

STATES OF JERSEY

Economic Affairs Scrutiny Panel Tourism Private Public Partnership

MONDAY, 22nd JUNE 2009

Panel:

Deputy M.R. Higgins of St. Helier
Deputy C.F. Labey of Grouville
Deputy S. Pitman of St. Helier
Deputy D.J.A. Wimberley of St. Mary
Deputy J.M. Maçon of St. Saviour
Mr. T. Oldham (Scrutiny Officer)

Witnesses:

Mr. H. Reid (General Manager, Jersey Conference Bureau)
Ms. A. Dowling (Managing Director, Grand Hotel)
Mr. J. Vibert, (Sales and Marketing Director, Hotel de France)

Deputy M.R. Higgins of St. Helier (Chairman):

Could I just thank you for coming. I apologise for being 15 minutes late starting, but we had a very good session with the various people from Tourism, and we want to explore everything with them, and so we overran for that purpose. So, I say, apologies for that. If I can introduce myself and the rest of the Committee, then ask you too for the benefit of the tape ... because we are going to be recording what we are doing. If there was anything that you wanted to talk about in private that you did not want on public record, then we can go to a private session if there are real concerns you have got about it that would be on a personal basis or whatever, please say and we can go into a private session. Okay. I am Deputy Mike Higgins; I am chairman of the panel. My vice-chairman ...

Deputy C.F. Labey of Grouville:

Carolyn Labey. I am Deputy of Grouville.

Deputy J.A. Wimberley of St. Mary:

Daniel Wimberley of St. Mary.

Deputy S. Pitman of St. Helier:

Deputy Pitman of St. Helier.

Deputy J.M. Maçon of St. Saviour:

Deputy Jeremy Maçon of St. Saviour.

Deputy M.R. Higgins:

Also, Tim Oldham who is our Scrutiny Officer. Right, if I can ask you to introduce yourselves for the benefit of the tape.

Ms. A. Dowling (Managing Director, Grand Hotel):

I am Anna Dowling. I am the Managing Director of the Grand Hotel.

Mr. H. Reid (General Manager, Jersey Conference Bureau):

I am Hamish Reid. I am General Manager of the Jersey Conference Bureau.

Mr. J. Vibert (Sales and Marketing Director, Hotel de France):

I am John Vibert, Sales and Marketing Director of the Hotel de France.

Deputy M.R. Higgins:

Right. Once again, thank you for coming, and if I can ask you first of all if you can just tell us a little bit about the Jersey Conference Bureau, what you do, what you think is the importance of it and so on. Just give us a feel for what it is you do, and then we will start talking about the P.P.P. (Private Public Partnership) in that regard.

Mr. H. Reid:

The Conference Bureau was set up as a Private Public Partnership in 1996, I believe it was. It was the

first Public Private Partnership on the Island. The purpose of it is to promote the Island as a conferencing centre for meetings' destination. We receive an annual grant from Tourism via the Economic Development Department. We also have a partnership scheme with private members in the industry. Our funding is roughly split 66 per cent/34 per cent: 66 per cent being the public sector input and then 34 per cent from the private sector. We have an Island mandate. Our role is to promote the Island as a whole, and then obviously we have a membership partnership scheme, and those are the hotels' activity providers. There is a board set up - a management committee board of which both John and Anna are members, which is a maximum of 5 elected members from within the industry membership; and we also have a chairman which is elected and approved by the Economic Development Department; and then we also have a representative from Jersey Tourism. We also have a representative from the Jersey Hospitality Association. As I said, we are now into our 13th year as a P.P.P.

The Deputy of St. Mary:

Could I just check the facts? You said you had a chairman elected by E.D.D. (Economic Development Department)?

Mr. H. Reid:

The chairman is approved by E.D.D.

The Deputy of St. Mary:

So, how does that happen?

Mr. H. Reid:

Obviously, as E.D.D. are giving a substantial grant each year, they have to make sure that the role and the forward progress of the Conference Bureau is within the whole sort of benefit of the Island. So, they just have a nod, as such, on the approval of who that chairman is.

Female Speaker:

Like Heritage, and the Arts Trust.

The Deputy of St. Mary:

A veto?

Mr. H. Reid:

In a sense, yes. But ...

The Deputy of St. Mary:

Where does the chairman arise? Is he elected from those 5, or is he ...?

Mr. H. Reid:

He is elected from within the industry membership. We have normally had a States member. Over the history, it has been Senator Dick Shenton, Deputy Bob Hill, Deputy Lyndon Farnham, and at the moment it is Senator Alan Maclean.

Deputy M.R. Higgins:

Okay. You mentioned that the J.C.B. (Jersey Conference Bureau) is grant-funded, and you have given us percentages for the split, but what sort of sums we are talking about?

Mr. H. Reid:

The income received from the public purse is around £235,000 - £235,203 to be exact - and about £115,000 from the private sector.

Deputy M.R. Higgins:

In terms of your remit, what exactly does J.C.B. do, you were talking about conferences but ...

Mr. H. Reid:

We promote the Island to conference and centre organisers both in the U.K. (United Kingdom) and in Europe. So, we act very much, I would suggest, as a co-ordinator for a lot of the activity from the hotels. So, if we do trade shows in the U.K. or trade shows in Europe, we do it under a Jersey banner and therefore the synergies and the brand as such have a stronger position, rather than if it was just a hotel trying to do that on their own. We produce things like conference guides, centre guides; we do a lot of direct mail activities. We are very much there promoting and selling the destination as a whole, creating opportunities for partner hotels to join in; some of them will be free, some of them there will be an additional charge, but very much there to act as a co-ordinator, I suppose.

Deputy M.R. Higgins:

In terms of the amount of business you bring into the Island, can you quantify that?

