interest in the Island, people coming into the Island for them. We can animate them from our own resource and dilute our overhead costs and become even more efficient.<sup>63</sup>*

- 5.5.4 The Chairman spoke about his frustrations at being unable to deliver the full potential of the arts in Jersey:

*I feel a measure of frustration that we have got part of the cake, but the picture is bigger than that. The kind of frustration that has to be addressed in the long term is releasing all that huge energy and excitement in the arts, which I think can generate economic activity and money and draw people into the Island.<sup>64</sup>*

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<sup>62</sup> P.154/2005, Development of a Cultural Strategy for the Island

<sup>63</sup> Public Hearing with Jersey Arts Centre, dated 11th October 2010

<sup>64</sup> Public Hearing with Jersey Arts Centre, dated 11th October 2010

## 5.6 Three year funding

5.6.1 All the funded organisations agreed on the importance of moving to a three year funding arrangement instead of the current year by year basis, a commitment contained in the Cultural Strategy. This would provide them with greater certainty in terms of forward planning commitments and accounting practices.

5.6.2 The Chairman of the Opera House explained the problems the current arrangements posed:

*Apart from anything else, you sometimes have to make bookings for a following year but you do not have the money and it is questionable. Also as a board of directors you should be able to declare that your business, it is a limited liability company, is a going concern and there is a definition of "going concern" in the Accounting Rules. Without knowledge of the grant in following years it is questionable.<sup>65</sup>*

He said that a similar situation had applied to Jersey Finance but a solution had been found for that organisation.

### Key Finding

**To date the States system of budgeting has not allowed for more than one year's provision of funding and the cultural organisations have relied upon an assurance given by the Minister that they would be given at least a year's notice of any cessation of grants. However, the Panel anticipates that the proposals to reorganise States finances and a move to medium term financial planning should enable the Department to put a three funding arrangement into effect in the near future.**

### Recommendation

**A three year funding arrangement, instead of the current year by year basis, would provide the partnership organisations with greater certainty in terms of forward planning commitments and accounting practices. The Panel urges the Minister to proceed with these new arrangements as soon as possible.**

<sup>65</sup> Public Hearing with Jersey Opera House dated 11th Oct 2010

## 5.7 Office du Jèrriais

*In 1999 the States of Jersey supported Le Don Balleine, a trust set up for the promotion of Jersey's language, to introduce a programme for Jèrriais to be offered in all primary schools. 2 years later lessons began in secondary schools for children wishing to continue learning Jèrriais. There about 200 children learning Jèrriais in Jersey schools<sup>66</sup>.*

**5.7.1 L'Office du Jèrriais provides an important function in the Strategy in raising awareness of the Island's linguistic heritage; however, its funding appears to be seriously restricted in comparison with other jurisdictions such as the Isle of Man which places a greater focus on maintaining a minority language.**

5.7.2 L'Office du Jèrriais is not directly part of the DfESC but is run by a charitable Trust, the Don Balleine which receives an annual grant of £136,600 from the DfESC, 98% of which covers the costs of providing 2.8 FTE teachers. In 2009 additional support was provided to the Don Balleine to consolidate the position of L'Office du Jèrriais. There is now a partnership agreement with the DfESC which clarifies the former informal arrangement with the DfESC and sets out responsibilities on both sides.

5.7.3 The Offici du Jèrriais told the Panel that Jersey undervalued its language and culture. Manx teachers were integrated in the Education Department rather than outsiders. Their lessons were included in curriculum time whereas Jèrriais lessons are mainly extra-curricular often lacking appropriate accommodation in schools. The result is that the Isle of Man has over 1000 children a year learning Manx, compared to just 200 learning Jèrriais. Recent censuses have demonstrated that the number of Jèrriais speakers was falling dramatically.

## 5.8 Société Jersiaise

*The Société Jersiaise promotes and encourages the study of the history, archaeology and natural history of Jersey; it has 16 separate sections covering subjects as diverse as entomology, garden history, marine biology and ornithology, and manages a library and photography archive. It has around 5,000 members<sup>67</sup>.*

5.8.1 The Société Jersiaise receives an annual grant of just over £40,000 which is disbursed by the Heritage Trust and covers about a fifth of the income stream. This includes an obligation to provide a general service and allows the Heritage Trust to use the Société's facilities, including its archives and its library, freely.

