

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2020–23: INCREASE IN REVENUE EXPENDITURE ON THE ARTS, HERITAGE AND CULTURE

Lodged au Greffe on 4th April 2019
by Deputy M. Tadier of St. Brelade

STATES GREFFE

PROPOSITION

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

to agree that States' revenue expenditure on the arts, heritage and culture should be increased in the proposed Government Plan 2020–23 so that it reaches a target of 1% of overall States revenue expenditure by 2022; and to request the Council of Ministers to take the steps necessary to achieve this target in bringing forward the Government Plan.

DEPUTY M. TADIER OF ST. BRELADE

REPORT

In the course of this report, I will be quoting extensively from the BOP report entitled *Jersey Culture, Arts and Heritage Strategic Review and Recommendations*, which was produced and presented to the Minister for Economic Development, Tourism, Sport and Culture and his officers in February 2018; and which was subsequently made publicly available on 27th November 2018, at my request. The full report can be read [here](#). Quotes from the original report will appear in *italics*.

[BOP Consulting](#) is an international consultancy business specialising in culture and the creative economy.

From here on in, Culture, Arts and Heritage will be referred to collectively as *CAH*.

Investment in CAH

It should be a matter of real concern for anyone who values the contribution that Culture, Arts and Heritage make to Jersey life and *the common good* to learn that CAH have been underfunded for decades. The BOP report reminds us that –

funding has not kept pace with increasing costs, even being significantly cut at points, and this has significantly diminished the resources available. Compared to the Retail Price Index and taking 2010 as a base year, the value of the annual funding provided is now nearly £500,000 less than it was in 2010. Over the period, this is a total shortfall in funding of £2.3m (Figure 6). The Island's leading cultural organisations are constrained and threatened by this financial context. When comparing their earned income (e.g. via trading and trust giving) to their state funding, these organisations are broadly the same as comparators, with changing their model of delivery unlikely to release the significant funds required to bring them anywhere near comparators.

Figure 6 Government Financial Support for CAH 2010-2016¹⁰

Organisation	2010	2011	2012	2013	2014 ¹¹	2015	2016
Jersey Heritage (including refurbishment fund)	£2,642,023	£2,443,430	£2,775,422	£2,808,932	£2,775,422	£2,803,340	£2,802,000
Jersey Opera House (excluding loan repayment)	£568,009	£466,910	£469,000	£448,900	£466,202	£467,303	£463,000
Jersey Arts Trust	£156,548	£156,310	£158,773	£178,033	£163,755	£159,700	£158,400
Jersey Arts Centre	£442,510	£453,061	£454,447	£479,282	£460,779	£453,425	£449,800
Don Balleine (L'Office du Jèrriais)	£139,762	£140,930	£140,097	£141,606	£147,064	£148,783	£137,812
Total	£3,948,852	£3,660,641	£3,997,739	£4,056,753	£4,0133,222	£4,032,551	£4,011,012
September RPI	142.6	150.3	154.5	156.4	159.3	159.5	162.7
Index (RPI)	1	1.05	1.08	1.10	1.12	1.12	1.14
CAH expenditure (Index)	1	0.93	1.01	1.03	1.13	1.02	1.02
Total expenditure if matched to RPI	£3,948,852	£4,162,079	£4,278,385	£4,330,999	£4,411,305	£4,416,844	£4,505,457
Shortfall compared to RPI (that year only)		£-501,438	£-280,646	£-274,246	£-398,083	£-384,293	£-494,445

¹⁰ All figures excluding exceptional one-off capital or other grants

¹¹ Jersey Heritage provisional figure only.

There were a total of 20 recommendations in the BOP report, all of which I believe have merit and I would commend them to Members. Out of the 20, two in particular relate to funding –

- (18) *Commit to more realistic investment in CAH, which is appropriate to the contribution made by them to overall goals.*
- (19) *Identify the potential for new sources of funding for CAH activity.*

The report gives context to these recommendations with the following findings –

Funding for CAH in Jersey is significantly lower than elsewhere, and this is constraining the ability of the sector overall and of the main funded organisations to adapt and capitalise on opportunities.

The total culture budget from Government in 2016 was £4,787,600, or 0.68% of total Government expenditure. Data is provided by the European Commission for expenditure on cultural services across Europe. The European Union average for cultural services expenditure is 1% of total government expenditure.

Further on, the report states –

Until this point, the presence and activities of most of the CAH community organisations has gone beneath the radar and without acknowledgement of Government. These groups are operating on shoestring budgets – through small grants, limited commercial sponsorship, membership and ticket fees, and – in many cases – funds coming directly out of the pockets of their organisers.

3.2 Investment in CAH

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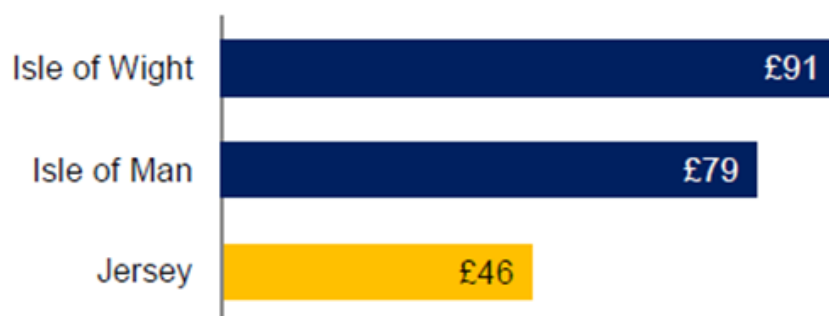
The total culture budget from Government in 2016 was £4,787,600, or 0.68% of total Government expenditure. Data is provided by the European Commission for expenditure on cultural services across Europe. The European Union average for cultural services expenditure is 1% of total government expenditure (Figure 4)⁹.