Mr. H. Reid:

The last few years it has been round about 35,000, 36,000 room nights. This year we are hoping for a small increase on that, which equates to somewhere in the region of about £7 million to £8 million pounds depending on how you value it. Obviously a lot of our market tends to be at the top end of the 4-star market, and even into the 5-star market, so the spend per head is, in some cases, very high and especially in the centred market it will be as much as £400 a day. So, it tends to be quite a high-spend market.

Deputy S. Pitman:

Why was the Bureau originally set up and what existed before?

Mr. H. Reid:

There was a Conference Bureau within Jersey Tourism. The industry as a whole felt that the conference and meetings incentive issue is quite a niche market. It needs quite specialist marketing. It is a very different message than the general tourism market. So, they felt that if they could have more input into

how it should be marketed, it would work better. Jersey Tourism were very happy to give the money towards it. They gave the funding they were existing giving to the Conference Bureau within Jersey Tourism to the new body. Gerald Fletcher was very involved at the time there. A lot of changing of laws to allow it to happen, and we have various things like service level agreements for that funding. It also meant that the private sector was able to put money towards that body. Therefore we have to be a purpose trust that limits everybody's liabilities as such. But it was there because it was a niche market within an overall tourism spend, and the industry felt that it could be better marketed if they were able to at least co-ordinate that activity.

Deputy M.R. Higgins:

Now, in terms of your membership, is it by and large - having 2 representatives of the better quality hotels and the largest hotels - made up of the larger hotels?

Mr. H. Reid:

It is. Yes. We have about 50 partners. A number of hotels, restaurants, activity providers, destination management companies, travel companies as such. It is a broad spectrum. Our membership fees are by no means cheap, should I say, and I hope we give good value to our members. But they are not cheap, and partly the reason for that is to make sure that the membership as such of a destination promotion is the right membership. It is very easy to become very diluted if you have every single hotel paying a couple of hundred pounds. You are going to end up with a great big book that to any potential conference organiser becomes too difficult to go through. So, we never say no to membership, but the way it is priced and the way it is categorised, it does mean we will always tend to end up with those hotels that either host a lot of conferences and meetings or get a lot of the overflow accommodation.

Deputy M.R. Higgins:

So, how many hotels have got conference facilities?

Mr. H. Reid:

Realistically, on the Island, 10, 10 to 11 you could say. They obviously range from meeting rooms that sort of hold 30 up to meeting rooms that hold 800. But realistically, there are 11 hotels which should, you could say, be actively involved in the promotion of themselves to the U.K. and European market.

Deputy M.R. Higgins:

How many have got the facilities to accommodate large numbers of delegates?

Mr. H. Reid:

How many facilities ...?

Deputy M.R. Higgins:

How many hotels have got the facility to incorporate within the hotel, say, large delegations, and host the actual conference within the hotel?

Mr. H. Reid:

I suppose it is what is the definition of large? I mean, if it is over 100 then you are talking the Hotel de France, the Grand, the Raddison, the L'Horizon, the Royal Yacht.

Ms. A. Dowling:

I think other hotels benefit too. So, if the Hotel de France has a large event, then we will benefit from that.

Deputy M.R. Higgins:

The spill-over for accommodation?

Ms. A. Dowling:

The spill-over. Yes.

Mr. J. Vibert:

An easy example of that is the Obstetrics Association came over 4 weeks ago. There were 850 of them; 320 stayed with us, and the other 530 stayed elsewhere. So, it was beneficial to the whole industry.

The Deputy of St. Mary:

Where does a group that big meet?

Mr. J. Vibert:

They met at the Hotel de France. Our main room can take 800, and we relayed the meeting to another of the meeting rooms which took the overflow. The minute we get above those sorts of numbers we would have to use Fort Regent.

Deputy S. Pitman:

Just talking about Fort Regent, do you have any representative from Fort Regent?

Mr. H. Reid:

Yes. Fort Regent is a principal partner of the Conference Bureau.

Deputy S. Pitman:

How often is that used as a conference centre?

Mr. H. Reid:

It should be used more often, but the site itself is a multi-purpose site. There are other Scrutiny Panels looking at the future of Fort Regent at the moment. It is used for those very large events, the Watchtower Convention which now is an annual event there and is 2,000 delegates; that was a weekend or so ago. But if it was a purpose-built site, there are arguments that suggest it could be used more often.

Deputy M.R. Higgins:

The practice generally, before we start moving on to P.P.P.: conference facilities within the Island. It is obviously being debated that there should be a dedicated conference facility at Fort Regent or elsewhere to try and increase this part of the market. What are your views on that?

Ms. A. Dowling:

I think the Island would really benefit from a conference centre, because it could do with an updated facility that would attract some of the potential business that we perhaps lose sometimes because other cities have better facilities to offer than we currently have on the Island.

Deputy M.R. Higgins:

Have you been involved as an organisation or individually in any discussions about such a thing?

Mr. H. Reid:

Yes, we have.

Deputy M.R. Higgins:

Can you elaborate on that?

Mr. H. Reid:

We have just been part of the Scrutiny Panel's review of the future of Fort Regent, and obviously we are encouraging any investment there, and certainly any investment that helps promote it as a more viable and as a better conference facility. At the moment, because of the multi-use nature - which is not to say that a multi-use is wrong - if somebody wants to use it for a 2-day event there has to be a full day set-up because the seating has to be brought in; whereas, as Anna was alluding to, at a lot of facilities in the U.K., they can just almost open the door and are ready. Whereas we have to ... there is a lot of preparation work to get it ready, which obviously adds a lot of cost on to it, an extra day's hire, manpower for setting up, which then makes it potentially more expensive than a Bournemouth

International Centre or a GMEX in Manchester, for example. So, we are obviously keen if there is investment into Fort Regent in the future. What we want to make sure, though, is it does not displace business from elsewhere in the Island, because that would be robbing Peter to pay Paul so it would not benefit the economy as such. We are very keen to have a facility that encourages new business to come to the Island, which we would not be getting anyway.

