

JERSEY INTERNATIONAL AIR DISPLAY

RELATIONSHIP WITH THE STATES

FEBRUARY 2011

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SECTION ONE – INTRODUCTION

1. This paper is the report of a review of compliance by the Jersey International Air Display (the JIAD) with the requirements of the States and in particular with the financial requirements of the Department for Economic Development (EDD or the Department), which makes an annual grant to the JIAD. The terms of reference for this review are set out in Appendix One to this report.
2. In 2006, I published a report on various aspects of the management of the Battle of Flowers. That report led to a reconsideration by the Battle of Flowers Association of the way in which this annual event is managed. It also led EDD to review the way which it goes about issuing grants to bodies within the Island which are responsible for organising events that are significant to the Island's offer to tourists.
3. Since a number of years have passed since the publication of that report, there seemed to be merit in considering the extent to which EDD had been successful in improving its management of grants.
4. A preliminary reconnaissance (including a review of relevant internal audit reports) suggested that, whilst EDD had made considerable improvements, the Department was concerned that it had not been able to apply its controls successfully to all of the grants which it issued. In particular, the Department was concerned that its relationship with the JIAD was to some extent dysfunctional¹. It therefore seemed appropriate to conduct a review of the application of appropriate controls to the annual grant paid by EDD to JIAD.
5. Accordingly, I commissioned PKF, Chartered Accountants, of London to conduct a limited review of this matter.
6. In the course of the work undertaken by PKF, it became apparent that difficulties had arisen in EDD's relationship with JIAD. It also became apparent that similar difficulties had arisen in the context of JIAD's relationship with the Bailiff's Panel which is responsible for licensing public entertainment events within the Island. Accordingly, and in the interest of completeness, the scope of the review was extended to include a brief review of the relationship between JIAD and the Bailiff's Panel.

¹ I note that the JIAD has objected to use of the word dysfunctional, but EDD has not objected.

7. This had the effect that the review took somewhat longer than had originally been envisaged and it involved interviews with more people than had originally been planned. A list of the people who contributed to this review is set out in Appendix Two.
8. The findings of the review are set out in this paper under the following headings:
 - (1) The JIAD (section three);
 - (2) EDD's controls over grants (section four);
 - (3) The relationship between EDD and JIAD (section five); and
 - (4) The Bailiff's Panel (section six).
9. But first, in section two of this report, I will set out a summary of the findings and conclusions which have been reached.
10. In accordance with normal practice, a copy of the final draft of this report was provided to those parties principally involved so that they are able to comment on the matters raised and the way in which they are expressed. In this case, the JIAD responded in the form of a long letter. All the matters raised in that letter were considered carefully and taken into account in framing the final findings of the review, as expressed in this report. However, it appeared helpful to append to this report virtually the whole of that letter so that readers of the report may take account of the full terms and effect of that letter. Accordingly, it is set out in Appendix Five together with a note explaining any presentational changes made.

SECTION TWO – SUMMARY OF FINDINGS

11. The findings of the review can be summarised in the following way²:
- (1) public officials have a duty to protect the interests of the public of the Island, whether in ensuring that proper value is achieved by the making of grants (in the case of EDD) or in ensuring that public safety is safeguarded (in the case of the Bailiff's Panel).
 - (2) although the means by which officials seek to discharge their duties may seem frustrating to those who require financial support (in the case of EDD) or approval (in the case of the Bailiff's Panel) it remains important that the duty to protect the interests of the public of the Island is fully discharged.
 - (3) the past relationship between the JIAD and EDD has been unsatisfactory. The review has established that grants have not been paid before the JIAD has provided all of the information and explanations that EDD considered necessary. However on many occasions this has only happened after the JIAD paperwork, requests and information have been submitted late after continued prompting from EDD and broken commitments given by the JIAD.
 - (4) the past relationship between the JIAD and the Bailiff's Panel has been similarly unsatisfactory and for similar reasons.
 - (5) during the course of this review, the JIAD has taken steps to provide the information requested by EDD and the Bailiff's Panel and, in doing so, to clear the backlog of outstanding information.
 - (6) this achievement, which owes much to the augmentation of the team managing the display, is greatly to be welcomed.
 - (7) it is to be hoped that the JIAD can sustain this improvement.

² The JIAD's response to the review's findings is set out in Appendix Five.

