

PARTNERSHIP AGREEMENT

Dated 23rd March 2015

Between

Economic Development Department - States of Jersey

and

Visit Jersey Limited

Agreement relating to a partnership between the above two Parties in respect of the promotion of tourism to and within Jersey

Contents

Section 1 - The Parties

Section 2 - The Partnership

1. Introduction and Strategic Context
2. The Purpose
3. Role of the Partner during the term of the Agreement
4. Obligations of the Partner during the term of the Agreement
5. Corporate Governance
6. Retention of Financial Documents
7. Obligations of the Department
8. Duration and termination of the Agreement
9. Grants
10. Non-compliance or Non-performance
11. Notification of Breach
12. Termination for Breach
13. Dispute resolution procedures
14. Amendment or variation and no assignment
15. Notices
16. Warranties and Indemnity
17. Compliance with Legislation
18. Whole Agreement
19. Supersedes Prior Agreement
20. Law and Jurisdiction
21. Data Protection
22. Survival of Terms
23. Confidentiality
24. Liability
25. Intellectual Property Rights
26. Purchase of Assets
27. Statutory Regulatory Requirements
28. Signatures

Section 3 - 2015 Annual Schedules

29. Schedule 1: Key Objectives, Priorities & Description of Services
30. Schedule 2: Key Performance Indicators
31. Schedule 3: Partner's Corporate Governance
32. Schedule 4: Annual Grants
33. Signatures to the 2015 Annual Schedules

Section 1 - The Parties

This **Partnership Agreement** is made on 23rd March 2015

Between

the **STATES OF JERSEY** represented by:

The Minister for Economic Development, acting through the Economic Development Department (and shall include such party's successor(s) and permitted assign(s)) (hereafter referred to as 'the **Department**')

Cyril Le Marquand House
The Parade
St Helier
JE4 8UL

and

Visit Jersey Limited (hereafter referred to as 'the **Partner**')

Liberation Place
St Helier
JE1 1BB

Whereas

The Partnership Agreement (**the Agreement**) describes the contractual terms, the range, activity volume, standards and financial value of the services that have been agreed between the Department (the commissioner) and the Partner. It also details the monitoring arrangements to ensure that the services are delivered as agreed within the Agreement and how any variations are dealt with.

Section 2 of the Agreement establishes the contractual terms between the two Parties, their roles and their respective obligations throughout its term. This section is signed once during the term of the Agreement

Section 3 establishes the amount of Annual or Top-up Grants, any specific conditions attached to the Grant and criteria for measurement of whether the Grants' conditions have been fulfilled. This section is presented as Annual Schedules and forms part of this Agreement. The Annual Schedules are negotiated, agreed and signed on an annual basis.

Section 2 - The Partnership

1. Introduction & Strategic Context

In July 2012 the States approved the Economic Growth & Diversification Strategy (P.55/2012). The strategy recognised that, “Existing sectors such as Tourism...have a key role in contributing toward the future success of the Island.” It went on to make clear that established enterprises will continue to be supported, but the application of resources will be linked to growth.

On 15 January 2013, and in line with this strategy, the States were asked to approve the establishment of a Tourism Shadow Board, as put forward in P.113/2012. In setting out his Proposition, the Minister for Economic Development said, “If approved, the shadow board will represent a major change in the way we look at marketing the Island as a destination for visitors... It will also represent a major change in the level of support and oversight for the sector. ...Tourism is a vital and enduring part of Jersey’s economy that has, contrary to what some may think, significant growth potential.”

The key recommendation of the TSB (Tourism Shadow Board) in their report published in March 2014 was “Jersey would best be served were the future of tourism put in the hands of a fully independent, grant-funded body” which would develop an entirely new approach.

On the 19th September 2014 by formal decision MD-E-2014-0097 the Minister for Economic Development approved the establishment of the Visit Jersey Trust with purpose of “The promotion of tourism to and within Jersey” The Visit Jersey Trust has established the Partner.

2. The Purpose

The purpose of this Agreement is to put in place an agreed framework, which is compliant with the States of Jersey Financial Direction 5.5 (Management of Grants), under which the Department can provide an Annual and/or top up Grant to the Partner and records the obligations of both Parties.