The Deputy of St. Mary:

What is your current profile, if you did a chart of the size of the conference - below 50, 50 to 100, 100 to 150 - what would it look like?

Mr. H. Reid:

The average size of events on the Island?

The Deputy of St. Mary:

Yes. The profile where most of are here ...

Mr. H. Reid:

Most of the events are obviously are under 50 delegates. The average size is 80, but that is not to say that that is ... It is just the average size, rather than the largest number of events. The largest number of events are under 50. There is somewhere in the region of 30 events a year over 100 delegates, and somewhere in the region of 100 that are between 50 and 100.

Deputy M.R. Higgins:

Just going back to the idea of the discussion about the conference centre, have you had any discussion within E.D.D.? Have you spoken with the T.D.F., the Tourism Development Fund? Have you had a discussion with them?

Mr. H. Reid:

It is a discussion that is had fairly frequently. Obviously the Fort itself sits outside of E.D.D., so it is not their responsibility. But I am of the understanding that a cross-party committee is to be set up to discuss and to formulate plans for the future of the Fort. That was certainly the plan from the last Scrutiny hearing I went to. I do not know how they have advanced, but I think that is the next step.

Deputy M.R. Higgins:

In terms of the numbers, you mentioned the number of people who come, in terms of conferences - you mentioned £400 per individual spend per day, or whatever - do you have any figures for how much you are contributing to the economy from conferences?

Mr. H. Reid:

Usually the Visit Britain publishes guidelines on the expenditure within a local economy. It is somewhere in the region of £12 million to £13 million.

Deputy M.R. Higgins:

Right. What are the possibilities of growing this side of the market and what would it take to do so?

Mr. H. Reid:

There are always possibilities. Certainly there is capacity within the market for more events, and there is a capacity in the access to the Island for more events. It is always continuing to grow. There are obvious periods of time of the year when hotels historically do not want the additional business - you know, July and August - however, as John would say, they do do conferences during August as well. So, there will always be a capacity but I cannot say that it is full by any means.

The Deputy of Grouville:

You say you have got about 50 strong partners. How much of their products are marketed, or is it specifically their products that are marketed and no one else's? I know Jersey will get the benefit.

Mr. H. Reid:

Part of our role is to give any potential buyer impartial free advice. So, if somebody came to us saying they wanted a type of venue that exists on the Island but was not part of our membership, of course we would recommend it. Our job - our mandate - is to sell the Island. We should have practically everybody within our membership. Unfortunately there will always be companies or individuals who will say: "Well, we will get the business anyway, so we do not have to be part of that, or contribute to that" which you might say is a little short-sighted, but that is their choice. But we represent most of the advanced, shall we say, and mature conference suppliers on the Island. But if somebody wanted a restaurant or an activity which was not necessarily within our membership, of course we would always recommend it. Our role is to make the buyer happy. I was about to say rather than our membership but our role is to make the buyer happy and to choose Jersey.

Ms. A. Dowling:

Quite often that happens as well, but if you have got a group staying in your hotel for 2 or 3 days, they generally do not want have every single meal in the hotel or they would like to do some other activities outside of the conference as well. So, there would be a role there where we would co-ordinate with Jersey Conference Bureau, but also recommend some of those other providers on the Island irrespective of whether they were members of Jersey Conference Bureau or not.

Mr. J. Vibert:

Also, this year we have had 3 Rotary conferences come to Jersey. On average they are between 500 and 600. On average 200 stay with us. The others will stay in guest houses, 2-star hotels. It will be non-members of the Conference Bureau. So, we are benefiting the whole industry, not just the members of Conference Bureau.

The Deputy of Grouville:

But you would recommend to them, presumably, your membership first?

Mr. J. Vibert:

In the case of Rotary they will go wherever they want.

Mr. H. Reid:

To correct that, we will always recommend what is best for the customer, rather than a ...

Ms. A. Dowling:

It depends on their budget sometimes.

Mr. H. Reid:

For instance, if somebody was having an event at the Grand and they were looking for overflow accommodation right next door, and they wanted somewhere that was 2-star or 3-star, we would not then be trying to push them across the road to the Raddison because it is the nearest member; we would be obviously recommending one of the hotels next door, as such. So, no, our mandate is to always make sure the buyer gets what they want, because then it is more likely they will return. So, very much.

The Deputy of Grouville:

Okay. Do you do all your own research or does the Tourism Department do research for you, or a bit of both?

Mr. H. Reid:

There is a crossover. There are certain areas particularly in Europe where some of Jersey Tourism's research is relevant for us. In the U.K. market, not so much, so we would do our own research; the hotels are doing their own as well. So, it is a bit of both. Obviously, we are quite active with Visit Britain, with Jersey Tourism. Visit Britain do a huge amount of research so we benefit from that research through Jersey Tourism.

The Deputy of Grouville:

How co-ordinated is it? Do you sit down with Tourism and say: “We have done this research. What are you doing?”

Mr. H. Reid:

The various individuals, whether it is Simon Le Huray, or obviously Anna and I, we talk and discuss things fairly frequently.

Deputy M.R. Higgins:

In terms of your marketing, is your marketing basically on behalf of all the hotels on the Island, or do they individually market towards particular conferences? What sort of relationship is there between you, in a sense? So, the Conference Bureau marketing for all, or is it joining in and assisting with individual marketing efforts by individual hotels.

Ms. A. Dowling:

It is a bit of both really.

Mr. H. Reid:

It is a bit of both. I mean we as a conference bureau do a lot of the marketing. The hotels will do a lot of the sales. They are 2 distinctly different roles as such. But our role as an umbrella organisation is to make sure that Jersey is seen as an easy, accessible, good place to come for your events. John’s role is then to have discussions with whichever client it is to secure that business for the hotel. We obviously are there in the background offering any assistance, getting them over here for the site inspections, to see the facilities and facilitating all of that aspect. So it is a bit of both I think is the fair answer. From time to time, the hotels will do their own bespoke advertising for specific things but a lot of the time we tend to co-ordinate that to try and get best value, if anything.