SECTION THREE – THE JIAD

Introduction

12. In this section of the report I will briefly describe the JIAD³.

The Display

13. The Jersey International Air Display is a multi-day, multi-site tourism event which takes place annually over approximately seven days normally between the seventh and eighteenth September. It has taken place in Jersey for more than fifty consecutive years and there had periodically been displays before that. By some, it is said to be the biggest tourism event in the Channel Islands, in terms of hotel bed occupancy. In 2011 the event will take place between third and ninth September.

14. The event comprises a number of separate but interconnected elements: a flying display; practice flying displays; static displays at the airport and in the People's Park; aviation art and photographic exhibitions at Jersey Airport and other locations; and an aviation ball. These elements are all intended not only to enhance the visitor experience but also to help raise finance to support the event.

Jersey International Air Display arl

15. The display is organised by Jersey International Air Display arl, a company whose principal activity is to organise and market the display. In doing so the company aids fund raising for British military charities. The company acts in accordance with the requirements of the Companies (Jersey) Law 1991.

16. The company, whose shares are all held by the vice-chairman⁴, was incorporated in Jersey on 31 May 2001 and is a not for profit company.

17. The members of the board of the company are listed in Appendix Three of this report.

Organising team

³ This description is based closely upon the JIAD's own description in its current draft business plan.

⁴ The vice-chairman has received no dividend payments whatever from the ownership of the shares. The name 'Jersey International Air Display' is in effect owned by the company.

18. The team organising and controlling the display consists of the five members of the Board of Jersey International Air Display and numerous volunteers. A list of the principal contributors to the display is also set out in Appendix Three to this report.

Financing the display

19. The display is largely financed by gifts, donations and a grant from EDD (of the order of £100,000 annually). The total income of the display together with a proportion derived from gifts, donations and grants are shown in the following table.

<i>£'000</i>	<i>2010 (draft)</i>	<i>2009</i>	<i>2008</i>
Gifts, grants and donations	259	208	224
Ball income	6	8	9
Gate static display	5	5	5
Miscellaneous income	6	3	1
Sale of programmes	4	21	22
TOTAL INCOME	280	245	261

20. In many other events, of course, considerable amounts of income would be received as a result of admission charges to a display arena. In view of the fact that the JIAD can be well viewed from many parts of the Island, it has not been found practical to make admission charges so that this potential source of income has not been available to the JIAD. This of course has contributed to the dependence of the JIAD upon the annual grant made available by EDD.
21. The principal elements of the JIAD's expenditure are as follows:

<i>£'000</i>	<i>2010 (draft)</i>	<i>2009</i>	<i>2008</i>
Aeroplane expenses	60	50	65
Insurance	24	23	23
Fuel	13	27	21
Accommodation	52	39	42
Transport	15	14	12
Corporate hospitality	22	14	13
Trailer shed rental	33	38	31
Administration	33	10	40
Other	35	38	35
TOTAL EXPENDITURE	287	253	281

SECTION FOUR – EDD’S FINANCIAL CONTROLS

Introduction

22. EDD manages the grants which it makes within the terms of Financial Directions issued by the Treasury and Resources Department in accordance with the provisions of the Public Finances (Jersey) Law 2005. The mandatory directions in respect of grants⁵ from are set out in Appendix Four to this report.

Principal requirements

23. In effect, EDD requires that, before the event, a body requesting financial assistance for an event should submit:

- (1) A Business Plan in respect of the event which should explain the nature of the event, the market for the event, the body’s marketing strategy and plan, the sales targets and objectives for the event;
- (2) The body’s financial forecasts;
- (3) The financial assistance required;
- (4) The business risks relating to the event (i.e. the body’s assessment of risks and the possible risk mitigations; and
- (5) Information concerning the people responsible for managing the event.

24. After the event the body’s audited accounts and a post-event assessment are to be submitted.

25. As part of the information to be provided to EDD, the body seeking assistance is expected to provide information to the Department demonstrating that the body;

- (1) Has instituted appropriate internal controls;
- (2) Has instituted appropriate procedures for identifying and managing risk;
- (3) Has created an effective board;

⁵ Financial Direction 5.4.

- (4) Has formally approved an appropriate Business Plan; and
 - (5) Has approved and monitors effective financial controls.
26. Timetables are prescribed for the submission of these documents which are designed to ensure that the Department has enough time to give applications proper consideration.

