



Reply to the Economic Affairs Scrutiny Panel invitation

**From Simon Le Cornu-Brown (Channel Islands Chairman)
& Jersey members of the British Institute of Innkeeping**

Subject: Tourism Public Private Partnership Review

Date: 12th March 2010

Our Concerns about the Proposal

- Only 1 industry representative on 8 person Board. How is this representative of the industry? There should be more independent representatives of local businesses on the Board.
- No details regarding real consultation with industry. Locum report mentions 5 Executive Groups; Visitor Services, Holiday Jersey, Prestige Jersey, Conference Jersey, Events and Festivals. No reference to any group that would represent pubs and clubs and the St. Helier night-time economy.

It might be clearer to name the groups; 'Food', 'Drink', 'Accommodation', 'Entertainment' & 'Retail'.

- Jersey Hospitality is not truly representative of the industry and service providers. By promoting a merger of the Tourism Department and the JHA, one is assuming that the JHA is an efficient and independent representative body for the Tourism industry. We have concerns that this merger will not be as 'transparent' as it should be and that the individual post applicants would not be as 'independent nor representative' as they should be.
- Questionable link with JHA to Training, Recruitment etc. A principal of the agreement with the JHA states that the JHA will retain primary responsibility for Quality and Skills. How could this be achieved, as they are not responsible for these at present? Skills Jersey has that responsibility.
- How would 'members' receive value for money, given that they already pay a contribution to Jersey Tourism marketing and promotion through the tax system? In effect they would end up paying twice for the alleged benefits.
- How will non-members be required to contribute to funding? If a levy, how will that be organised, and by whom? The local tourism industry is made up of many small businesses, which results in an already fragmented structure. The role of government is to provide a centralized source of support, advice and professional guidance for these operators. The proposal may have detrimental effects on the small business operator and instead of bringing the industry together, may divide the industry even more.
- "Membership will be 'affordable', knowing that many businesses in the visitor economy are small and have been struggling as traditional tourism has declined on the Island." JHA to

decide on rates. Is the JHA best placed to decide on the rates of 'membership'? Many businesses are finding it a struggle to make any profits at the moment, the net effect of requiring 'members' to pay toward this PPP proposal is that prices will inevitably increase. This does not portray a good image to our visitors and can have a negative effect on the marketing and promotion outcomes.

- Centralised functions, available from EDD, will no longer be freely available. Projected cost of £332,000 p.a.
- The JHA currently receives a grant for the delivery of a range of services for the industry . This is annually negotiated with EDD. Following the establishment of the PPP, it would assume EDD's role in the partnership agreement. How can the PPP negotiate with itself? It is unclear how this would work. More details need to be provided.
- PPP Budget: We are concerned that there will be significant increases in costs; a reduction in real terms from EDD funding, therefore the balance would need to come from industry 'membership' fees.

We are further concerned that EDD funding is subject to Minister's policy and subsequent arbitrary control.

- Similarly, any plans prepared by the PPP would have to be approved by the Minister for EDD, as he holds the public purse strings. Is this real independence?
- The Locum Report (Version 4 September 2007) describes four options and other examples of partnerships throughout the UK which work very well. Their recommendation for Jersey is to work out what it wants to achieve and what form of structure is best likely to deliver that. It seems that this proposal has copied existing models instead of creating a model that would be more appropriate to Jersey.
- There are no details concerning the real benefits of becoming a 'member' of this PPP scheme.
- There are no details regarding the costs of becoming a 'member' of this PPP scheme.
- Without these details, it is impossible for interested parties to measure the advantages against the disadvantages of this proposal.

Recommendations from the local membership of the British Institute of Innkeeping:

1. The Board should have half its members from the States of Jersey (politician & civil service) and the other half from the local tourism industry (business operators).
2. Rather than a Public Private Partnership, we suggest a Public Private Collaboration, which requires more consultation with industry and less financial demands on industry.

3. For a merge of the Tourism department and the industry to be accepted as effective and transparent, all industry applicants for posts within the new structure should apply on their own behalf and not merely as a representative because of their connections with the JHA.
4. The JHA should continue with its current role of acting as a representative body for the industry and shouldn't be merged with the Tourism Department. The JHA could then keep its Training, Recruitment and Quality Assurance activities without there being problems incorporating them into the PPP. They could continue to receive grant aid to run their training programme as an independent industry service provider.
5. Details on 'membership' benefits & costs need to be published before decisions can be made.
6. The proposal should concentrate more on collaboration and consultation rather than a funding partnership model.
7. Whichever way the new entity develops, there should be limited control by the Minister for EDD to the extent of the funding. As the States' financial contribution reduces in real value, so should the impact and decision making by the States.

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