Deputy S. Pitman:

How do you promote the Island then? It is all in the U.K., I presume.

Mr. H. Reid:

If you were to look at our marketing overall spend as such and activity, it is about 80 per cent in the U.K. and about 20 per cent in Europe. That tends to be typically the break-up of our market as well. Obviously the thing about the conference industry - and John sort of alluded to some of those numbers - you can get a large number of ... several years ago we had a very large number of German groups come to the Island. It really did pervert the results as such. But it was all because of one series of events with the same German client. The same happened with the Dutch market. I remember several years ago everybody getting amazed by the number of Canadians who turned up here but that was because Royal Bank of Canada decided to have their worldwide convention here so suddenly 700 Canadians all turned up. We were like this is an emerging market. Let us go explore. But it was due ... so sometimes there can be a skewiff as such but it is normally Germany and France, to an extent the Benelux countries, make up that 20 per cent and the U.K. 80.

Deputy S. Pitman:

The industry is growing, is it?

Mr. H. Reid:

We hope to grow this year which in current market conditions is against the trend.

Deputy M.R. Higgins:

Following on from what you just said, do you work in conjunction with Bank of Canada or the other banks that are located here to try and get them to improve ...

Mr. H. Reid:

We try to. We have an ambassador scheme which we have tried to encourage individuals within the Island to act as ambassadors to bring events to the Island, particularly if an individual is a member of an association, they can act as a host to help bring that event to the Island. Yes, we do work fairly closely

with some. It could always be more. It could be everybody. But it is something that we do do, yes.

The Deputy of Grouville:

Based on that question, do you ever work with Jersey Finance Limited?

Mr. H. Reid:

Yes, we do.

Deputy M.R. Higgins:

Also following on again, do you work with the airlines? Are you getting preferential rates or do you arrange for charters or what? What is your relationship with the airlines?

Mr. H. Reid:

Our relationship is fairly good with the airlines. If we need to bring people over for a site inspection, very often it will be: "We need to come over tomorrow." So rather than charging us the sort of fee that they would normally charge a business traveller, they will always try to give us either very good rates or we will pay in advance, go back to them later on in the year and they come to a marketing agreement. So they will put money into another project or something. We have a fairly good relationship with most of the airlines, certainly Flybe, British Airways and VLM.

Deputy M.R. Higgins:

I must say, years ago I tried to bring a conference to the Island which would have been quite a large one, and I found that the support that was being offered was almost nonexistent. In fact I even went to the European conference concerned where they were discussing where to locate and I voted for Germany because we just could not compete on the prices that we were offering potential conference visitors to the Island, whether it be in terms of hotel or transport costs or anything else. There was just no question. It was twice as cheap in Germany as it was here. Who do you work with to try and bring down the cost as to getting these people here and making sure that we are an affordable destination?

Ms. A. Dowling:

Just looking at that from an hotelier's point of view I think we benchmark our prices a lot more effectively now than we would because particularly in these times we really need the business. You are not going to lose the business for the sake of not being prepared to bring your rate down by £5 or even £10 sometimes. I think if you were to bring that piece of business now, you would probably find the hoteliers have got a lot more of a flexible approach in terms of ... and there is a lot more open dialogue in the case of: "I can bring this piece of business to Germany or I can bring it to Jersey. Okay, what are Germany ..." There is usually a lot more dialogue going on in terms of what value add we can offer to secure a piece of business on to the Island than perhaps there would have been 5 or 6 years ago. I think the hoteliers and all the businesses realise they have to have a much more flexible approach now.

Deputy M.R. Higgins:

How about the airlines because they are a key ... if anybody is bringing people into Island, we know that getting to the Island is an expensive item. Do you have charters associated with conferences or is it just through the scheduled airlines? How do they respond to you?

Mr. H. Reid:

We obviously would not do the charter because that would be taking on the liability ourselves. But some clients do charter aircraft to come into the Island. That is one way of getting here. Typical conferences tend to book quite a long time out so the issue of air cost does not come up as much as you might think it could do. It is not often the prime reason why an event will not come here. It might be because they have got a number of delegates who want to come from Belgium and it is too difficult to get here. It is a lot easier to go to Manchester, for instance. That is not the only reason why people might not choose Jersey. There might not be the right facilities. You also have to bear in mind as well that at the time of year when we would not want the extra business as such - potentially August or during the air show or Battle of Flowers or something - there are destinations in the U.K. that are crying out for business. Places like Leeds which the main business is financial services as well, the hotels in

Leeds are empty in July and August. They are desperate for convention business at a time when we are not. Your example of a destination in Germany, it might have been that the convention here was not at an ideal time for the hotels here, if there is such a phrase, but was an ideal opportunity for a hotel in Germany. Therefore, they were willing to offer a greater discount.

The Deputy of Grouville:

What would you say are the benefits of having a separate organisation, Jersey Conference, rather than doing it within the tourism industry or under E.D. (Economic Development), even if there was a specific taskforce within the Tourism Department for conferencing?

Mr. H. Reid:

I think from a personal point of view the benefit is I and my colleagues, Gemma and Zoe, we probably have easier communication with the individuals and the hotels and the various other members, therefore, we are able to have fairly open discussion and fairly open, frank discussion as to whether this idea works, whether this is a good one because let us face it, if there was an easy way of doing this somebody would have written a book and we would all be copying it. There are things which do not work as well as other things. I think that is probably one of the benefits is that there is more honest, frank communication. There is less of a “them and us” attitude. I feel very much part of the tourism industry here. I am not employed as a States employee, obviously because we are a P.P.P., but I do feel very much part of the industry. I think that is one of the benefits of it. But I think the 2 hoteliers would probably have more of a view on what the benefits of a P.P.P. are.