SECTION FIVE – RELATIONSHIP BETWEEN JIAD AND EDD

Past performance

27. It is evident that whilst the JIAD depends critically upon the grant made by EDD, the relationship between the JIAD and EDD has been fraught with difficulty.
28. Typically, the JIAD submits paperwork and information late after continued prompting from EDD and broken commitments given by the JIAD. There is also some evidence that even when documents have been submitted to EDD they have been unsatisfactory and have not provided the information requested in sufficient detail to enable the Department to consider the grant application. In short, JIAD has a history of failing to comply with the reasonable requests of EDD.
29. This has led to extreme discomfort on the part of EDD. Whilst, in the end, it has been possible for EDD to demonstrate that it has received appropriate information to justify the making of a grant, this has on occasion been done at the expense of an unduly hurried examination of the information supplied. As a result, EDD has been concerned that it has not been able to influence the JIAD to develop the organisational maturity that would be expected of an event with such a long track record and of such significance to the life of the Island.
30. This performance on the part of the JIAD has been unsatisfactory. EDD has a responsibility to ensure that public money is carefully and properly spent. In the case of grants made to event organisers, the request for and consideration of information is a part of the means by which EDD discharges that responsibility.
31. If the staff of EDD were to have approved financial assistance for the JIAD without appropriate information or proper consideration, it is the staff of EDD who would be vulnerable to public criticism: in part as a direct consequence of the uncooperative stance which the JIAD appears to have adopted in the past.
32. This state of affairs has been regrettable.

Recent events

33. In the course of this review EDD has re-confirmed to the JIAD the steps which are necessary to secure the agreement of EDD to the financial assistance which the JIAD requires and the reasons for each step.

34. In response, the JIAD has taken steps to provide the information requested by EDD and, in doing so, to clear the backlog of outstanding information.
35. The JIAD has undoubtedly been assisted in this by the augmentation of its team of directors and volunteers (listed in Appendix Three) and has improved the standards of governance within the JIAD.
36. The effect of this considerable effort has been that, at the date of this report, the JIAD is no longer in arrears in providing information to EDD so that the Department is now able to plan with the JIAD effectively for the 2011 event.

Findings

37. Whilst there can be no doubt that the JIAD's past relationship with EDD has been regrettable, the recent improvement is to be welcomed; and it is to be hoped that the JIAD will be able to sustain this improvement.

SECTION SIX – THE BAILIFF’S PANEL

Introduction

38. In this section of the report I will first describe the purpose and function of the Bailiff’s Panel and then the outcome of the review of the relationship between the Panel and the JIAD.

The Panel’s functions

39. Public entertainment in Jersey is permitted by the Bailiff under Common Law powers. In exercising this control, the Bailiff receives advice from the relevant statutory authorities: including the States of Jersey Police, the States Fire and Rescue Service, the States Ambulance Service, the Health and Safety Inspectorate, and the Health Protection Department.

40. The relevant authorities are all represented on a Panel which meets each month to advise the Bailiff on the granting of permits.

41. Most venues presenting regular entertainment apply for an annual permit to offer a range of events throughout the year. Event organisers apply for a ‘one off’ public entertainment permit for an event taking place at a location (whether indoor or outdoor) which does not have such a permit: typical examples include open air music events, fetes and fun fairs.

42. The process for obtaining a permit from the Bailiff begins with a submission of a completed application form⁶ which should be accompanied by an event plan providing information on the type of event that is proposed, how it is organised and the measures taken to ensure that any foreseeable risks which may exist, whether to participants or spectators, will be addressed. The amount of information required depends upon the nature of the event proposed.

43. In the case of an event such as the JIAD which covers a wide area, is observed by large numbers of people and involves inherently dangerous activities, the amount of information and assurance required is appropriately considerable.

Relationship between the Panel and the JIAD

⁶ This description of the process is taken from the material appearing on the States of Jersey website.

44. It is apparent from interviews and the examination of documents that the relationship between the Panel and the JIAD has been similar in nature to the relationship between EDD and the JIAD. In other words, information has often been provided late, on occasion inadequately, following numerous prompts and failed commitments on the part of the JIAD.
45. It is important to stress that although licences have been granted for the annual air displays to take place, this has only been done when the Panel has eventually been satisfied that appropriate precautions have been taken to secure public safety and often at very late notice when an unduly hurried examination of the information supplied has been carried out.
46. It is also important to note that the submission of the necessary information is not always easy. In some years, the JIAD is not able to confirm the list of aeroplanes that will take part in the display until a short time before the display takes place.
47. However, as in the case of the relationship with EDD, this performance has been unsatisfactory.