3. Role of the Partner during the term of the Agreement

The Partner has established the following primary objectives:-

1. Development of new strategy for tourism growth by the end of 2015.
2. To restore sustainable growth in Jersey's tourism industry as measured by the GVA of the hospitality sector, growth in visitor numbers and on island spend by visitors.
3. To subsume the activities of Jersey Tourism, a department of the Economic Development Department of the States of Jersey, save only those activities which the Minister (in consultation with the Partner) may from time to time decide would more effectively be placed elsewhere. Such a decision will be confirmed by the Minister as part of the annual business plan approval process.
4. To directly connect the industry with the body that promotes it.
5. To promote the wider benefits of tourism to the Jersey community.

The Partner's primary objectives translate into the following longer term SMART targets:-

1. Achieving total visitors of 721,000 by end of 2017.
2. Achieving total staying leisure visitors of 342,000 by the end of 2017.
3. Achieving total visitor spend of £235 million by 2017.
4. That 51% of all staying leisure visitors will be first time visitors by 2017.
5. Average bed occupancy for 2017 of 53%.
6. Average bed occupancy will be 89% in August by the end of 2017.

4. Obligations of the Partner during the term of the Agreement

Throughout the term of this Agreement the Partner agrees to;

- In accordance with Articles 48 and 49 of the Public Finance (Jersey) Law 2005 allow appropriate rights of access including but not limited to the States Internal Auditors, the Department officers, the Auditor General, or any other nominated body) to audit the financial systems of the Partner and review how the Annual Grant has been applied.
- Provide the Department with a copy of all Board minutes.
- Provide the Department with quarterly management accounts, within 1 month following the calendar quarter end.
- In accordance with Financial Direction 5.5 provide audited, signed financial accounts which must be signed and submitted within 6 months of the organisation's year end.
- Provide the Department with Grant Assurance Statement, by 31st March, setting out how the previous annual Grant was spent and the outcomes achieved in comparison with the original objectives of the Grant.
- Provide the Department with further information or documentation in relation to its activities upon reasonable request within a reasonable time
- Subject to a reasonable level of funding being provided to the Partner by the Department, employ or engage sufficient staff to ensure that the services are provided at all material times and in all material respects in accordance with the Agreement.
- Maintain as a minimum the appropriate level of Public Liability Insurance.

5. Corporate Governance

Throughout the term of this Agreement the Partner will maintain the Corporate Governance and Financial Controls as set out and agreed in Schedule 3.

6. Retention of Financial Documents

The Partner shall ensure that they retain for a minimum of six years any financial documents that provide evidence of transactions recorded in their books of account such as; income transaction documents (e.g. invoices to customers, contracts, orders, receipts) and expenditure transaction documents (e.g. supplier invoices, orders, goods received notes, payment confirmations), as well as any audit reports completed.

Financial documents may also need to be retained in accordance with terms of the Agreement and the Partner must ensure that retention of such documents ensures legal requirements are met.

The documents shall be made available on request, given reasonable notice, for audit purposes to the Comptroller and Auditor General, the Internal Audit function of the States of Jersey or any of their nominated representatives.

7. Obligations of the Department during the term of the Agreement

Throughout the term of this Agreement the Department agrees:

- That the Minister for Economic Development and officers will meet with the Partner representatives on a quarterly basis to review progress against the objectives and performance measures agreed in the Annual Schedules.
- To provide a nominated Compliance Director to manage all financial and compliance aspects of the relationship between the Department and the Partner. The Compliance Director shall not be the same person as the Minister for Economic Development's nominated representative on the Visit Jersey Board.
- In accordance with Financial Direction 5.5 to ensure the signed Accounts will be published by the Treasury in a report to the States.
- To make the Annual and Top-up Grant payments as agreed in the Annual Schedules.
- To comply with the Department's obligations, under Clause 8, to ensure that the Partner is sufficiently resourced on a winding up.

