

**QUESTION TO BE ASKED OF THE PRESIDENT OF THE ENVIRONMENT AND PUBLIC  
SERVICES COMMITTEE ON TUESDAY, 3rd FEBRUARY 2004  
BY DEPUTY R.G. LE HERISSIER OF ST. SAVIOUR**

**Question**

Would the President inform members how much money, in total, has been granted to the Haut de la Garenne Trust and would he give a breakdown of when, and on what basis, each payment was made?

**Answer**

No payment has been made to the Trust by the States.

The conversion and refurbishment of Haut de la Garenne by Property Services was practically completed on 14th September 2003. The Capital budget approved totals £2,465,000. The project Quantity Surveyors latest project report indicates that, subject to the reallocation of the cost of maintenance work required to the attached building *Aviemore* administered by the Health and Social Services Committee to eliminate the ingress of water into Haut de la Garenne, the conversion and refurbishment work is expected to be contained within the capital budget approved. The Capital budget included no funds for furniture.

Under the arrangements approved by the States on 8th December 1998, (P.188/1998), and 22nd October 2002, (P.147/2002), the Committee's responsibilities were intended to be fulfilled when the conversion of the building was practically completed. From 14th September 2003, the Board of Trustees appointed by the States have responsibility for the operation and management of the centre which is required to be run, as far as possible, on a self-financing basis under the constitution of the Trust.

The lease of the new centre to the Haut de la Garenne Trust will also run from 14th September 2003, although the Committee remains responsible for maintaining the structural fabric of the building. The Trust, which was constituted formally in October 2002, is required to present a business plan, a report of its activities and achievements. It is also required to present to the Finance and Economics Committee audited accounts as well as submit any request for borrowing to that Committee for approval.

The Committee was advised by the Trust on 7th August 2003, that it was experiencing difficulties, as although its draft business plan had been produced with the Youth Hostels Association as part of their proposed joint 'enterprise agreement', their submission to the Tourism Development Fund had not produced a favourable response to the Trust's request for funding needed 'to fully equip the centre and provide working cash needed for the first year of operation'.

The Committee was also advised that the trustees had been unsuccessful in their approaches to raise funds from local charities and charitable organisations, private Jersey residents and other sources. With no guarantees being provided by any Committee of the States and only a lease of the premises, borrowings from a commercial bank were not possible.

The Committee, with the assistance of Treasury officers, sought to identify what options were available to ensure that this important project proceeds as planned. We requested that the Tourism Development Fund be asked to reconsider and also sought to identify unspent monies of a capital nature. The Finance and Economics Committee, in response to our request, suggested that the Committee use a carried forward revenue balance of £133,000, which arose from unspent revenue funds from 2002, subject to conditions.

From this amount a maximum of £100,000 has since been allocated to meet furniture requirements sufficient to provide for the initial configuration of 100 beds and £25,000 has been offered to the Trust to provide a working balance, subject to strict monitoring and reporting arrangements designed to manage financial risk. The Trust has advised that this is not sufficient.

The Committee is attempting to coordinate ongoing discussions to identify a solution to the Trust's immediate cash flow requirements and the need for an appropriate financial guarantee or underwriting arrangement to be in place during an initial period. The following have been party to these discussions -

Finance and Economics Committee and Treasury officers  
Tourism Development Fund and Tourism Department  
Policy and Resources Committee  
Youth Hostels Association  
Haut de la Garenne Trustees.

To assist these discussions I have arranged that the Trust's business plan be subjected to an independent evaluation and I expect that within two weeks I should be able to advise the States of the situation. In the meantime the Trust and YHA are accepting group bookings for 2004 as there is a great deal of interest in the new centre which is due to open in March.