Recent events

48. As in the case of its relationship with EDD, during the course of this review the JIAD has made considerable efforts to ensure that the information required by the Bailiff's Panel has been provided, with the result that at the date of this report the JIAD has submitted information to the Panel in accordance with the time-table set by the Panel.

Findings

49. Whilst there can be no doubt that JIAD's past relationship with the Panel has been regrettable, the recent improvement is to be welcomed; and it is to be hoped that JIAD will be able to sustain this improvement.

APPENDIX ONE – TERMS OF REFERENCE

App1-1 This review is commissioned in accordance with the powers of the Comptroller & Auditor General as set out in the Public Finance Jersey Law 2005 to take place in the light of:

- (1) past investigations into management of grants issued by the Economic Development Department (EDD) (and other departments) to various organisations;
- (2) the steps taken by EDD to improve its management of the grants for which it has been responsible;
- (3) evidence that, notwithstanding the efforts of EDD, it has not proved possible to improve the compliance by the Jersey International Air Display with the requirements of EDD and the States of Jersey generally with respect to the management of grants; and
- (4) the importance to the States of Jersey of ensuring that best value for money is secured from the grants that are made to organisations beyond the control of the States.

App1-2 The purpose of the review is to examine:

- (1) the efforts made by EDD to ensure the compliance of the JIAD with the general requirements of the States of Jersey with regard to grants;
- (2) the degree of success achieved in ensuring that the JIAD complies with those requirements;
- (3) to the extent that the JIAD has not complied with the requirements, the reasons for that non-compliance;
- (4) whether the governance arrangements within the JIAD are sufficient to ensure proper standards of management and compliance with the requirements of the States; and
- (5) any other related issues which come to attention in the course of this review.

APPENDIX TWO – PEOPLE WHO CONTRIBUTED TO THE REVIEW

<i>Name</i>	<i>Position</i>
S Adeler	Director, JIAD arl
D de Carteret	Director, Jersey Tourism
M Evans	Director, JIAD arl
D Filippino	Chief Officer, Bailiff's Chambers
G Fletcher	Chief Executive, Jersey Hospitality
L Garside-Beattie	Flying Display Director, JIAD
J Green	Director, Jersey Airport
Deputy M R Higgins	Director, JIAD arl
P Holley	Director, Air Traffic Control
M King	Chief Officer, EDD
D Le Marrec	Business Development, Jersey Tourism
K Lemasney	Assistant Director, Performance and Operations, EDD
M Long	Emergency Planning Officer
Senator Alan Maclean	Minister, Economic Development
Senator Paul Routier	Assistant Minister, Economic Development
A Sawyer	Assistant Director, Jersey Airport
F Woods	Director, Civil Aviation

APPENDIX THREE – JIAD’S TEAM

<i>Name</i>	<i>Position</i>
MEMBERS OF THE JIAD arl BOARD	
A Saether	Chairman
Deputy M R Higgins	Vice Chairman
S Adeler	Director
M Evans	Company Secretary and Finance Director
J Higgins	Director
AIR DISPLAY TEAM	
Deputy M R Higgins	Air Display Organiser
D Dupre	Air Display Coordinator
P Tucker	Airport Static Display Coordinator
P Lempriere	Airport Ground Support Coordinator
P Langston-Jones	Air Display Arena Coordinator
E Lempriere	Maritime Coordinator and Merchandising Manager
L Bass	Administration, Accommodation and Corporate Hospitality Coordinator
J Bernstein	Corporate Hospitality Coordinator
M Evans	Accountant/Financial Controller
FLYING CONTROL COMMITTEE	
Group Captain L Garside-Beattie OBE	Flying Display Director
Squadron Leader M Stanway	
Squadron Leader C Rowley RAF Retd MBE	
Squadron Leader N Airey RAF Retd	
D Dupre	Air Display Coordinator
Deputy M R Higgins	

APPENDIX FOUR - FINANCIAL DIRECTION 5.4

(This is an extract from Financial Direction 5.4 'Obtaining value for money from grants' issued by the Treasury and Resources Department in January 2006)

General introduction

5.1 All grants will possess their own unique characteristics. This document sets out mandatory requirements for departments which make grants.

5.2 Grants are defined as:

assistance from a States funded body to an organisation or individual:

- in the form of cash or transfers of assets; and
- in return for past or future compliance with certain conditions relating to the activities of that organisation or individual.