8. Duration and termination of the Agreement

This Agreement will commence on the date of signing and, subject always to earlier termination earlier under clause 12, shall continue for an initial term until 31st December 2017 whereupon it shall continue for 12 month terms unless or until terminated by either party providing the other with at least 6 months written notice of termination to expire on 31 December 2017 or an anniversary of 31 December 2017.

Unless both Parties agree otherwise in writing, it is agreed that upon termination of this Agreement (howsoever caused) the Partner shall be wound up as soon as practical and its assets shall be distributed.

Unless both Parties agree otherwise in writing, both Parties shall endeavour to ensure that on termination of the Agreement (howsoever caused):

(a) all existing contracts of the Partner are performed to the extent that there are sufficient resources; and

(b) the Partner shall not enter into any new contractual obligations.

The Department hereby irrevocably agrees to promptly provide the Partner with sufficient finance and other resources as required to ensure the Partner is wound up, in accordance with this Clause, in a timely, orderly and solvent manner.

9. Grants

The Agreement provides the framework under which the Department shall provide Annual and/or Top-up Grants to the Partner. Such grants will be provided in strict compliance with States Financial Direction 5.5 and 5.1. For all Grants the Partner will be required to complete a Grant Assurance Statement for which the Partner will provide a template. The framework within which grants will be provided is defined below:

Annual Grants

- The purpose of the Annual Grant is to fund the Partners activity in delivering the outcomes and outputs in the Annual Business Plan.
- An Annual Grant request will be submitted by the Partner by the end of Quarter 4 (End of Quarter 1 in 2015). The Minister will determine the level of the annual grant consistent with the States of Jersey annual budget and business planning cycle.
- Subject to the Department's obligations, under Clause 8, to ensure that the Partner is sufficiently resourced on a winding up, any surplus Annual Grant monies remaining at the end of each financial year of this Agreement must be repaid to the Department within 30 days if requested.
- Subject to the Department's obligations, under Clause 8, to ensure that the Partner is sufficiently resourced on a winding up, if the Agreement is terminated all unspent Annual Grant monies must be repaid to the Department within 30 days of termination.
- The Annual Grant will be paid in accordance with Schedule 4 of this Agreement.
- Payment of an Annual Grant is conditional to the Partner fulfilling in all material respects its prior year obligations, performance measures and standards under the Agreement.

For the avoidance of any doubt, save for the Department's obligations under Clause 8 to ensure that the Partner is sufficiently resourced on a winding up, nothing in this Agreement shall be construed as a commitment by the Department to provide all or part of an Annual Grant. The amount of the Annual Grant is agreed on an annual basis when the Annual Schedules are signed.

Top-up Grants

- The purpose of Top-up Grants is to contribute towards the Partner's specific projects and or objectives identified during the term of this Agreement.
- The amount of Top-up Grant will be discussed and agreed between both Parties.
- Top-up Grants agreed will be paid to the Partner with 30 days
- Payment of a Top-up Grant is conditional to the Partner fulfilling in all material respects its prior year obligations, performance measures and standards within the Agreement.
- Subject to the Department's obligations, under Clause 8, to ensure that the Partner is sufficiently resourced on a winding up, any surplus Top-up Grant monies remaining at the end of each financial year of this Agreement must be repaid to the Department within 30 days.
- Subject to the Department's obligations, under Clause 8, to ensure that the Partner is sufficiently resourced on a winding up, if the Agreement is terminated all unspent Top-up Grant(s) monies must be repaid to the Department within 30 days of termination.

For the avoidance of any doubt, save for the Department's obligations, under Clause 8, to ensure that the Partner is sufficiently resourced on a winding up, nothing in this Agreement shall be construed as a commitment by the Department to provide all or part of a Top-up Grant. The amount of the Top-up Grant is agreed on a project by project basis and recorded in the Annual Schedules.

10. Non-compliance or Non-performance

In the case of material non-compliance or non-performance by a Party of any of the clauses in this Agreement and/or Annual Schedules such Party must notify the other Party in accordance with the Notices Clause.

11. Notification of Breach

Each Party must in writing, upon the occurrence of any fact matter or circumstance which it believes to constitute a material breach of this Agreement, notify the other Party as soon as is practical.

