

Media Release

Report to the stakeholders of the Jersey Heritage Trust in response to the publication of the report of the Public Accounts Committee on 6 July 2010

This morning the report of the Public Accounts Committee following its investigation into the financial affairs and governance of the Jersey Heritage Trust was published.

The Board of Trustees welcomes any independent and objective scrutiny of its operations as part of its determination to pursue a transparent and open relationship with both the States of Jersey and the public.

Many of the points raised in the report of the Public Accounts Committee rehearse observations and recommendations made by the Comptroller & Auditor General, Mr Chris Swinson, in his review carried out in 2009.

The Board of Trustees does not feel, however, that enough weight is given in the PAC report to the actions taken by the Jersey Heritage Trust following Mr Swinson's review. The Board is therefore publishing its own report today to ensure its stakeholders are in possession of the full facts.

Review of Costs and Operations

Following Mr Swinson's review Jersey Heritage has co-operated with the Minister for Education, Sport & Culture and the Minister for Economic Development on two important pieces of research: the first was conducted by BDO Alto to analyse in detail JH's costs and accounting procedures. This review established that a deficit of £550,000 would be incurred operationally by the Trust during 2009.

The second research project was equally critical and was carried out by Locum Consulting on behalf of the Economic Development Department. This team of experts determined that the business of the heritage attractions performs very well relative to UK comparisons and that additional investment in the region of £465,000 a year is needed to keep the sites viable.

Changes to our Operational Model

As a result of these two reports, and considering the recommendations of the report of the Comptroller & Auditor General, the Jersey Heritage Trust committed to taking significant decisions relating to its operations and costs.

JHT had been asked to calculate the maximum operational savings possible, without any resulting permanent closure of key heritage sites. In consultation with the Minister for Education Sport & Culture and BDO Alto, JH agreed to find costs savings of £350,000 per annum to make a significant contribution to the funding shortfall.

As you will be aware from recent public announcements, Jersey Heritage Trust has made cuts of 10% to its operating budget to meet this target and this has resulted in the following changes to the organisation:

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- Access to our sites has been reduced by 25% including the closure in winter of Hamptonne and the Maritime Museum;
- Certain functions are being outsourced including marketing, design, education, technical support and bookings functions;
- New charges will be brought in for children and senior citizens from 2011;
- Our staff terms and conditions are to be revised to give us greater flexibility to respond to changing financial and economic conditions.

These cuts have resulted in a 10% budget saving and, regrettably, a 25% reduction in headcount. Notwithstanding the pain this has caused, the Board of Trustees firmly believes the organisation is now fitter and still able to deliver the quality heritage service Islanders demand.

Changes to Governance Arrangements

The Public Accounts Committee is somewhat critical of the governance arrangements at Jersey Heritage Trust. Again, many of these points had already been raised by the Comptroller & Auditor General and the Board, has acted swiftly and responsibly to address the key issues. We respectfully submit that the following points have not been taken account of, or given sufficient weight, in the report of the Public Accounts Committee that you received today:

- New Trustees have been recruited with appropriate financial management experience who bring significant skills and expertise to the Board;
- An Honorary Financial Advisor has been appointed, in accordance with the Jersey Heritage Code of Practice, to further strengthen the management team and financial controls;
- The Honorary Financial Advisor chairs a new Finance & Audit Committee with specific responsibility for risk management.

The Board continues to work closely with the Minister for Education Sport & Culture and is working towards a new Service Level Agreement that will give greater “look through” powers to both the Minister and his officers. In addition Jersey Heritage is developing, with the assistance of Education Sport & Culture and BDO Alto, new arrangements for performance monitoring.

Jersey Heritage’s Relationship with other heritage providers in Jersey

There is a misconception in some areas that the major providers of heritage services in Jersey do not work well together. This could not be more wrong. Jersey Heritage Trust does not own the assets it safeguards on behalf of Islanders. In many cases they are owned by the States of Jersey on behalf of the public: in other cases, for instance Hamptonne, they belong to one of the other heritage organisations. In these instances Jersey Heritage Trust plays a vital role not only in safeguarding these



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assets, but in relieving the actual owners of the administrative cost of managing them.

As such it is imperative that we have a good working relationship with our heritage partners – National Trust for Jersey, La Societe Jersiaise and Save Jersey's Heritage. I am very pleased to tell you that our relationships are strong and that we are actively researching ways we can make our bonds even more robust.

We are currently working with our heritage partners to complete a valuable piece of work carried out by consultants KVS on behalf of the Minister for Education Sport & Culture. We have all agreed to adopt whatever recommendations come out of their final report as part of our commitment to achieve value for money from heritage services for all Islanders.

The Way Forward

As stated at the outset of this report, the Board is grateful for any opportunity to debate openly and objectively the challenges that face heritage services in Jersey and, in particular, the role that Jersey Heritage Trust has to play in the delivery of those services.

The Board of Trustees does not seek to criticise the work of the Public Accounts Committee but feels it is imperative to lay all the facts on the table so that a reasoned and well-informed debate can take place.

Many of the issues raised in the PAC report have been, or are actively being, addressed. The Board is not in agreement with everything the Comptroller & Auditor General (and subsequently the PAC) has recommended but that is not to preclude constructive dialogue moving forward. In particular some key issues remain unresolved but we will work hard to reach a consensus on these as quickly as possible.

Ultimately, indecision and unanswered questions about the future of heritage in Jersey will be destructive. We fervently believe this Island has a heritage of which it should be immensely proud and we are certainly honoured to have been entrusted with its safeguarding.

The Board thanks you for taking the time to read this report. Should you need clarification on any of the issues discussed here, or in the PAC report, The Chairman, Clive Jones, and the Director of Jersey Heritage Jon Carter are always available to answer your questions.

For further information, please telephone: 633313