Mr. J. Vibert:

I think it is absolutely essential to keep the identity of the Conference Bureau because it is a specialised area within tourism. It requires the expertise that we have at the moment and the close working relationship between the people involved within the conference industry and the J.C.B. and that is what we have. But it is a very different identity than Tourism. We could not, as a conference bureau, have gone out with a sort of Lily the cow campaign. It would not have gone down very well within the

finance conference world. Therefore, it is important that whichever way Tourism goes, it is an identity that they associate with Tourism and we have to keep the identity that is essential for the conference industry.

Deputy S. Pitman:

Are there any problems with the structure and disadvantages like say the level of funding from the private sector, is that always consistent?

Mr. H. Reid:

I have been working at the Conference Bureau for about 10 years. When I first started it was about £65,000 and we had steadily grown that by getting more people involved and changing the fee structure, et cetera. I suppose a potential problem with a P.P.P. - I sort of touched on it earlier - is there can be an attitude, especially in what is a fairly small place like Jersey, of: "I do not need to bother being part of that. Other people can pay into it. I will get the business anyway." There is always that danger. If you were to look through our conference guide, you could notice potential people who should be part of it but feel that £550 is too much or the attitude of we do not need to pay it because we will get it anyway. That is always going to be a problem with any form of private-public partnership, whether it is in Jersey or in the U.K. or in Europe. I think another potential problem, we have a very structured and responsible level of individuals on our board. They are either sales and marketing directors, managing directors, own their business, general managers. We have a very high level of individual within those organisations. When I first started we did have some people who were frankly in it for themselves and wanting to make sure that our activity was very much directed towards what was beneficial to their business rather than the Island as a whole. That is another potential ... can I just make sure that comment is in private, please?

Deputy M.R. Higgins:

It is all being recorded. We will see what we can do.

Mr. H. Reid:

Thank you. I am just thinking a couple of those people might not be so happy. But that is a potential problem that you can have individuals who very much try to steer things their way rather than ...

Deputy M.R. Higgins:

It strikes me that you have got autonomy from the Tourism Department at the present time in the sense you have got your own board, you have got your own funding structure and you do your own thing. What sort of relationship do you have Tourism? I would like to look at that first and then look at the P.P.P. next.

Mr. H. Reid:

We have a very close relationship with them. Our office is within the building. My email is an @jersey.com. We are very much part of the department but because we have almost like an arm's length trading relationship I suppose, we are able to do our own things. John just referred to the Lily the cow type advertising campaign. It would have pretty well killed our industry which is looking for slightly more 4-star, deluxe, likes to hear words like spa and Michelin and things like that. So it would have damaged us. Back then, in 1998, we were able to do our own thing. To the most part, things like the new Island branding, we were very happy to be part of. There are things like that that we are almost seamless within the department. As our mandate is very much to promote the Island, of course we are always willing and wanting to support initiatives that are there to support the Island I suppose.

Deputy M.R. Higgins:

But how do you see it going forward? If we move into the P.P.P. as envisaged at the moment, you will be swallowed up within a wider P.P.P. Do you see yourself still keeping ... will you still be independent and still focused on what you are doing or again you could be grouped in with a larger group. I would just like to hear your views on how you see yourself or how you would like to see yourselves going forward in a P.P.P.

Mr. H. Reid:

Yes, my understanding looking at the various versions of the P.P.P. going forward is that we would remain our own sort of entity as such, being absorbed into the overall public-private partnership but we would still have our own membership scheme, partnership scheme. We would still have that aspect. An area which might change would be me and my colleagues' employment status. Who would we be employed by, the P.P.P. or by the Jersey Conference Bureau Limited? Would we still have to do our own accounts? Would we still have audits done or would that just come under the main P.P.P.? So from our aspect it would probably be mostly beneficial because we would be able to save on some administration costs which at the moment we have to bear so it would also be in duplicate as such but going forward would be done by the overall P.P.P. I think it is important, as John said, that we do maintain our own identity because it is a very distinctly different market from the leisure market.

Deputy S. Pitman:

How much discussion have you had with the Minister, the department, on possibly roles that you have now, certain roles being taken over by the P.P.P.?

Mr. H. Reid:

Certain roles. Our roles being taken over by the P.P.P., no, no discussion at all.

Deputy S. Pitman:

Is that something that is planned?

Mr. H. Reid:

Not to my knowledge, no.

Deputy M.R. Higgins:

To what extent have you been consulted on the P.P.P. proposal?

Mr. H. Reid:

Very much so at the start of the process because obviously we were already an existing P.P.P. so there were lots of issues to discuss. The Tourism representative on our board has always fed back as to where things are going. Yes, we have been fairly involved in those discussions, no more or no less than I think would be expected.

Deputy M.R. Higgins:

So your representative is Mike King, is it?

Mr. H. Reid:

It is David de Carteret.

Deputy M.R. Higgins:

David de Carteret, okay.

The Deputy of Grouville:

The Human Resources, the sort of general background administration for the Jersey Conference Bureau is done by Tourism?

Mr. H. Reid:

No, it is done by us.

The Deputy of Grouville:

Okay, and in the future who ... so you would envisage keeping that as is?

Mr. H. Reid:

Certain parts of that we would hopefully be able to share. When we have needed H.R. (Human Resources) advice in the past, we have had to pay for that advice. We have had to go to a specialist to

get that advice correctly given. In the future in a whole P.P.P., we would be able to go to Mr. Smith or whoever it is who does that function. That is how I envisage it working.

The Deputy of Grouville:

Within the P.P.P.?

Mr. H. Reid:

Within the P.P.P. because we would be part of the P.P.P., hypothetically.

Deputy M.R. Higgins:

Sorry, I just want to jump back a little bit again. We are still trying to understand the structure and see how it is all going to work in. At the present time, how many people are employed by the Conference Bureau and how is it structured and how will it be structured in the new organisation?

