

4.10 Deputy R.G. Le Hérissier of the Assistant Minister for Economic Development regarding the responsibility for signing off the funding of projects:

Who has responsibility for signing off the funding of projects such as the recent application for film financing and what controls, if any, are in place?

Deputy C.F. Labey of Grouville (Assistant Minister for Economic Development - rapporteur):

The majority of grants awarded through the Economic Development Department (E.D.D.) are via umbrella schemes such as the Rural Initiative Scheme, which had specific Government arrangements attached. Any grants made outside of these schemes are subject to a Ministerial Decision following officer advice. This advice is based on analysis of the business case against the department's objectives. All grants are subject to the controls set out in Financial Direction 5.5. Its predecessor, Financial Direction 5.4, was in effect at the time of the film grant referred to by the Deputy. The grant awarded was in compliance with this.

4.10.1 Deputy R.G. Le Hérissier:

I wonder if the Deputy could give us the name of the officeholder at the political level and then the officeholder at the executive level? The office name, not the personal name. Could she give the names of those 2 individuals who signed them off, and would she also acknowledge that in the film industry, it is not customary to give a grant upfront? It is customary to wait for the finished product to unfold to work out a funding method.

The Deputy of Grouville:

I am not entirely sure of the individuals who sign ... is it the Ministerial Decision? The Ministerial Decision was signed off by the current Minister for Economic Development on the advice of the department. With regards to his comment about the £200,000 grant, this was requested in order to research and investigate the potential of filming over in Jersey. The initial request was for £2 million out of a \$20 million budget. This was refused and 10 per cent of this was given by way of grant to do the research into filming in Jersey, which has the potential of being very valuable as a marketing tourism tool.

4.10.2 Deputy M. Tadier:

Will the Assistant Minister undertake to discuss with her department the actual policy underlying the funding for films to make sure that more support is given to local film producers who already do a very good job, but struggle often financially and they have difficulty when approaching the department, have metaphorically the door slammed in their face, only to find out that £200,000 is given to a foreign filmmaker who is possibly not even going to make a film that relates to Jersey? Will the Minister look into that issue and resolve it to make sure that local filmmakers are supported more?

The Deputy of Grouville:

With regard to the last comment about the film is probably not going to be made, we have absolutely no evidence of that, and in actual fact the film is due to start filming in September. It is up to local filmmakers to make applications to either Jersey Enterprise, or as we will soon be debating, the Innovation Fund, and it is up to them to produce their business case, just like anybody else. E.D.D., I have to stress, will look at each business case in accordance with Financial Direction 5.5.

[10:45]

4.10.3 Deputy M. Tadier:

Does the Assistant Minister agree with the underlying sentiment that we should be doing more to support local artists and filmmakers to get their name out there, because if we produce home-

grown artists who become famous throughout the world potentially, that has to be one of the best adverts for Jersey.

The Deputy of Grouville:

The Deputy is pushing against an open door here. As he may remember, I helped co-write the *Cultural Strategy for Jersey*, which is still a very good document, and I would love to see more creative endeavours carried out on-Island and local artists supported. The question, as ever - and always - is money.

4.10.4 Senator L.J. Farnham:

Because film finance is a complex issue, and because of the very good potential that developing a film and screen industry for Jersey could yield, would the Assistant Minister consider discussing with the Minister and her colleagues at the department the possibility of establishing a film commission and an associated film fund, because such a model will ensure all the checks and balances were in place and that we really could exploit opportunities like this perhaps more securely in the future.

The Deputy of Grouville:

I will most certainly discuss the possibility of a film commission or, as I have already alluded to, any other sort of creative endeavours. Nothing would please me more than to see this enhanced. I think I have forgotten the last part of his question, I am afraid.

The Deputy Bailiff:

I think that is the answer the Senator was looking for.

Senator L.J. Farnham:

That will be fine, Sir.

4.10.5 Deputy T.M. Pitman of St. Helier:

Could the Assistant Minister advise - I have been approached about getting involved in a film about democracy and the lack of justice in Jersey - is there a set format that I and my colleagues would have to complete to try and get funding?

The Deputy of Grouville:

Absolutely there is, and we would consider this just as this film was considered, with the independent due diligence, the meetings with the investors, a full business plan and budget received and assessed, copies of all the contractual agreements agreed by law firms and the Law Officers' Department. Yes, if the Deputy would like to comply with Financial Direction 5.5, we would most certainly consider his film.

4.10.6 Deputy S.G. Luce of St. Martin:

In her answer, the Assistant Minister implied, I believe, that the grant to this film was given under the Rural Initiatives Scheme. Could she just confirm that, please?

The Deputy of Grouville:

That is most certainly not what I said. What I said was that the majority of grants awarded through the Economic Development Department are via umbrella schemes such as the Rural Initiatives Scheme. This was just an example of umbrella schemes and how grants are operated.

4.10.7 The Deputy of St. Martin:

Could I just ask which scheme it was given under then?

The Deputy of Grouville:

I am not sure which specific scheme it was under. I would have to come back to the Deputy.

4.10.8 Deputy T.A. Vallois:

Could I ask the Assistant Minister, she answered in one of the questions about numerous amounts of documentation that we use for due diligence. Could I ask the Assistant Minister when she goes back to the department to ask them to provide that information to the P.A.C. (Public Accounts Committee) as soon as possible, because it has been over a week now and we are still waiting for it.

The Deputy of Grouville:

Yes, it was my understanding that the vast majority of this information had been provided, but more was going to be forthcoming and it was going to be put in order and a sort of meaningful pile of papers for the P.A.C.

4.10.9 Deputy R.G. Le Hérissier:

I am aware that the Minister did want to answer it, but he has been unavoidably delayed, so I do thank the Deputy for stepping into the breach, which I am sure she is enjoying. I wonder, could the Deputy categorically state that all proper controls and investigations were undertaken and can she state that if there were any deviations from these proper controls and processes like due diligence, there will be people held to account? Thank you.

The Deputy of Grouville:

I think I have already made clear that the Financial Direction 5.4 that was in place at the time was complied with. I must confess, having worked in the finance industry, that I was quite surprised to discover that the same K.Y.C. (know your client) type requirements are not required of the public sector as they are in the private sector, and this may be something that I would hope P.A.C. would take on board and look at and possibly come back with some recommendations, but obviously if we are going to start placing this burden on the public sector, which is going to cost time and money - and obviously that is what we do for the private sector - then this has got to be weighed up and all things considered in the round.

4.10.10 Deputy R.G. Le Hérissier:

Could the Assistant Minister clarify, if there is a deviation from the application of proper controls, will there be people held to account?

The Deputy of Grouville:

I am not aware that there has been any deviation from that set down by the States of Jersey Financial Directions.