**5.8.2 As a result of the current financial crisis the Société Jersiaise's income from sponsorship, donations and investment has dropped dramatically. Consequently the Société has had to consider a reduction in services such as its library function.**

<sup>66</sup> Jersey's traditional language - Jèrriais from gov.je website

<sup>67</sup> P.154/2005, Development of a Cultural Strategy for the Island

- 5.8.3 The Executive Director explained to the Panel that this step had conversely led to a better realisation of the value the Société Jersiaise had to give and membership numbers had actually increased.
- 5.8.4 The Panel discussed the potential for integrating the services of the Société with those at the Jersey Archive. The President said that the Société had its own specialist photographic resource which was beyond the remit of the Jersey Archive. It was important to keep photographic archive material under one roof rather than dispersing it. The Jersey Archive on the other hand kept film material. On other matters, such as researching family history, there might be duplication of activities; however, the two organisations worked closely together.

## 5.9 National Trust for Jersey

*The National Trust for Jersey is an independent and charitable organisation dedicated to preserving and safeguarding sites of historic, aesthetic and natural interest for the benefit of the island. ... Being a local self-funding charity and totally independent of the States of Jersey, the National Trust for Jersey is heavily reliant on donations and bequests for the funding of its essential programme of repair works and regular maintenance.<sup>68</sup>*

- 5.9.1 The National Trust for Jersey is an independent charity and receives no grant funding from the DfESC. Although initially critical of the Cultural Strategy the Trust now plays an active part in the Council for Culture's annual conference, is a member of the Heritage Alliance along with the Jersey Heritage Trust and the Société Jersiaise and is a partner with these organisations in the management of Hamptonne.
- 5.9.2 The Chief Executive Officer of the National Trust told the Panel that they are a small, tightly budgeted organisation focussed on their role of preserving, caring for and maintaining the Island's natural and built heritage. The key issue for the National Trust was insufficient funding for their capital programme of refurbishment:

*We are currently running at a deficit and that deficit has varied over the last ... well, 2007 it was just under £70,000. In 2008, it was just under £600,000. In 2009, it was just under £280,000. So obviously we need to try and find a way that we can increase our income in order to meet those deficits otherwise that will endanger our long-term sustainability. Obviously, we are asset-rich and those assets are lands or properties that we cannot sell. So in many ways they have no value from a normal economic point of view. What they do have is they have a liability in terms of maintenance and management. That is not to say that necessarily we want things to be different but it is an uphill struggle for us and it has always been challenging.<sup>69</sup>*

- 5.9.3 The Chief Executive Officer said that the National Trust had found it very difficult to access sources of States funding such as the Tourism Development Fund or the Listed Buildings Repair Grants:

<sup>68</sup> National Trust for Jersey website

<sup>69</sup> Public Hearing with National Trust for Jersey

*We have applied to all of those, and not with a great deal of success, and it could be that we are filling in our application forms incorrectly, or it could be that we are seen as not part of a government body and people do not recognise the absolute Island benefit of supporting the organisation.<sup>70</sup>*

- 5.9.4 He cited the example of 16 New Street where the National Trust for Jersey had spent more than £1 million on renovating the property but had been told they were ineligible for grant funding and had had to struggle to get planning fees waived:

*We are not asking for major grants but we would like a feeling that we were being encouraged and supported wherever departments were able to do so, subject to budgetary constraint.<sup>71</sup>*

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<sup>70</sup> Ibid

<sup>71</sup> Ibid

## 6 Property management issues

### 6.1 St James Church

**6.1.1 There is no formal agreement over the occupancy of St James, the principal obstacles being the fact that the refurbishment of the building was not completed during the 1990s and the building's consequent condition. Neither of the occupants of the building are in a position to meet a full repairing maintenance obligation on the building and consequently the maintenance obligations for both the Church and the vicarage fall to Jersey Property Holdings, who themselves do not have a budget to meet the full maintenance requirements of the site.**

6.1.2 Since the mid-1990s when it was acquired and renovated by the States, St James Church has provided additional performance space for the Arts Centre<sup>72</sup>. The adjoining vicarage is occupied by Arts Centre and Arts Trust staff. The Chairman of the Arts Centre explained to the Panel the importance of the space provided by St James. He said that it compensated for the over-restrictive space and gaps in what could be provided at Phillips Street, offering a versatility and adaptability which had enabled a great deal of creative community work, including such as the Youth Theatre and Theatre in Education. He said:

*If we were to lose St. James without some kind of replacement facility in some way, whatever that was, it would be badly damaging because we would have to displace those rehearsal spaces, rehearsal time, displaced performance time.<sup>73</sup>*

6.1.3 The ongoing presence of scaffolding since 2007 outside the building to protect the public from the risk of falling masonry is a visible sign of the lack of adequate funding to deal with the required repair and maintenance of a States property.

