

### **3.7 Deputy J.A. Martin of the Minister for Economic Development regarding investment from the Tourism Development Fund in the conversion of coastal forts:**

Would the Minister inform Members whether the total sum already invested from the Tourism Investment Fund to convert coastal forts into bed and breakfast accommodation is £758,660 and the States' revenue return is estimated to be £65,000 per annum? If so, is he prepared to give an assurance that no further money will be invested in similar projects from the Tourism Investment Fund?

#### **Senator P.F.C Ozouf (The Minister for Economic Development):**

The Tourism Development Fund (TDF) has awarded 2 grants for the coastal forts and fortifications project: the first for £250,000 and the second £340,000, making a total of £590,000. These are for 10 sites. These grants are entirely in line with the stated objectives of the TDF scheme. The initiative is a joint project between Economic Development and Transport and Technical Services, Planning and Environment and the Jersey Heritage Trust, who are the project managers. Sir, this is a great project, almost symbolic of the renaissance that we are beginning to see in the tourism economy. The project achieves several States' objectives. These are important sites and the refurbished sites make a distinctive product for developing both niche tourism and local access. Moreover, I am delighted to report to the Deputy that we even received a *Daily Telegraph* on Saturday telling the whole of the United Kingdom about our great project. Bookings are now well out to 2010 and this is an example of a fantastic TDF project.

#### **3.7.1 Deputy J.A. Martin:**

I am sorry the Minister did not properly answer my question. There has been no - and this is from the Treasury Minister - reading in between the lines, they are not very happy. There is no business case made and the only reason - and I will read, Sir - that this was approved is because the Tourism Development Fund Sub-Committee sought the approval of the Minister and had not sought the approval of the Minister in the appropriate timescale and had already committed monies. Basically, the Minister is saying this is not a business case and they will not sanction any more money for such hair-brained schemes.

#### **Senator P.F.C Ozouf:**

I would encourage Deputy Martin to go and have a look at some of the refurbished projects that we are talking about. Fort Leicester, Barge Aground. Barge Aground itself you cannot even get a booking in the month of August until 2010. I defy the Deputy to tell me this is not a great example of a wise use of TDF funding. The revenue that she talks about is £65,000 per year. Next year it is estimated to be gross revenue of £87,000, in 2008, £96,000 gross - all of the funds of which are going to go back into the Scheme for us to restore yet more projects and more sites across the Island. This is an example of wise use of TDF money and, moreover, a sensible use of TTS money that already had a budget for coastal fortifications, but simply would just refurbish them to continue for the birds to look at. Instead, what we have done is join forces with TTS, putting some TDF money in and putting in place a fantastic project for tourism in Jersey, which is getting U.K. national acclaim.

#### **3.7.2 Deputy G.C.L. Baudains:**

I am always intrigued in getting a lecture from the Minister. Unfortunately, as Deputy Martin said, he has not answered the question at all. Could he account for the almost obscene waste of money here? This is not a wonderful project, Sir. It just seems to me a terribly bad investment where we are unlikely to ever get the money back, never mind make interest on the capital.

**Senator P.F.C. Ozouf:**

Even on its most basic financial assessment, this project is getting a better return than you would get on money in the bank. But does the Deputy not understand the importance of keeping sites such as Barge Aground, Fort Leicester, the Radio Tower, L'Etacquerel Fort, Seymour Tower, Archirondel, La Tour Carrée and all these other properties. Does not the Deputy think we have a responsibility in this Assembly to look after these assets, moreover get a return from them in a way that has never happened before?

**3.7.3 Deputy G.P. Southern:**

Yes, Sir, let us get back to the facts, shall we? Would the Minister accept that in the Treasury and Resources Minister's words on this particular loan, the Minister said that it is not evident this project is a good investment, not as best value for money. In addition to this, the schedule of revenue costs does not take into account items such as refurbishment costs over the following years, and ongoing maintenance costs. However, the Minister was placed in a difficult position in that bookings for 2006 had already been taken, so he had no choice but to cough up the money. Does the Minister not agree that that is an accurate statement about what is going on?