Figure 4 Government expenditure on cultural services: Selected benchmarks (2015)

Geography	% of Total Government expenditure on cultural services
Iceland	2.50
Malta	2.20
Luxembourg	1.10
European Union average (28 countries)	1.00
Ireland	0.80
Jersey	0.68

Source: BOP Consulting analysis of Eurostat data

Figure 5 State expenditure per person on culture and heritage



Source: Isle of Man: 2015/16 actual expenditure on Manx Arts Council and Manx National Heritage, Gaiety Theatre, Villa Marina, and Culture Vannin (excluding Bunscoil); Isle of Wight 2015/16 Cultural and related services expenditure, Arts Council Expenditure, Heritage Lottery Fund programme expenditure; SoJ Culture Near Cash Expenditure 2015/16.

Implications of diminishing funding

The slow decline in funding to current levels has a range of consequences. Efficiencies have been found long ago, and now the limitations are constraining the delivery of services much further, and especially the capacity of the organisations to adapt and develop. They already show high levels of earned income in comparison with benchmarks. This slow reduction of funding also provides poor value for money in the long-term. For organisations and programmes, any loss of funding means that failures require significant investment to restart. For example, to establish a new organisation is often more expensive than to maintain or continue an existing one. For capital investment (particularly in heritage), providing a reasonable level of maintenance ultimately provides significantly better value for money than the required total refurbishment which will inevitably be needed. For example, in the case of a historic church the total real cost of annual maintenance is around 64% of the cost of more substantial restoration every fifteen years.¹²

Critically, there is a real threat of the potential loss of valued services, as they struggle to adapt to new and unforeseen challenges. See example of the Jersey Arts in Healthcare Trust – a high-quality programme whose future is uncertain due to financial constraints.

Case study: Jersey Arts in Healthcare Trust

Jersey Arts in Healthcare Trust consequences highlight the potential fragility of the sector in Jersey.

Since 1993, the Jersey Arts in Health Care Trust has been working to bring arts and culture to disabled persons, those in poor health in the Island, and the elderly across the Island.

Recognising the overwhelming evidence demonstrating the therapeutic and healing benefits of arts and cultural activities, the initiative has brought live music and artworks to residents across the Island both in the community and within healthcare settings. In 2016 Music in Hospitals brought over 150 concerts spanning piano, guitar, dance band, vocals, cello and multi-instrumental folk to over 40 care settings including residential and care homes, day-care centres and hospital wards.

The project has also worked to expand knowledge and discourse on the health benefits of the arts through residencies, workshops, training sessions and talks. The project has historically been supported by the Health and Social Services Department, the Association of Jersey Charities, the Parish of St. Helier, Music in Hospitals, the Jersey Arts Trust, and the Bedell Trust, but due to funding constraints the initiative's programming has been put on hold for the foreseeable future.

I for one, am saddened that the Arts in Healthcare programme has had to cease due to a lack of funding, as the benefit of it is so obvious to most people.

Whilst it is true that more CAH need more than just money to ensure a prosperous future and their rightful place in Jersey society, the evidence is clear that significant new government investment will be needed.

Recommendation #18: *To develop a more realistic investment in CAH organisations, which is appropriate to the contribution made by them to overall goals.*

The case for Towards Action

Compared to the benchmarks we have considered, funding for CAH in Jersey is very low, notwithstanding the value of the contributions secured by the funded organisations. These organisations report ongoing underfunding which limits their ability to adapt to new contexts, seize opportunities, or plan for the long term. These are similar issues to those noted in the 2005 Cultural Strategy and the picture has changed little.

Lack of funding has resulted in a number of high-profile failures (such as the loss of the Branchage Film Festival as set out overleaf); and there is a significant danger, especially given the bare-bones provision in the Island, that continued shortfalls in funding would mean further critical and embarrassing failures.

A new approach to funding to be determined with reference to a proportion of Government's overall budget and based on similar levels to comparable administrations. This approach would set a basic minimum for service delivery and recognize reasonable limits to the capacity for earned income.

Given the significant and evident contribution that CAH can make in addressing many aims, the lack of investment is a missed opportunity because the organisations on which Government currently depends are not resourced sufficiently to address many of those aims.

Lack of investment in maintenance is likely to result in poor value for money in the long-term, especially with regards to the Jersey Heritage maintenance grant which has been reduced significantly since it was introduced, following recommendations by the Comptroller and Auditor General¹⁴.

The shortfall in investment has not been the result of dramatic cuts to funding, indeed the Assistant Minister for Culture successfully resisted inherited cuts: it is the result of a low base level of funding, determined by historic grant agreements, the subject of slow diminution of value over time.

¹⁴ Office

I hope that Members can back this ambitious, but essential proposition, to make sure that Culture, Arts and Heritage are no longer seen as the *poor relation* in terms of Government funding priorities, and that their true value, economically, socially and diplomatically, can be truly maximized.

Financial and manpower implications

Based on 2016 figures, an increase from 0.68 of the Budget to 1% would amount to a figure of £2.3 million per annum. The exact figure would depend on the overall budget for 2020–2023. It would also be for the Minister for Treasury and Resources to decide whether the overall budget were increased to fund further investment in CAH, or whether budgets were reprioritised.