

Memorandum for Cabinet by the Hon. Minister of Education,
Culture and Tourism on the subject of the revision of the
financial assistance granted to Resort Hotel Company Ltd.,
in respect of "St. Julien Hotel" at Paceville.

On the recommendations of the Tourist Board, Resort Hotels Company Limited were granted fiscal assistance and provided financial aid by the Government in respect of their 80-bed hotel project at St. Julians.

The approved financial assistance amounting to £6,820, was calculated on the basis of 20% of the cost of providing an extension to the premises originally existing on the site of the project. The calculation left out those essential works (excluding structural alterations) in the old structure which were considered necessary for the proper operation of the hotel and which are indispensable in relation to the whole project.

According to the current policy (accepted by the Government) for the grant of financial assistance in respect of hotel projects on converted premises, the grant should have been based on £350 per bed to be provided in the hotel, or 20% of the cost of constructing the additional structure, on the cost of works (excluding structural alterations) in the existing block and including the cost of providing, in the whole block, fixed essential plant and equipment, whichever amount will be the least.

In submitting their broken-down schedule of costs, the developers did not give a clear indication of what were those items of expenditure falling under the above description and which therefore could qualify for a grant, with the result that inadvertently the expenditure to be incurred in respect of certain works in the old building and certain other expenditure on the structure was left out.

The computation was worked out on the basis of an expenditure of £34,100, when in fact, from a closer scrutiny of the Company's schedule of costs, and following clarification by the Company, the cost which can be accepted as a basis for the computation of grant works out at £65,700, (Schedule attached).

The grant applicable in this case works out on 20% of the expenditure (£65,700), that is £13,140.

Ministers may wish to consider the merits of the case and in the light of what is stated above, to recommend that the approved grant of £6,820 be increased to £13,140.

18th January, 1968.

HOTEL SAN JULIEN

Schedule of Costs

1 Item	2 Total Cost	3 New Additions In New Floors	4 Expenditure Claimed For Grant Purposes.
	£	£	£
1. Masonry	9,500	5,500	-
2. Steel doors & Windows	1,850	850	1,000
3. Plastering & Decoration	3,900	1,400	2,500
4. Joinery	3,000	1,300	1,700
5. Special Finish	4,000	-	4,000
6. Plumbing, etc.	4,200	2,600	1,600
7. Boiler	1,300	1,300	-
8. Bathroom fixtures & Glazed tiles	7,850	3,350	4,500
9. Electricity	2,800	1,200	1,600
10. Telephones	700	300	400
11. Floor Tiling	3,600	1,600	2,000
12. Lifts	4,000	4,000	-
13. Air Conditioning	8,400	8,400	-
14. Wrought Iron, etc.	1,400	600	800
15. Refrigeration	1,800	1,800	-
16. Marble	3,200	1,200	2,000
17. Kitchen Equipment	3,500	3,500	-
18. Bar etc.	1,000	1,000	-
19. Furniture	24,500	NIL	NIL
20. Crockery, Cutlery	1,400	NIL	NIL
21. Safe	200	200	-
22. Cash Machines	1,600	NIL	NIL
23. Professional fees	3,500	3,400	-
	<u>£97,200</u>	<u>£43,600</u>	<u>£22,100</u>

Total of Columns (3) and (4) £55,700

Note: Note: NIL Claimed for grant Purposes.