12. Termination for Breach

Either Party may terminate this Agreement by providing the other with 3 months' written notice of termination (or such other notice period of termination as shall be agreed by both Parties in writing) in the event that the other is in material breach of any of its terms and has not remedied such material breach within 14 days of notice to remedy such material breach. Such termination shall not affect any rights which the Party so terminating the Agreement may have against the other Party in consequence of the breach nor the Department's obligations, under Clause 8, to ensure that the Partner is sufficiently resourced on a winding up.

13. Dispute resolution procedures

Any grievances between the Parties should in the first instance be aired at a meeting of the principal Parties to the Agreement. Either Party may call a meeting of the Parties by the service of not less than 14 days' written notice, and each Party agrees to procure that at least two of its designated representatives from its board of directors (or equivalent) shall attend all meetings called in accordance with this Clause.

If such senior officers fail to resolve the dispute within 14 days of the meeting then the Parties shall, within a further 30 day period, on the written request of either Party, enter into an Alternative Dispute Resolution procedure with the assistance of a mediator agreed by the Parties.

14. Amendment or variation and no assignment

The terms of this Agreement may only be varied by agreement in writing between the Parties to this Agreement and signed by such Parties.

Neither Party may assign, novate or otherwise transfer any or all of its rights and/or obligations under this Agreement without the prior written consent of the other Party.

15. Notices

Any notice or other communication required to be served under or in connection with this Agreement shall be in writing and shall be delivered in the case of the Department to its office and in the case of the Partner to its aforementioned address (or such other address that the Partner may notify the Department of in writing) and any such notices shall be deemed to have been received by the addressee (if delivered by hand) at the time of delivery or (if sent by pre-paid post) within seventy two hours of posting.

16. Warranties

The Partner warrants with the Department that the obligations under this Agreement and services will be performed with reasonable care and diligence and to such standards of quality as it is reasonable for the Department to expect in the circumstances. If any material part of the services are not performed by the Partner materially in accordance with this Agreement then the Department shall be entitled to require the Partner to promptly improve the relevant services. This should not result in additional charges to the Department, however, if the Partner can reasonably demonstrate to the Department that such improvement(s) will require an increase in funding to be provided by the Department, the Department shall promptly provide such increase in funding to the Partner to enable it to make such improvement(s).

17. Compliance with Legislation

In carrying out this Agreement and the services in particular both Parties shall comply in all respects with all relevant statutes, rules, regulations and orders in force.

18. Whole Agreement

This Agreement including the Schedules hereto and the terms herein contain the whole Agreement between the Parties.

19. Supersedes Prior Agreement

This Agreement supersedes any prior agreement between the Parties whether written or oral and any such prior agreements are cancelled as at the signing of this Agreement but without prejudice to any rights which have already accrued to either of the Parties.

20. Law and Jurisdiction

This Agreement shall be governed by Jersey Law in every particular including formation and interpretation and shall be deemed and construed as having been made in Jersey and the Parties submit to the exclusive jurisdiction of the Courts of Jersey.

21. Data Protection

Any personal data gathered during the term of this Agreement must be managed in accordance with the Data Protection (Jersey) Law, 2005. Such personal data must not be used or disclosed other than for the purposes intended by this Agreement or without the prior consent of both Parties in writing.

22. Survival of Terms

Without prejudice to the Department's obligations, under Clause 8, to ensure that the Partner is sufficiently resourced on a winding up, no terms shall survive expiry or termination of this Agreement unless expressly provided herein and/or as necessary by implication.

23. Confidentiality

Each Party shall keep secret and treat as confidential all information obtained from the other which is either stated to be confidential or could reasonably be regarded as confidential and shall not disclose such information to any person other than its employees, agents or sub-Partners where such disclosure is required for the performance of the Party's obligations under this Agreement. This clause shall not extend to information which was already in the lawful possession of a Party prior to this Agreement or which is already public knowledge or becomes so subsequently (other than as a result of a breach of this clause) or which is trivial or obvious. The obligations of confidentiality under this clause shall survive any termination of this Agreement.