Mr. H. Reid:

It will be structured exactly the same, to answer the second question first. Full-time employees, there are 2 - myself and Gemma Owen - and there is a part-time employee who looks after the accounts and the other administration side of things.

Deputy M.R. Higgins:

In terms of how you operate, is it largely direct marketing from your organisation or do you work through various agencies? Are there, for example, conference bureaus or agencies where all the people get together with conferences or it goes to a central clearing house or what?

Mr. H. Reid:

No. I wish it was. It would be a lot easier. It is a lot of direct marketing to clients, end users, corporate companies. There are a number of conference organising agencies in the U.K. who are organised on behalf of their clients. It is a fairly unregulated industry and there are several hundred of them, ranging

from one man bands working out of their garages to companies that employ several hundred people. It is a fairly diverse spread and diverse mix. The association market as well is a different market entirely, as is the Rotarian market. Most of it is direct marketing; a lot of meetings, a lot of sales calls, presence at trade shows, distribution of literature throughout the year.

The Deputy of Grouville:

Do you have a service level agreement with E.D.?

Mr. H. Reid:

We have a service level agreement with E.D.D., yes.

The Deputy of Grouville:

And a partnership agreement?

Mr. H. Reid:

Yes, and quarterly financial reports. We are open to States audit, things like that as well.

Deputy S. Pitman:

Do you actively try and get more partnership partners involved in it? How do you go about doing that?

Mr. H. Reid:

Yes, both Gemma and I, as new businesses open, as businesses change, we are always trying to get new places to become part of a bigger bunch.

Deputy S. Pitman:

How do you go about doing that?

Mr. H. Reid:

Go and visit them, talk to them. We have a business plan which in a sense is almost a sort of a service level agreement to them as partners. There are different bands of membership and promote to them to join. It can be fairly time consuming. Some partners sign up immediately. Some it takes quite a lot of time to remind them that deadlines are looming and that sort of thing. It can be quite a time consuming job.

Deputy S. Pitman:

In the economic downturn, do you see a lot of new business?

Mr. H. Reid:

Our membership increased this year. It went up from about 112,000 to 115,000 and we did not make any additional increases for G.S.T. (Goods and Services Tax) or any increases in charges so it has increased in real terms rather than inflationary terms.

Deputy M.R. Higgins:

What is the state of the conference market at the moment anyway?

Mr. H. Reid:

It is okay. It is fairly on line with what we had last year. We have got 2 or 3 quite large events coming into the Island towards the end of the year so, touch wood, we will end up up on next year. The corporate market obviously that has taken a bit of a battering this year. However, there are some very good inquiries for 2010 when banks and other industries might be allowed to do things again. At the moment there is a perception that they should not be doing anything. But on the whole this year we should, as I said, touch wood, be up on last year which is somewhat different to most places in the U.K.

The Deputy of Grouville:

I asked you before what you saw the benefit of having a separate structure for the Conference Bureau. What would you see as the benefits of having a separate structure, a P.P.P., instead of the Tourism

Department? Would you envisage any benefits to the Conference Bureau?

Mr. H. Reid:

A question more for the hotels.

Ms. A. Dowling:

I think there could perhaps be more integration between ... when you are securing a large conference piece of business it is going to affect other areas that affect tourism. So like we said if you get an event that comes in for 2 or 3 days, it is not just going to use that one venue. There is a lot more integration in using some of the other providers of either activities or restaurants or some of the dedicated places where they can go and have dinner. It is not just a one stop shop in the Conference Bureau. It covers a lot of different providers. I also think that moving the Island forward is looking for kind of event led tourism as well. I think the integration could be a lot greater in the future for that in terms of generating more visitors to the Island. That is where Tourism do seem to be struggling. We have had loads of hits on the website this year, probably a great TV campaign, but as far as I am aware none of the hotels are seeing an increased conversion in their visitors this summer. Perhaps we need to start thinking differently about how do we attract tomorrow's visitors to the Island. I do think that having a stronger integration between the Conference Bureau and Tourism could be quite powerful in terms of how we move forward.

The Deputy of Grouville:

So you do not have an adequate relationship at the moment with the Tourism Department because you feel that they ought to be focusing more on event led tourism?

Ms. A. Dowling:

I think we have but I think it is about change, is it not? It is about doing things. I think Tourism do things one way because that is the way they have always done them and the Conference Bureau do things their way. So putting a P.P.P. in where the 2 come under one umbrella means perhaps there is an

opportunity to make a more cohesive strategy moving forward.

The Deputy of Grouville:

But if the new P.P.P. is going to use similar staff, if not the same staff, as our own Tourism, how do you see that being any different to what it is now?

Ms. A. Dowling:

I just think if we are going to do the P.P.P. surely you are going to do something a bit differently. So in terms of the strategy of how you are going to move forward and attract visitors on to the Island might be somewhat different if the 2 are immersed together. I am very new to the Island, I have to admit, so that was just my observation of it. But I do not know what yours is, John.

Mr. J. Vibert:

I see an opportunity of Tourism and the industry working closer together in a way that will work better for the Island. At this moment of time I would like to think that under the P.P.P. when an advertising campaign is decided on it will be done by the members of the P.P.P., as against the way at the moment it appears sometimes we are called down to Tourism to discuss the advertising campaign but the appointment has already been made and the campaign has already been decided upon. I think that under a P.P.P. there will be a far closer working relationship which will be highly beneficial.

Deputy S. Pitman:

Talking about strategy, has the department started working with yourselves on some kind of strategy of how you are going to work together?

Mr. H. Reid:

No.

Deputy S. Pitman:

No. Again is that something that the department and yourselves plan to do?

Mr. H. Reid:

I imagine once the go ahead for the P.P.P. is formally given and we know what the structure will be then, yes, we will obviously work to be integrated. At the moment there is no hard and fast data as such. It has not been finalised. So the answer is no.