6.1.4 The cost of making safe the pinnacles and the façade of the building is estimated at between £500,000 and £750,000. The Assistant Minister for Treasury and Resources advised the States in June 2010:

*Jersey Property Holdings has been required to prioritise this expenditure on building maintenance to essential health and safety compliance works, and is therefore not in a position to direct the necessary funding to repair the towers in St James at this time.<sup>74</sup>*

As no long term solution is available the scaffolding has had to remain in place at a cost of approximately £17,000 per year. Other problems have been identified with the public access to the site, where it has been alleged that members of the public have tended to trip.

<sup>72</sup> St James was acquired by States decision of 28 July 1992 and made available to the Arts Centre and Arts Trust by P.146/1994, approved on 23 November 1994.

<sup>73</sup> Public hearing with Jersey Arts Centre, dated 11th October 2010

<sup>74</sup> States of Jersey Official Report 22nd June 2010

- 6.1.5 The Minister for Education, Sport and Culture told the Panel that this situation could not be allowed to continue:

*We cannot carry on, I do not believe, seeing scaffolding up on it and it left in a half-completed state, so we have been encouraging all of the organisations to consider what the future holds and then we are aiming to work with Property Holdings to see what opportunities exist, whether it is the utilisation and disposal of some of the sites to fund a new site.<sup>75</sup>*

The Minister was not in a position to give the Panel any further details about these discussions. **The Panel understands that options are being explored by Jersey Property Holdings for funding through capital receipts to address long term maintenance issues at St James. These investigations are ongoing.**

- 6.1.6 The Minister told the Panel that the facilities at St James would be considered within a review currently being carried out by his department into the overall use of performance spaces in the Island. This review included consideration of the Arts Centre, the Youth facilities at La Motte Street and the Instrumental Music Service at Fort Regent. He said:

*One could believe that it would be better to have the performance spaces apart from the Opera House, located in one position. If you think about the proposals that were made recently regarding an art gallery, there is an opportunity to look at whether or not a new performance space with an art gallery provision attached to it might not provide and enhance the cultural offerings that are currently going on.<sup>76</sup>*

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<sup>75</sup> Public hearing with Minister for Education, Sport and Culture, dated 4th October 2010

<sup>76</sup> Public hearing with Minister for Education, Sport and Culture, dated 4th October 2010

## 6.2 Jersey Opera House

### Maintenance issues

- 6.2.1 The Opera House is another example, like St James Church, of a building refurbishment project which was never fully completed and where Jersey Property Holdings has been left to deal with unresolved maintenance issues on the building. The establishment of a lease for the building setting out the responsibilities for all parties in terms of maintenance and capital investment would be a significant step forward. However, at present neither side has the funds to take on a full repairing maintenance responsibility.
- 6.2.2 The Chairman of the Opera House told the Panel '*We are always relying on the goodwill of Property Holdings as to who might do what.*'<sup>77</sup> However, ongoing maintenance work for the Opera House has to be prioritised against other commitments in the States property portfolio, which means that while essential health and safety work is carried out other desirable work cannot be funded.
- 6.2.3 A recent example was the need to give the façade of the building a facelift ten years after the major refurbishment had been carried out. In the absence of States funding, however, the Opera House was fortunate enough to secure sponsorship from Dandara who owned a number of developments in the vicinity of the Opera House.
- 6.2.4 The Opera House premises have also recently benefited from economic stimulus funding which amounted to £112,000 for preliminary works (including the preparation of drawings, professional fees and the preparation of tenders) and £920,000 for the work, which will enable the completion of a refurbishment project at the back of the premises. This project will improve kitchen facilities, open up an additional performance area for dance classes and workshops and modernise facilities for corporate hospitality. The development is expected to increase audience numbers, bringing in additional revenue to the Opera House as well as increasing the opportunities for creative activities.

