

States of Jersey Consultation on Proposed Tourism PPP Submission on behalf of Condor Ferries Ltd

Scrutiny Remit:

The Panel is aiming to identify whether the rationale behind the PPP is appropriate, whether the timing is right and to establish if alternatives to it have been given proper consideration. Scrutiny will also be assessing the potential impact of the PPP on industry stakeholders, both public and private.

Tourism PPP Scrutiny Questions

- 1) To review the rationale behind the proposals for a Tourism PPP
- 2) To identify alternative options to the Tourism PPP that have been considered
- 3) To consider the implications that the introduction of the Tourism PPP would have on industry stakeholders, public and private
- 4) To examine any further issues relating to the topic that may arise in the course of Scrutiny Review and which the Panel considers relevant

Condor Ferries – response

Condor Ferries already spends almost £1m per annum promoting travel to the Channel Islands in the mainland UK and Europe, much of it featuring Jersey and is working closely with the team at Jersey Tourism to develop a coordinated approach to marketing, co-funding campaigns and supporting events such as the Tour de Bretagne. As a Channel Island company, we are committed to supporting island life.

Having reviewed the consultation document, and the questions posed by the Scrutiny panel, we would respectfully ask the panel to consider the following points.

- The States of Jersey Economic Development plan and the Consultation document both anticipate savings accruing of up to £1m over the next three years. Condor Ferries is aware that the PPP model has been applied to tourism activities in a number of locations such as Manchester: to succeed in delivering new impetus to the tourism sector, we believe that the critical success factors for the initiative focus on increasing visitor numbers and income, economic growth and diversifying the island economy. Indeed, whilst we share the desire to grow the partnerships and participation from the private sector there must continue to be significant investment on behalf of the States as key partner and an expectation of a gradual shift in the balance of funding to ensure smooth transition.
- For a PPP to work effectively in stimulating the tourism economy in Jersey it is of the utmost importance that the Chief Executive is able to offer dynamic, commercial leadership, setting out a clear vision and developing effective strategic plans. This individual must also be adept at balancing the need to develop and manage private sector funding streams whilst delivering not just the visitors needed today but also

creating an appealing product which will compete effectively in an increasingly sophisticated tourism marketplace. Whilst it's clearly very important to ensure that island businesses like accommodation providers and attractions are supported in the current season, it is equally if not more important that any PPP consider the longer term future and address the "big" strategic questions to create a sustainable tourism model which will increase resilience of the island economy.

- Condor Ferries believes that Jersey should continue to work hard to provide a product which offers good value for money, delivers visitors throughout the year and is clearly differentiated from competing destinations. The concept of "staycation", and the increasingly sophisticated marketing of competing coastal and activity destinations mean that the marketing of Jersey must focus on genuine and sustainable differentiators which position the islands to cut through against destinations like the South Coast, South West and Wales. In this fast paced and complex environment, a future PPP must make sure that Jersey's marketing communications and product offering are based on delivering against a true insight into customer needs and market segmentation as well creating a coherent offering which anticipates and drives market changes as much as responds to it.
- The needs of business visitors are very well served in Jersey but that when compared to other destinations in the UK and France the needs of some segments of the leisure market notably the self-catering visitor are not entirely met by the current Jersey product. With the drive toward promoting activity tourism on the island and at competing destinations where tourists may return to their accommodation wet, muddy or late from a session kayaking or cycling they may prefer the greater flexibility and informality offered by self catering. The PPP should be active in understanding the market requirements and working with local providers to meet customer needs.
- Within Jersey there are a range of organisations with a remit to position Jersey as a tourism destination in addition to the proposed PPP – such as the Task Force, Marketing Panel as well as the team at Jersey Tourism. There must be a clear, decisive and effective governance model and RACI to support timely and effective strategic decision making both within the PPP supporting and advisory bodies as well as the States to develop and implement clear plans which hit the market window.
- The current PPP proposes transferring current States' employees in the Jersey Tourism team to the PPP using a form of TUPE. When Marketing Manchester was established, rather than transfer staff immediately from Local Authority employment to the PPP a smooth transition path was created by seconding them initially and then over time migrating to the new organisation. This is believed to have helped reduce uncertainty amongst key professionals and also maintaining momentum in delivering support for tourism. The panel may wish to consider this model and furthermore to take feedback from existing PPPs which touch the tourism business before finalising their plans. Finally, there is a risk that prolonged debate about a putative PPP introduces unnecessary uncertainty which might impact the effectiveness of the current plan for 2010 in delivering against the objectives set. This might be reduced by setting out a clear timescale and plan which identifies the milestones for decision making and possible transition which are realistic and fleet footed.
- Many businesses currently active in the tourism economy in Jersey, like Condor Ferries, currently collaborate with Jersey Tourism through their co-funded marketing workstream to deliver visitors to the island and thereby create clarity in the marketing messages disseminated on behalf of "brand Jersey". These businesses will all have individual commercial objectives to meet and must employ their marketing budget in the ways they deem best to accomplish these goals. If PPP is to succeed in attracting a

portion of this marketing budget is to be diverted into the wider PPP budget it must be possible to identify how the PPP will help achieve the businesses goal as well as the wider goals as it is highly unlikely that these businesses will be able simply to “make up the shortfall” resulting from reduced EDD spend. Members of the PPP must be able to demonstrate real expertise in the field and an ability to take a strategic and independent view of the strengths and weaknesses across the sector, sidestepping partisan interests

- The Locum report appears to propose option 2.4 as the preferred way ahead – that of a “Wider Focussed PPP” which promotes the image of Jersey to tourists and locals alike. Whilst there is much to recommend this approach as noted in the report, the disadvantages identified are real and merit more detailed scrutiny. Firstly, conflict or overlap with Jersey Finance which is identified as a risk is likely to be highly disadvantageous to the reinvigoration of the tourism sector (which in turn is vital to increase the diversity of the Jersey economy). Secondly, as the report notes in the Executive Summary *“The evolving competitive landscape means that we cannot stand still and assume that, of and by itself Jersey will remain an attractive visitor destination – it will not”*. It goes on to say *“we must question whether we have the most effective organisation, funding and delivery mechanism to exploit the opportunities of real public/private sector collaboration”*. This eloquently sets out the drivers for change and the imperative to focus on tourism relentlessly and ruthlessly should a PPP go ahead.
- In 4.4, the discussion paper identifies the membership proposition which includes many items that are currently provided by the existing Jersey Tourism team to businesses operating in the island’s tourism economy - such as newsletters or the opportunity to advertise in “publications and on the website” freely or for modest charge. It does not make clear whether there would be further charges once a member has subscribed and furthermore it offers services such as “professional support” for campaigns and a nominated account manager which whilst they may have significant value for some would not necessarily be valued by others. Furthermore, the proposal suggests subscription costs would be related to size of the organisation – i.e. some form of a levy based on the number of heads. This method which implies a level of compulsion is likely to be difficult to implement as it might imply a complex assessment process, create perceived injustices amongst some members and deflect from the core objectives as activity as differences in interpretation are reconciled. How for instance will a business with significant numbers of off-island staff some of whom (but by no mean all) work on the Jersey market be treated? A more suitable approach would be to use that employed in Manchester, where memberships were offered in a limited number of tiers with suggested funding levels and a menu of membership benefits at each subscription level and/or some option to go “a la carte”.