Deputy S. Pitman:

Have you had any input into the discussions taking place about the P.P.P.?

Mr. H. Reid:

We have had. Yes, we have had input and just general conversation and discussion about it, yes.

Deputy S. Pitman:

Do you feel that the Minister's Department have taken on board your ideas at all?

Mr. H. Reid:

I do not think anybody listens to me enough. As I said to Deputy Higgins, I think we have had as much input as I think would be reasonably expected. We are 2 and a half employees in an organisation of 25 to the side of it so there are much bigger issues to be discussed. But other than that, our role is to carry on selling the Island and promoting the Island so our focus is very much on that. As and when the P.P.P. comes into place, we will obviously absorb ourselves into it accordingly.

The Deputy of St. Mary:

I would like to pick up on a few things. You mentioned Jersey Conference Bureau could benefit from stronger integration with Jersey Tourism. I just wonder whether, John, you would like to comment on that from your position of long time member of the tourism industry because, on the one hand, Hamish said the Conference Bureau is a very different market. Conferences are completely different from

individual tourists which I accept. So where is this strong integration? I am just puzzled how that would ... whether you would just like to comment on whether there is scope for a stronger integration.

Mr. J. Vibert:

I think really in sharing and reducing the administration costs in as much as sharing administration on certain areas. As you were saying, we have to go for H.R. advice and pay for it whereas if we were part of the ... I am not thinking from the marketing point of view that it would be beneficial to us unless that is different to what you are thinking, Hamish.

The Deputy of Grouville:

Who would be paying for this H.R. advice?

Mr. H. Reid:

Sorry?

The Deputy of Grouville:

You were saying you would not have to pay for H.R. advice. Who would be paying ...

Mr. H. Reid:

The Conference Bureau have to pay for H.R. advice because it would be part of the ... there would be a H.R. service as such within the company whereas in the Conference Bureau there is not that service.

The Deputy of Grouville:

But at the moment there is not a specific H.R. function within the Tourism Department. They obviously get it.

Mr. H. Reid:

Yes.

The Deputy of Grouville:

So where would this H.R. advice come from and be paid for?

Mr. H. Reid:

I think that is just an example but there are plenty of administration costs which a small, separate company as the Conference Bureau Limited has to incur for our role, and Tourism incur for their role, if it was one organisation obviously those costs would be reduced. The administration costs would be reduced because it would be part of one thing I think is the ...

The Deputy of St. Mary:

It could be a lot rougher here, you know, but I do not know ... I wanted to ask but do you want to stick with this for a while because it is ...

The Deputy of Grouville:

Yes, and it is just H.R. plucked out as an example for other forms of administration, if you like. I am confused. You are talking about merging with P.P.P. there. You were saying if you are part of one organisation but you would not be, would you? You are a separate entity and you would remain a separate entity so you would not be one organisation.

Mr. H. Reid:

I think at the moment ... the example of H.R. came around because we needed to have new contracts introduced because there were not contracts as such. We needed to have proper employment contracts introduced so we immediately went to the H.R. person responsible for Jersey Tourism and their immediate response was: "I cannot advise you. You are not part of the States." We were then like, right, who do we go to? We then have to go outside, get various quotes in from a specialist consultant to draw up contracts for 2 and a half people which is an administration cost that you prefer not to have to keep incurring, as such. I plucked that sort of example but I think as a whole if there is a closer

relationship between a conference bureau and a tourism public-private partnership, there would be synergies where we would potentially save on administration costs. Our administration costs are not massive.

The Deputy of St. Mary:

In the same way that you would save if you went back under the wing of Jersey Tourism and retained your identity?

Mr. H. Reid:

Potentially, yes. The only issue with that would be there would not be the ability to have the private sector income in the way it is now. But, yes, exactly. There were costs involved when they set up the Conference Bureau. We have to be a purpose trust, therefore we have to pay for trust status and an enforcer, we have to have accountants fees, auditor fees, our own separate insurance, things like that, our own separate employee insurance which ...

The Deputy of St. Mary:

There is a cost.

Mr. H. Reid:

Yes, potentially there may be savings.

Deputy M.R. Higgins:

Just clarifying some points then. I was going to ask, for example, I take it you obviously have different contracts of employment to the people in the department.

Mr. H. Reid:

Yes.

Deputy M.R. Higgins:

Is that part of P.E.C.R.S. (Public Employees Contributory Retirement Scheme)? You have your own pension scheme, do you?

Mr. H. Reid:

We have a 4 per cent contribution paid by the company to a scheme of our choice but we are not part of the States employee pension scheme. We have completely separate contracts and completely separate terms of contract.

Deputy M.R. Higgins:

Okay, thank you. Sorry, I am moving on here. We go off in tangents. As you see, we do not stick to a plot here. It is not trying to sort of trick you, by the way. It is just the way our minds think. Going back to some comments you were making earlier in terms of the Island tourism and marketing, et cetera. You mentioned something earlier. How would you market the Island if it was down to you rather than how the department are doing it? In fact that goes for you as well, John. What are they doing right and what are they doing wrong?

