
STATES OF JERSEY



GRANTS TO ARTS, HERITAGE AND CULTURE ORGANISATIONS (R.173/2022): EXECUTIVE RESPONSE (R.173/2022 RES.) – COMMENTS

**Presented to the States on 24th April 2023
by the Public Accounts Committee**

STATES GREFFE

FOREWORD

In accordance with paragraphs 69-71 of the [Code of Practice](#) for engagement between ‘Scrutiny Panels and the Public Accounts Committee’ and ‘the Executive’, the Public Accounts Committee (the ‘Committee’) presents its comments on the Executive Response to the Comptroller and Auditor General’s (C&AG) Report entitled: [Grants to Arts, Heritage and Culture Organisations](#) (R.173/2022 presented to the States on 23rd December 2022).

Comments

1. A substantial part of the Committee’s role is to assess the use of public funds and whether sound financial practices have been applied. This includes understanding whether good governance and best practices have been applied in planning, implementing and administering projects undertaken by the Government of Jersey.
2. The C&AG published her report on 23rd December 2022 and the Committee received and presented the Executive Response to the report on 2nd March 2023. The review evaluated the effectiveness of the plans and processes in place to implement and monitor delivery of the new Arts and Heritage Strategies.
3. The review analysed the adequacy of Government arrangements to award grants to oversee arts, heritage and cultural organisations. The C&AG concluded that without detailed, costed and prioritised implementation plans, it would not be possible to demonstrate that the Arts and Heritage Strategies (Strategies) were deliverable. The C&AG also concluded that Government should agree stretched targets with Arm’s Length Bodies (ALB’s) in receipt of additional funding, that demonstrate delivery of key aspects of the Strategies, and that a clear plan is required to deliver the identified refurbishment needs at the Jersey Opera House and Arts Centre.

Purpose of PAC’s Comments

4. The C&AG made six findings, seven recommendations, one item of planned work that should be prioritised and two areas for consideration in its review of Grants to Arts, Heritage and Culture Organisations. The Committee notes that, of the seven recommendations, five had been ‘accepted’, one ‘partially accepted’ and one ‘rejected’. The Committee also notes that the one item of planned work that should be prioritised was ‘partially accepted’ and, of the two areas for consideration, one had been ‘accepted’ and one ‘rejected’. The Committee has considered the rationale provided by the Government through the Executive Response and has concluded that further action is required on specific areas as outlined below.
5. The Committee wishes to highlight the response to Recommendation one, which made specific reference to the Jersey Opera House. The Committee notes that the purpose of Recommendation one was to review and assess the options for all Jersey arts venues, which may include other visual arts, music and commercial venues. The Committee would encourage Government to ensure,

in addition to the Jersey Opera House, that all Jersey arts venues are included as part of the review and assessment.

C&AG Recommendation 2	Executive Response	Target Date	Responsible Officer
<p>Prepare and publish implementation plans for both the Arts and the Heritage Strategies. These implementation plans should include:</p> <ul style="list-style-type: none"> • prioritised and costed actions • clarity on alignment of workstreams and task and finish group proposals with priority themes • indicative implementation timetables; and • clearly allocated responsibilities. 	<p>(Accept) Officers, with the Minister, are developing costed action plans for delivery of strategic objectives on a year-by-year basis. Using the strategic recommendations within the Arts and Heritage Strategies and working closely with the new strategic partnerships that have been developed as a result of the strategies, officers will develop a business plan and budget for the year ahead in Q2, which is agreed with the Department and the Minister.</p>	Q.4 2023	Group Director, Economy

Further Action Required: The Committee notes that whilst Recommendation 2 has been accepted in the response, the development and publication of detailed implementation plans will not take place until quarter 4 of 2023. The Committee is supportive of the items specified by the C&AG in the Recommendation and believes it is important that these are adopted and used in the Governments detailed implementation plans for the Strategies.