24. Liability

Nothing in this Agreement shall be construed as restricting or excluding the liability of either Party for death or personal injury resulting from its negligence or for fraud or fraudulent misrepresentation. Subject to the Department's obligations, under Clause 8, to ensure that the

Partner is sufficiently resourced on a winding up, in no event shall either Party be liable to the other for any (i) indirect, special or consequential loss or damage (ii) loss of profits, (iii) loss of business opportunities, (iv) loss of revenue, or (v) loss of or damage to goodwill, in each case of any nature and howsoever caused.

The Partner's total aggregate liability under this Agreement in any calendar year shall not exceed the sum of the Annual, and any Top Up, Grant(s) provided by the Department to the Partner in that calendar year.

In no event shall the Partner be in breach of this Agreement or liable for any delay in performing, or any failure to perform, any of its obligations under this Agreement if such delay or failure results from events, circumstances or causes beyond the Partner's reasonable control.

25. Intellectual Property Rights

Unless both Parties agree otherwise in writing, all intellectual property rights arising from the Grant(s) including but not limited to trademarks, copyright, names, logos, domain names, database rights, promotional material, design rights and any other materials shall be owned by the Department upon the termination of this Agreement and the winding up of the Partner.

26. Purchase of Assets

There is a general presumption that upon the winding up of the Partner the proceeds (or an appropriate proportion of the proceeds) of disposal of any assets of the Partner which were wholly or partially funded by the Grant(s) should be repaid to the Department.

27. Statutory & Regulatory Requirements

Both Parties to this Agreement are required to comply with all relevant legislation, regulations, orders, guidelines and codes of practice, current and as amended.

28. Signatures

Signed on behalf of the Partner

John Henwood MBE
Chairman, Visit Jersey Limited

Date

Signed on behalf of the Economic Development Department, States of Jersey

Senator Lyndon Farnham
Minister for Economic Development

Date

Section 3 - 2015 Annual Schedules

Section 3 establishes the amount of Annual or Top-up Grant, any specific conditions attached to the Grant and criteria for measurement of whether the Grants conditions have been fulfilled. This Section is presented as Annual Schedules and forms part of this Agreement. These Schedules are negotiated and agreed on an annual basis.

29. Schedule 1: Key Objectives, Priorities & Description of Services

- Develop a new strategy to deliver growth in visitor numbers through excellent marketing of Jersey as a tourist destination.
- Embrace and leverage the benefits of the digital economy.
- Work with the tourism industry to develop compelling reasons to visit and return to Jersey as holiday destination.
- Promote the benefits of tourism (both economic and social) to residents, businesses and the government of Jersey.
- Work productively and proactively with Government departments, Jersey Hospitality Association, Chamber of Commerce and other bodies responsible for the promotion of Jersey and the Ports of Jersey and Jersey Finance.

30. Schedule 2: Key Performance Indicators

- Staying leisure visitor growth.
- Market share of United Kingdom residents taking holidays off the mainland.
- Visitor spend (measured annually) and linked to appropriate economic benchmarks such as exchange rate changes.
- Satisfaction of the Partner's overall performance by industry participants measured by an annual survey conducted each year.
- Increase in proportion of first time visitors to the Island.
- Developing new markets.

31. Schedule 3: Partner's Corporate Governance

Corporate Governance - Please complete the following as fully as possible and where a control is not in place please add a comment.

Internal Controls	Y/N	Comments
Do you have documented policies and procedures with regard to financial controls	Y	
Do you have regular financial and objective performance reporting - if so - who to	Y	Reporting will be made to the board
Do you review your internal controls every 6 months to ensure that they are appropriate	N	Will be reviewed annually or on any material change
Managing Risk		
Do you maintain a list of the risks that could prevent your objectives being met	Y	As part of annual business plan and interim strategy
Do you mitigate the risks in order to prevent or minimise likelihood or outcome - if so - how	Y	
Do you currently borrow money	N	
Do you have a whistle blowing policy in place, is it understood by all staff and board members	Y	
An Effective Board		
Does each board member understand their duties and have a statement defining them	Y	Will be set out in their appointment letter
Does each board member give adequate time to their duties	Y	
Does your board include someone with recent and relevant financial management experience	N	A suitably qualified NED will be recruited and a qualified accountant will be employed on a part time basis.
Does the finance person sign an annual statement of internal control (that outlines the control processes and their management processes)	N	This will take
Does every board member declare personal conflicts or interest	Y	
Does the Board meet at least quarterly	Y	