5.3 Special conditions must be applied to grants that will be used to acquire or improve capital assets, so that the States' position is protected in the event of disposal of the assets in question.

5.4 Departments must satisfy themselves that, when proposing to use some of their approved head of expenditure to award grants, the general proposals are in accordance with the States strategic aims and objectives and that those aims and objectives are achieved most efficiently through awarding grants as opposed to direct expenditure.

Approval of grants

5.5 All grants must be applied for by the individual or organisation who requires the funding. It is not the responsibility of the States to seek appropriate recipients other than general promotion of scheme or grant availability.

5.6 There must be a transparent approval process that ensures adequate separation of duties i.e. one officer must not be able to receive an application, approve it and make payment. It is the duty of officers involved in the approval process to disclose to their departmental finance director whether they have a family or other connection with an applicant. They should then take no part in the approval process or processing of payments unless an additional officer is involved and there is adequate separation of duties.

5.7 The approval process must include an assessment of the financial need of applicants. The assessment should take into account the timing of the applicant's need for funding during the year in which the grant may be awarded. Physical payment of grants should generally not be made in advance of need.

5.8 There should be a clearly documented case as to how the provision of funds to the individual or organisation will contribute to the aims and objectives of the States and the relevant States funded body. This case should also consider why the release of funds to a third party will be more appropriate than the States funded body providing the activity itself.

5.9 Potential recipients must be required, as part of the application and approval process, to outline the controls they will operate to ensure that public money is spent in a proper manner for the purposes intended. In the case of an organisation, the recipient must be required to demonstrate that its corporate governance arrangements are robust.

5.10 Applications must not be approved for expenditure already incurred. Approvals must be sought in advance.

Documentation

5.11 Once a grant is approved, and before payment is made, there must be drawn up a clear written agreement detailing the rights and obligations of both parties . . .

Appeals

5.12 Departments must establish a policy whether appeals will be allowed in the event of grant applications being refused. If an appeals process is established it should be transparent and ensure the involvement of officers not involved in the original approval or refusal.

Audit

5.13 It is the awarding department's responsibility to ensure that the expenditure of public money by the recipient is properly audited and spent for the purpose for which it was intended.

5.14 . . .

Capital assets funded from grants

5.15 There is a general presumption that when a States aided independent body disposes of assets which were wholly or partly funded by States grants, the proceeds (or an appropriate proportion of them) should be paid to the States. Any such possibility must be included in the written agreement between the parties.

5.16 The surrender to the States of proceeds of the sale of assets by bodies with charitable status can give rise to particular difficulties and can only be secured if suitable conditions are imposed before grants are paid.

APPENDIX FIVE – LETTER FROM JERSEY INTERNATIONAL AIR DISPLAY ARL

(It is customary practice to supply a copy of the final draft of a report to those people who have provided the principal information on which the report has been based, so that they have the opportunity to comment on the matters raised and the way in which they have been expressed. In this Appendix, I reproduce a substantial part of a letter dated 20 February 2011 which was received from the Vice Chairman of Jersey International Air Display arl. Those parts of the letter which related to drafting suggestions which have been taken into account in the report have not been included in this extract.

The format of the letter has been changed to ensure consistency with the format of the report so that, for example, paragraphs have been numbered. Otherwise no changes have been made.)

App 5-1. Thank you for meeting with us and giving us a copy of the first draft of your report to comment on.

App 5-2. Whilst we totally refute that we have been "uncooperative"⁷ in our dealings with both EDD and the Bailiffs Panel we are prepared to admit, and have admitted from the very start of your investigation, that we have not been as speedy as we should have been in providing all the information sought by both these bodies: EDD in relation to the grant they are giving to the event and the Bailiff's Panel in respect of information required before the grant of a Bailiffs Entertainment Permit for the air display.

App 5-3. However, before being condemned outright for these delays the following facts should be considered in mitigation, factors which we believe that both EDD and the Bailiffs Panel have not taken on board or into consideration and which are not fully reflected in your report, quite possibly because you are not aware of the facts.

Timing and work pressures

⁷ We believe that the term 'uncooperative' is far too strong a term to use as we have not deliberately obstructed or acted in any way not to cooperate with either body as will be explained below.