#### Key Finding

**The financial assistance provided by the Fiscal Stimulus Fund to enable completion of a long standing refurbishment is welcomed. However, the issue of developing a coherent and comprehensive approach to funding the maintenance of the Island's performance centres remains to be solved.**

<sup>77</sup> Public hearing with Jersey Opera House, 11th October 2010

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## Loan Repayment

- 6.2.5 The annual loan repayment of £572,000 for the development of the Jersey Opera House which runs until 2020 is an ongoing liability for the States. This sum exceeds the revenue grant paid to the Opera House and amounts to approximately one third of the total funding for the arts sector.**
- 6.2.6 Clearly there would be a great advantage to the cultural sector in the Island if this sum were available to promote activities or invest in new initiatives. It should be noted that these payments have no direct bearing on the operation of the Opera House as the funding is channelled from the DfESC revenue funding to the Arts Trust. However, there is no guarantee that this funding would be available to the cultural sector if the outstanding loan was settled. This would be a matter for the Minister to prioritise against other requirements in discussion with other Ministers in the States Business Planning process.
- 6.2.7 One of the objectives of the Strategy is to investigate whether the States should take over the existing loan from the Jersey Arts Trust. This loan is a commercial arrangement between the bank and the Arts Trust, as agreed by the States in 1999 and is supported by a States guarantee to ensure that the terms were as competitive and advantageous to the Trust as possible. The DfESC raised with the Treasury the possibility of renegotiating or paying off the loan at an early opportunity. However, the response from the Treasury was that unfortunately there was no advantage to be gained; the loan agreement is at a fixed rate with a fixed repayment schedule, i.e. there would be costs incurred in 'breaking' the loan agreement that equal or outweigh any benefit gained.
- 6.2.8 The Panel understands that the Minister has recently asked the Treasury to undertake a further review of the loan arrangements to review the position to identify if there are any alternative options worthy of further consideration. The matter is currently being considered by the Treasury.

## 6.3 Jersey Arts Centre

- 6.3.1 Unlike the two above properties there is a fully-repairing maintenance obligation on the Arts Centre Association.**
- 6.3.2 The Jersey Arts Centre was largely built with privately-raised funds (with a pound for pound contribution at the latter stages of fund-raising by the States); however, the site and (existing) buildings were made available to the Jersey Arts Council (now the Jersey Arts Centre Association) by the States at a peppercorn rent.
- 6.3.3 The Arts Centre has recently received two one-off grants, both in the sum of £150,000 to assist with this obligation; one specifically to deal with the replacement of air conditioning and heating plant, the cost being shared approx 50/50 between this supplementary grant and funds held by the Arts Centre. The second was to establish a designated fund to permit ongoing planned maintenance, the Centre being required to contribute to maintaining that fund.
- 6.3.4 In 2008, to celebrate its first 25 year, the Arts Centre undertook its own strategic review of the available space for the various forms of the arts, performing, musical and technological, in its two sites at Phillips Street and St. James Street. The conclusion was that within the next 25 years the current footprint of the Arts Centre would be too small for the Island to benefit from the full impact of what the arts could offer. Hence they had begun a search to identify a future site which could bring all areas of operation under one roof.
- 6.3.5 The Chairman of the Arts Centre recognised that the current climate precluded any short term ambitions of this nature; however, he felt it was important to plan for the future in order to cater for the tremendous potential of the arts.

## 7 Conclusion

The Education and Home Affairs Panel congratulates the Minister on the proactive role he has taken in promoting the implementation of the Cultural Strategy. Our review has shown that, despite well-known funding constraints, the various core organisations in the Island have confidence in the Cultural Strategy and are working together to develop the cultural offering of the Island. Clearly there are serious challenges, particularly with regard to property management issues, which must be addressed with some urgency. The Panel awaits with keen interest the outcome of the reviews being undertaken by the DfESC and Jersey Property Holdings which should be available in the near future.

## 8 Appendix

### Evidence gathering

#### Public Hearings

The Panel held the following Hearings:

##### 4<sup>th</sup> October 2010

1. Minister for Education, Sport and Culture (Deputy J.G. Reed)  
Assistant Minister for Education, Sport and Culture (Deputy A.T. Dupré)  
Cultural Development Officer, Education, Sport and Culture  
Assistant Director, Education, Sport and Culture
2. President, Société Jersiaise  
Executive Director, Société Jersiaise
3. Co-ordinator, Jersey Arts Trust  
Vice-Chairman, Jersey Arts Trust

##### 5<sup>th</sup> October 2010

1. Offici du Jèrriais, L'Office du Jèrriais
2. Chief Executive Officer, National Trust for Jersey  
Member of the Council, National Trust for Jersey

##### 11<sup>th</sup> October 2010

1. Chairman, Jersey Arts Centre  
Director, Jersey Arts Centre
2. Chairman, Jersey Heritage Trust  
Director, Jersey Heritage Trust
3. Chairman, Jersey Opera House  
Director, Jersey Opera House

#### Panel visits

The Panel undertook the following evidence-gathering visits:

##### 2<sup>nd</sup> November 2010

Number 16 New Street, St Helier, National Trust for Jersey Property