Does the Board receive well prepared, concise, timely papers that include recommendations for decision making purposes	Y	
Does the board have the appropriate mix of skills to deliver its objectives	Y	Recruitment of audit comm. chair
Does the Board have formal process for evaluating the performance of its executive	Y	An annual appraisal process will take place
Does the Board formally review its own performance at least annually	Y	This will take place as part of business planning
Does the Board review its terms of reference annually		
Does the Board have guidelines regarding receiving gifts or hospitality		
Does the Board have a formal process for setting remunerations and expense allowances	Y	Salaries over £40,000 will be approved by the remuneration committee
Business Plan		
Does the Organisation formally approve an annual business plan	Y	
Does it contain a statement of aims	Y	
Does it contain terms of reference	Y	
Does it contain measurable outputs / success criteria	Y	
Are the outputs costed and timetabled	Y	
Is progress assessed against the business plan at least quarterly	Y	This will take place

To be completed by a Director to state that this document is a true reflection of the governance processes that are in place in the organisation.

Name:

Organisation:

Signed:

Date:

Financial Controls - Please complete the following as fully as possible and where a control is not in place please add a comment

Expenditure	Y/N	Comments
Do you have a list of persons who are approved to make payments and the amounts they are allowed to spend		
Do you raise formal orders for all purchases over £100, which are signed by two persons		
Do you have authorised signatories within your organisation	Y	
Do you have at least two signatures to approve every payment	Y	
Do you keep invoices for all purchases for at least 3 years	Y	
Do you have qualified finance people within your organisation		
Do you have a detailed budget for the current year	N	A budget will be prepared for first year of operation ie 2015
Is your annual budget allocated to monthly spend	Y	
Do you report on actual v budget at least quarterly - if so to who	Y	
Are cheques signed in advance as blank cheques	N	
Are cheque books stubs retained for 3 years	Y	
Do you have a maximum limit for cash purchases, if so what is it	Y	An imprest system will be operated with a float of £200
Do you have a fixed asset register	Y	
Do you perform a quarterly stock take	N	
Cash Transactions are high risk and should be discouraged. Do you seek to reduce cash transactions	Y	
If you receive income by post do two people open the mail		
Is the receipt date and name of payee for all incoming funds recorded and verified by two persons		
Income	Y/N	Comments

Do you bank cash with 3 days of receipt		
Do you rotate income receipting staff every quarter		
If you sell tickets - are they pre numbered and reconciliations made of income to tickets		
Is a record kept of who holds and distributes which tickets		
Is cash kept in a secure environment		
Is income banked gross - i.e. without petty cash deductions		
Does the finance board member undertake random spot checks on cash records against bank paying in slips; Paying in slips against bank statements (for date and amount) Bank payments to invoices		
Do you have a policy detailing your cash and banking procedures - have all staff and board members seen it		
Staff		
Do you pay salaries	Y	
Are your salary payments made with cash	N	
Do you have an expenses policy		
Accounting		
Do you prepare accounts every year		
Are the accounts prepared by a qualified accountant		
Are the accounts audited by qualified persons (not necessarily an audit firm)		

To be completed by a Director to state that this document is a true reflection of the financial processes in place in the organisation.

Name:

Organisation:

Signed:

Date:

32. Schedule 4: Annual Grant

The amount of Annual Grant for 2015 is to be agreed.

The Department will make the payments as per the following schedule:

33. Signatures to 2015 Annual Schedules

Signed on behalf of the Partner

John Henwood MBE
Chairman, Visit Jersey Limited

Date

Signed on behalf of the Economic Development Department, States of Jersey

Senator Lyndon Farnham
Minister for Economic Development

Date