App 5-4. Whilst the civil servants we are dealing with at both EDD and the Bailiffs Panel are full time paid officials whose job it is to deal with grant and event applications all those engaged with organising the air display are working full time in other occupations. The time that we can devote exclusively to the air display has by necessity had to be prioritised as follows:

- towards raising the funds necessary to enable the event takes place;
- making sure that the event is safely organised;
- sourcing and recruiting competent people to assist us in putting on the air display;
- sourcing and obtaining interesting and exciting aircraft and acts from all over the world;
and
- meeting the paperwork requirements of EDD and the Bailiffs Panel.

App 5-5. We now accept that in light of the comments made by EDD and the Bailiffs Panel that our prioritisation has been wrong and we have now put the event paperwork requirements to the top of our list which has been demonstrated by the fact that we are well ahead of all documentary requirements for the 2011 display.

App 5-6. Please see so more detailed information in relation to this below.

Resources

App 5-7. We would also like to point out that most air displays of a comparable size and content have full time teams working on the air display all year round and their organisers, with whom we are in regular contact, are amazed that we can deliver the air display we do with the resources and time we have available. To use a boxing analogy they believe the Jersey Air Display "is punching well above its weight".

False expectations

App 5-8. Both EDD and the Bailiffs Panel have false expectations of what we can deliver to them and when. Although we have repeatedly tried to tell them of the nature and problems of organising air displays this has largely not been taken on board by them primarily due to their lack of knowledge or experience of air displays or organising any other major international events. This is best illustrated by the following examples:

EDD Tourism

App 5-9. Tourism would like us to tell them as early as possible (now!) what aircraft or special acts are coming to Jersey in order to publicise them and the event. The truth of the matter is that we very often don't know ourselves until almost the last minute:

- The aviation enthusiast for example is not interested in coming to Jersey to see the usual hum-drum aircraft that can be seen at any other UK air display. This is due to the extra costs and time that coming to Jersey entails. They are looking for something new and unusual. Although we have been working on attracting some of these items for over three years we often only hear at the last minute that they are available and willing to come. Jet-man Yves Rossy is an example, and his participation almost didn't happen as we had to source a special drop aircraft for him at short notice. The ordinary non-anorak tourist to the Island on the other hand is content to know simply that the air display is taking place.
- Because of cuts in the Royal and European Air Forces we are notified later and later of their aircraft participation in our event. Display crews are not given administrative support and cannot provide us with speedy responses to our admin needs and for the needs of the people we report to. In addition European Air Force personnel often go on a block leave together which means we cannot contact anyone in the communications chain whilst they are away.

App 5-10. Other specific examples:

App 5-11. In 1998 we had twenty minutes warning from Jersey airport that a Russian Federation Su-27 Flanker jet aircraft was going to arrive at Jersey airport. The organiser had three phone calls from Russia on the drive to the airport to negotiate the fee and terms of participation.

App 5-12. In 2008 we only discovered that we had Dutch PC-7 aircraft display when the crew phoned up to say their ground crew were about to leave Holland by road and had not heard from us. In fact we had not been notified by the Dutch authorities that they were taking part. We told them to come anyway and sorted it out whilst they were on their way.

App 5-13. In 2010:

- (a) We were not notified at all by the Belgian Air Component that they were sending an F-16 fighter jet, Sea King Search and Rescue helicopter or their Hardship Red aerobatic display team to our event. The organiser was notified by a friend in

Holland who had seen it on the Belgian Air Component Website. We then initiated contact with them.

- (b) We were also notified late in the day about the French Air Force Patrouille de France participation and it was a roller-coaster up until the day of the event whether they would actually be taking part because of a political requirement in France for the Minister of Defence. They arrived on the morning of the display and had to do a practice for their afternoon display slot.
- (c) We were also only notified the day before the air display by the Chief of the Swedish Air Staff that the Swedish Air Force Lansen jets (which would have been a major coup for the display had they arrived) were prevented from coming because of bureaucratic glitch in the interface between the Swedish Armed Forces and a civilian body.
- (d) We also only discovered that we had the RAF's new Nimrod aircraft taking part in the display two days before the display. It was scrapped shortly afterwards in the Strategic Defence Review.
- (e) We only received final word from the Royal Navy that they were unable to supply helicopters for the People's Park static display on the Monday before the air display.

App 5-14. And so it has and goes on.

App 5-15. We never really know what is going to take part in the air display until it arrives so to expect us to give details of our special acts let alone a definitive list of participants is unrealistic.