**Senator P.F.C Ozouf:**

What the Minister will say is that he cannot speak for the Treasury and Resources Minister. What happens is there are 2 allocations of money from the TDF; one for £250,000 which I understand was previously sanctioned, and one which is for £340,000 which - because it is in excess of £250,000 - the Treasury and Resources Minister has to agree. I have not spoken to the Treasury and Resources Minister about this, but I would if I did have the opportunity to talk to him, and if he did have any doubts about it, to explain to him what an absolutely great use of TDF money this is. For years, we have seen properties such as Barge Aground for the birds to look at. We have seen other projects such as Fort Leicester decaying. We have used, for the first time, a sensible allocation of money and to get a revenue receivable from these properties in future, therefore, giving us enough money in future to keep them in the state in which they have now been kept. Moreover, local people and tourism are enjoying them and we are getting U.K. national press for it. I say: "Great investment" and I will talk to my friend, the Treasury and Resources Minister, and attempt to convince him.

**3.7.4 Connétable A.S. Crowcroft of St. Helier:**

Would the Minister not agree with me that these projects are, if you like, mini Mont Orgueils and that it is not surprising that members like Deputy Baudains, who so vociferously oppose the refurbishment of Mont Orgueil, should be objecting to these smaller projects? Would he not further agree with me that these are examples of how well the Jersey Heritage Trust has served the Island in bringing forward these kind of projects?

**Senator P.F.C. Ozouf:**

I absolutely agree with what the Constable is saying; this is a joint venture and shows joined-up government between different States' departments and the Jersey Heritage Trust. The Jersey Heritage Trust has done a great job in delivering this project on time and in the manner in which we set out and tourists are enjoying these properties. I absolutely agree completely that Deputy Baudains, and others like that, are always going to complain when we are trying to look after important sites around Jersey.

**3.7.5 Deputy K.C. Lewis:**

Just a minor clarification, Deputy Martin asked a question for the Minister regarding the Tourism Investment Fund and all the answers are regarding the Tourism Development Fund. Will the Minister just confirm that these funds are one and the same?

**Senator P.F.C. Ozouf:**

That is absolutely right. I should have corrected the Deputy. It used to be the TIF (Tourism Investment Fund) and now it is the Tourism Development Fund; and if the Deputy is interested, I have a full schedule of both the consolidated funds and all the allocations of it, if he is interested in seeing it.

**3.7.6 Deputy J.A. Martin:**

Although the Minister for Economic Development could not give me the assurance that no money would be spent, reading the comments - and unfortunately he has not spoken to the Treasury Minister - I have no doubt that under no terms should funds be committed for these projects exceeding £500,000 unless approval has been made by the Finance Minister that, given the business case and given their comments that no money will be given to any more refurbishment of our forts for bed and breakfasts. Would the Minister not accept that?

**Senator P.F.C. Ozouf:**

No, I am afraid I would not and if there has been an issue of requiring Treasury consent for the greater amounts of money, it is because the project started. We then found that it was such a great project and we found more properties to do. We then hit the ceiling of the £500,000 which requires the Treasury and Resources Minister to approve, so there may well be a timing issue. But the reality is that the project had to be gotten on with and that is why we have already seen Barge Aground and Fort Leicester already occupied and having bookings over the course of the summer, and there may well be a timing issue which I am happy to discuss with the Treasury and Resources Minister. But what I would also tell Deputy Martin is that with this project, I would not agree that no more money should be spent. I am in discussions with the Harbour Authority, for example, about the small harbour master's house on Gorey - currently empty - also to be included in this scheme. Another example of an asset in States ownership not getting a return which we cannot only use for the tourism economy but we can use in a far more way and get a return on it. So I am afraid, no, I want to see more of this, not less.

**Deputy G.P. Southern:**

Could I ask a point of clarification, Sir?

**The Bailiff:**

I doubt it, Deputy.

**Deputy G.P. Southern:**

I wished him to clarify whether the expansion of this scheme is going on because there is not a proper Business Plan attached to the scheme?

**Senator P.F.C. Ozouf:**

I am happy to answer it, Sir. If the Chairman of the Scrutiny Panel wishes to call me in to give evidence about this at Scrutiny, I am happy to do so.

**Deputy G.P. Southern:**

And here is a Back-Bencher, Sir.

**Senator P.F.C. Ozouf:**

There is a clear Business Plan which has been supporting it and I believe if any Member of this Assembly saw it, they would support it too.