C&AG Recommendation 5	Executive Response	Target Date	Responsible Officer
<p>Introduce a requirement for each ALB to submit a formal grant funding request with business case and needs assessment each year. The formal request should include details of:</p> <ul style="list-style-type: none"> • the funding being requested • the outcomes that will be 	<p>(Partially Accept) The provision of business plans and financial forecasts are a standard requirement for grant funding as part of a standardised governance process. The Department is developing an improved standardised business plan template for all</p>	Annually	Group Director, Economy

<ul style="list-style-type: none"> • achieved with the funding granted; and • how those outcomes contribute to the implementation of the relevant Arts or Heritage Strategy. 	ALBs to complete alongside a review of the grant application processes. Business plans will be more outcome focussed and will align to the CSP and Ministerial Priorities. This will make it easier to read across each of the ALB's contribution to strategic outcomes while at the same time identifying overlaps and gaps between them.		
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Further Action Required: The Committee notes that the purpose of Recommendation 5 was to ensure that ALB's are clear about the amount of grant funding they have requested and the reason for the funding request. The Committee understands that the Recommendation is based on best practice in other jurisdictions and believes that learning from the items specified in the Recommendation could extend to Government sectors beyond Arts, Heritage and Culture. The Committee intends to seek more information about how the standardised business plans will address the specific items set out in the Recommendation.

C&AG Recommendation 6	Executive Response	Target Date	Responsible Officer
Liaise with each ALB and encourage development of longer-term business plans with stretched targets that link to the Arts and Heritage Strategies.	(Reject) Each ALB is required to provide a detailed business plan and financial forecast for the following financial year along with a high-level outline of activities and costs for the following 3 years that will now be linked to Ministerial Delivery Plans.	Annually	Group Director, Economy

Further Action Required: The Committee notes the increase in funding provided to the Arts, Heritage and Culture sector in Government Plan 2020-2023. The Committee is not satisfied with the response and is disappointed that Government has rejected this Recommendation to encourage Arts, Heritage and Culture entities to adopt stretch targets in longer term business plans.

Work planned that should be prioritised – P1	Executive Response	Target Date	Responsible Officer
Complete the current review of the content of the Governance Checklist used as part of the grant application process and ensure that the questions are based on an assessment of risks and the level of assurance required.	(Partially Accept) On an annual basis the Department reviews the Governance Checklist, for grant funding +/- £1 million, in consultation with Commercial Services. This was updated before the end of 2022 and issued to all ALBs to complete as part of the Grant Appraisal process.	Annually	Group Director, Economy

Further Action Required: The Committee does not believe there is sufficient clarity about whether the Government review of the 2022 Governance Checklist ensured an assessment of risks and the level of assurance required. The Committee intends to seek clarification about the 2022 Governance Checklist assessment of risks and assurances.

Areas for Consideration – A1	Executive Response	Target Date	Responsible Officer
Bring forward the grant appraisal in respect of the first tranche payment to the final quarter of the year prior to the grant being due.	(Reject) It is not possible to bring forward the review without draft year-end accounts. To do so, would breach the PFM. Proposed longer-term process above.	Annually	Group Director, Economy

Further Action Required: The Committee is disappointed that this Area for Consideration has been rejected. The Committee does not agree that the proposed change would result in a breach of the Public Finances Manual and wishes to highlight that initial assessments could be made using management accounts and forecasts, to facilitate the release of tranche one grant payments at an earlier date. The Committee also wishes to highlight that grant recipients report significant operational difficulties with the timing of tranche one payments and would encourage Government to reassess the response to this Area for Consideration.

Conclusion

6. In summary, the Committee will seek further evidence to ensure that the accepted recommendations are implemented and that improved practices are embedded. It also expects to see evidence that all (accepted, partly or partially, accepted) recommendations have been added to the Recommendations Tracker so that their progress towards implementation can be tracked closely. The Committee is hopeful that Government will consider its comments and intends to monitor progress.