App 5-16. At this point in time we have had no official notifications of military participation in 2011 nor from the owners of the aircraft and acts we are hoping to secure for our air display.

EDD Department

- We also find it extremely frustrating dealing with some EDD officers and politicians who question why we need so many different aircraft taking part in the air display or special attractions and why the display needs to be as long as it is. In our opinion they fail to recognise that the air display has achieved its success in bringing visitors to the Island and its reputation by being somewhat unique. The

uniqueness not only enables aircraft enthusiasts to justify the time and cost of coming to the island but reinforces the events standing in the aviation community around the world. If we cut down the length and variety of the display we seriously believe that many enthusiasts will stop coming to the Island

- EDD officers have required us to re-submit business plans in which the only real difference was the headings the information was put under and the addition of some financial data.
- As stated below in the finance section we also cannot understand why these same people question our allowing service charities to collect donations at the air display and why the funds are not used to fund the cost of the air display. They forget that one of the main purposes of the display company is to help raise funds for service charities.

Bailiff's Panel

App 5-17. The Bailiff's Panel has also become a very difficult body to work with in recent years. In particular:

- There is no application form for applications to the Panel or specific guidance that they require from event organisers. Over the last few years the information required has risen at an exponential rate often resulting from changes in the composition of the Panel, either chairman or members. We have moved from a three page explanation of the event to over 45 pages of information in the generic event guide we submitted to the Panel for 2011 - to be supplemented by much more detailed information as and when it becomes available to us during the year. Probably another 45 pages.
- In the past the Panel have also been demanding information at an exceptionally early date when we did not have it and could not possibly supply to them for reasons we have outlined above and below and they have also been guilty of moving the goalposts.

For example, we have been asked for the names of our volunteers:

(a) first aiders (very experienced TA Field Hospital personnel who do tours in Afghanistan and NHS nurses/paramedics) - a pool of individuals who cannot

confirm their support until much closer to the air display due to other commitments or on-call requirements;

(b) marshals - the number, type and names of military and civilian personnel coming to the Island from the UK and Cyprus to assist us to do marshalling. Due to ongoing military requirements and operations we don't have this information until very close to the event.

- The emergency services in the past have also wanted to know what aircraft will be taking part and any hazardous materials used in their construction (carbon/glass fibre, pyrotechnics) and/or details of any specialist emergency equipment (unusual ejection seats or canopy release arrangements). Although we advise them early as we can of the aircraft we hope or think are taking part we cannot supply detailed equipment fitted until much closer to the display. Our final emergency services briefing is on the Monday prior to the arrivals on the Tuesday and Wednesday.
- Another frustration we have with the Panel is that much of what we are being vetted on by some of the Panel representatives has already been approved and agreed with their senior management. For example, in the case of the Emergency Services this take place at the detailed Top Table Exercises we conduct with them prior to the event. Here we plan for the type of incidents that can happen at air displays and ascertain what each party will do and to coordinate our activities if similar incidents happened at our display. This is right down to the communication protocols and emergency announcements etc. In 2009?, for example, the Fire Service representative had not been informed by his superiors of the results of the table top exercise which had not criticism of the air display team and planning but which highlighted failures in the interaction of Police/Fire Service Silver Commands and their radio net. We feel that we cannot be held responsible for internal communication failures in their respective organizations.
- We also feel that the Bailiff's Panel is duplicating the work of other agencies. Whilst the Panel is competent to deal with normal events and to ensure that road closures, first aid and toilet provision, catering and health and safety requirements along Victoria Avenue, and at the airport and Peoples' Park static displays they are not qualified to judge the rest of the event which requires special expertise.

Although the Bailiff's Panel issues the final permit [An Entertainment Licence] for the event the display organizers have firstly to obtain permission from the Director of Civil Aviation and the Airport Director and to prove our compliance with the Air Navigation Order and CAA Civil Air Publication 403, and in the case of military aircraft with the NATO STANAGS. In our opinion the Panel should accept the endorsement, consent and oversight of those bodies in these areas rather than try to reinvent the wheel.

- We believe that if you have not already done so you should speak directly with Group Captain Les Garside-Beattie OBE, our Flying Display Director.⁸ Les is a non-local member of the team who attended a Bailiff's Panel meeting in 2010 on his own. Please ask him for his experience and impressions of the Panel and its professionalism at that meeting, It resulted in a formal complaint being made to the Bailiff which we later withdrew to prevent further exacerbating our relationship with the Panel prior to the air display.

