

Dolan Hotels

Deputy M Higgins
Economic Affairs Scrutiny Panel
The Scrutiny Office
Morier House
Halkett Place
St Helier
Jersey JE1 1DD

28 May 2009

Dear Deputy Higgins.

Tourism Public Private Partnership

I write in response to the invitation to submit views to the Economic Affairs Scrutiny Panel as a part of the review of the PPP proposals.

I have read Version 5 of the discussion paper on the formation of the PPP and I have serious reservations about a major assumption within that document, the funding model, ongoing costs and the subsequent marketing programme value.

The final paragraph of page 3 states that “it (PPP) will and can only work to the greatest effect if ALL (*document’s emphasis*) marketing and promotional activity is either under direct control or can, to a certain extent, be influenced by the PPP”.

I would suggest that it is unrealistic to expect every business in the private sector to place their marketing under the PPP.

The funding model on page 17 assumes that income from the industry will increase from £740,000 in year 1 to £1,300,000 in year 5.

I would query whether this vitally important assumption has been tested at all in the private sector and would strongly encourage the Panel to undertake some research to establish the likelihood of a 75% increase in private funding over a five year period.

I am aware that there is a contingency outlined on page 5 for a Tourism Board should the additional private sector funding not be forthcoming but surely ED must start the process of a change to a PPP on the basis of more than just hope.

Notwithstanding my views detailed above, I may be totally mistaken and the private sector funding may be forthcoming but it is at this point where the proposals are fatally flawed and must be reviewed before any further advances to the PPP are made.

The Budget on page 17 shows private industry funding increasing from £740,000 in year 1 to £1,300,000 in year 5, an increase of £560,000.

Staffing and additional administrative costs increase over the same period from £1,200,000 to £1,730,000, an increase of £530,000.

The total marketing programme value therefore increases by only £30,000 per annum

How can this possibly be accepted as a serious proposition when almost all (95%) of the private sector's additional funding is taken up by administrative expenses?

I have read through the document in the hope of discovering some detail that would explain the advantages of operating under a PPP compared with the existing arrangements

Apart from the general objective of "operating a private sector culture and deliver quicker and more effective decision making" on page 10 and to "adopt a commercial approach to marketing" on Page 14 I can find no rationale behind the proposals.

I would encourage the Panel to ask for specific examples of how the PPP would better serve Jersey's economic wellbeing compared with Jersey Tourism.

Thank you for the opportunity of expressing my views on the proposals.

Yours sincerely,

Bill Dolan
Chairman