Finance

App 5-18. The air display is a very expensive undertaking to put on (as seen in your table after paragraph 19) - for example in 2010 it cost some £287,000 and the grant from EDD was £100,000. This means that the difference has to be raised from private sector sources (sponsors) as it is not possible to charge spectators to view the air display because of the many vantage points from which they can watch the display. Most comparable air displays of this size on the UK mainland obtain substantial sums from ticket sales to the event, something that is denied to us because of the geography of the Island and St Aubins Bay. For example, a similar UK or European air display would be charging approximately £30.00 per head at the gate. (30 x 15,000 spectators = £450,000).

App 5-19. This means that the organisers must spend substantial time and effort in fund raising in order to raise the money needed to stage the event each year. This is not an easy task. We erroneously took the view that this had to be our first priority as without the private sector funding the event would not take place.

App 5-20. This effort is compounded by the need to raise far more money than the yearly cost of the event (something we have not achieved to date although not for want of trying). The air display is running without any reserves to provide a cushion from event cancellation

⁸ C&AG comment: contact was made as suggested in the letter.

due to a variety of factors such as: Royal Death; inclement weather; terrorist activity (which may close UK or European air space as it did in 2001 following the 9/11 attack on the World Trade Centre in New York) or to cover cost overruns over which we have absolutely no control, such as fuel or insurance costs which are themselves determined by world events and commodity markets.

App 5-21. We are also well aware that if we have problems that cause the cancellation of the air display or make losses we will not be bailed out by the Economic Development Department, as demonstrated by their actions following Terry MacDonalds World Record Rocket attempt for charity at the Battle of Flowers a few years ago.

App 5-22. It should also be noted that the only money we receive from members of the public comes from programme sales and minimal entry charges for the airport static display. Although donations may be given by members of the public or income may be received from the sale of merchandise this money does not come to the air display organisation but goes directly to the Service Charities we support such as the Royal Air Forces Association (Jersey) Branch and its Wings Appeal Charity. Although EDD have questioned why this money should go to charity rather than to finance the air display the support of Service Charities is one of the company's main objectives and one of the main reasons why the air display takes place in the first place.

Safety

App 5-23. Whilst your report contains much about our non-compliance with meeting the requirements of EDD's financial directives, as important as they are, it makes no mention whatsoever of the time, effort and expense that the organisers spend on ensuring that the air display is safe. Which is not only considerable but also of necessity one of our highest priorities.

App 5-24. We would also like to point out that it was the organisers of the Jersey International Air Display who were responsible for introducing and upgrading the safety aspects of the display including the introduction of a Flying Display Director and Flying Control Committee in the Island well in advance of any requirements from the Jersey Authorities. In fact we were amongst the very first civilian air displays in Great Britain to adopt such practices and procedures. Our safety arrangements are also independently audited every year by such bodies as the UK Civil Aviation Authority, Military Safety bodies such as Inspectorate of Flight Safety, Defence Aviation

Safety Centre or the Guild of Air Pilots and Navigators. They are also way in advance of the requirements demanded by the Guernsey Authorities for their air display.

Air display management

App 5-25. We have been well aware of our deficiencies over the years and each year have strived to make improvements. Your report implies that the only improvements that have been made have been made in the last 12 months. (Para.34) in fact we have been constantly making improvements over the years and recruiting new people to fill the gaps we have in information or expertise. This is a never ending quest and we believe that we should be given credit for doing so, even if it has taken us a lot longer than we would have hoped to get to the current position where we are ahead of the game in many areas in which we were failing.

. . .

CONCLUSION

App 5-26. In conclusion we accept our deficiencies in supplying information to both EDD and Bailiffs Panel in a timely manner and have resolved to rectify this situation going forwards as has been proved by our actions to date for the 2011 air display where we are in advance of the requirements. We hope that you will accept that there have been some extenuating circumstances and mitigation for the past delays which we feel should be taken into account in your report and you will accept that we have not been uncooperative as you suggest.

Observation and request

App 5-27. Could you please identify the complainants rather than just putting EDD/Bailiff s Panel as we have had some issues with some individual officers and politicians and would not like to think that their complaints are payback time for past events.⁹

⁹ C&AG comment: There are no complainants in the sense of people who have made a complaint. Comments reflected in this report were made in response to enquiries from the C&AG. Those principally involved are listed in Appendix two in accordance with normal practice.