Ms. A. Dowling:

I think that probably a little bit too much is hung on the TV advertising campaign and I think that people's purchasing decisions on TV advertising is in decline. I would definitely want to watch the ecommerce strategy moving forward and bring some real specialist skill in about that because people are using the Internet more and more now to base their decisions or research in terms of where they are going to go on holiday, what they are going to buy. There is a whole new world out there that I do not profess to know everything about but there are people very skilled in that to understand how people buy off the Internet. I would definitely be looking at how can we get our ecommerce strategy up there as far as we can so that we start to really work a lot stronger with some of the third party Internet providers as well, in terms of how we showcase the Island on some of these lastminute.com, Travelocity, Expedia

and all that. But this is a specialist skill that I think the department really needs. The other thing is I said I would really look at event led tourism as well. I think you have the air show which is fabulous and brings a lot of visitors on to the Island. I think Jersey Tourism do some great event led stuff but I think a lot of it can be for the Islanders and not attracting people on to the Island. Perhaps you need to look at 4 big events a year that become big ... like the air show, that bring people here. Then that brings people for ... they do not just come for that one event. They either come for 3, 4, 5, 7 days so it brings more people in. I would probably go and research where are the great events around the world and what are people following and what would they come and see. There is some great squash ... we had an inquiry for squash and it needed £100,000 worth of investment but it would have brought thousands into the Island. I would start to research where are the events out there and what are people following. Obviously you have got to start something of that level, small and then build it up year on year. That is probably some of the fundamental changes that I would look at. I would look at the Battle of Flowers and see what can be done to ... look at some of the carnivals out there and how could you perhaps take that to the next level. Some of these things need to be modernised and changed from the way they have always been. There is no doubt our visitor numbers do feel like they are in decline. Unless we do something differently, we are going to continue in decline. I think we need to look a little bit differently about how does this ... as I said, I think the Conference Bureau brings certain people in that affects other levels of tourism. What else could Tourism do that also could affect bringing in some more perhaps conference related business or could they support the Conference Bureau a bit more in terms of these big events, in terms of rolling out some of the Tourism stuff and just making it a more kind of cohesive approach.

The Deputy of Grouville:

Is there not a forum that you can vent these opinions at the moment?

Ms. A. Dowling:

Yes, I think we have the taskforce which is where I should be now. But I just think ... I do not know. It seems we just always seem to get to a difficult impasse with some of it sometimes.

Deputy M.R. Higgins:

I am going to mention something here. It is political in a sense but I would just like to sound you out on it. We recently had a debate on the Strategic Plan in the Island and we were talking about diversification of the economy. One of the problems we have with tourism is the fact that it is not a distinct sector. In other words, to find out the contribution of tourism to the Island, you have to look at hotels, restaurants and other things and then try to tease out from that what contribution is made by tourism. We think, from what we are being told, that it is about 6 per cent of G.V.A. (Gross Value Added) in the Island compared to 53 per cent for finance, 1 per cent for agriculture. The other thing that came out of the debate was that there is an emphasis on high value, low footprint type industries. I got the impression that tourism was not rated in that category. What is your view of how we can improve on tourism and contribute more than the say £240-odd million that it is contributing at the moment? Stunned silence.

Mr. H. Reid:

I think it is very easy to sort of just pigeonhole the tourism machine to the scene of tourism. I think it is made up of lots and lots of very different niche markets. We have 2 completely different hotels sitting here, different markets. They happen to both be 4-star but they are very, very different markets entirely for a lot of their business. There is obviously some crossover but they operate in different areas. I think it is sometimes an area that we perhaps do not realise. Walking past that window there are all sorts of different ages, all sorts of different nationalities as well and also have completely different expectations of their holiday. Some are coming here for heritage reasons. Some are coming here because they want to go walking. Some want to sit on the beach. Some want to eat very well and drink very well. Others want to go to a spa. I think it is lots of very different industries and that is why it is so difficult to come to a value of what it is worth. There is also the issue of if there was not the number of business people eating in restaurants on a Monday night, Tuesday night, Wednesday night and Thursday night, there would not be the number of restaurants and facilities open to Islanders on a Friday and a Saturday. There would not be as many venues to get married in. All the various attractions, you would not be able to enjoy as Islanders if it was not for those. But it is made up of so many different markets. It obviously

employs thousands of people but it is made up of lots of different markets. My personal view, I think we keep touching on the words “integration” and “cohesiveness” and I think it is bringing together all those different elements. Anna has mentioned the air show. That brings in a different type of visitor than the Battle of Flowers does, than walking week does, than a conference does. They are all distinctly different. I think there needs to be a little bit more integration, not just for the rest of this year but thinking what do we want ... that week of September when the air show is on, what else do we want to do on the back of it or in front of it in September 2015? Not 2010 but where do we want it to be in 5 years’ time. Do we want to become known as the Island of September is ... Jersey is the best place to go in September because it is brilliant and there is this air show on, there are lots of other things and, by the way, the schools have gone back so it is great for couples whose children may be at public school or have gone back to boarding school or empty nesters. So promoting a time of year at the relevant audience rather than just a blanket Jersey.

The Deputy of St. Mary:

Can I come back to the Conference Bureau because I feel we are getting a little bit wider than that?

Deputy M.R. Higgins:

Yes, go on.

The Deputy of St. Mary:

To start off, trends over the last decade. You mentioned that this year is on a par with last year but it would be handy to have ... because we do not seem to have your annual report. I do not know. You must have an annual report.

Mr. H. Reid:

Sorry?

The Deputy of St. Mary:

I do not think we have got your annual report. We do not have the basic data but presumably in there, there are charts of how you are doing trend ...

Mr. H. Reid:

Our statistics are within the Tourism report.

The Deputy of St. Mary:

Within the Tourism report that we have got, okay. Do you have the trends?

Mr. H. Reid:

Obviously when the fire happened at the Hotel de France, the large events pretty well stopped overnight for 2 or 3 years. But we are on a similar level now to where we were pre 2002 fire.

The Deputy of St. Mary:

Okay.

Mr. H. Reid:

We have a lot more events coming to the Island but the number of delegates per event is lower than they used to be.

The Deputy of St. Mary:

Is there data comparing ... it just occurred to me trends comparing your Europe conference visitors against the Euro rate to just see whether that is a critical factor or whether it is not that relevant. I mean that is the sort of thing ...

Mr. H. Reid:

It is not a huge factor. It tends to be a fairly ... I sort of alluded to it earlier, one year France might spike and Germany might trough but the next year Germany will come back. It is not huge numbers from

those markets.

The Deputy of St. Mary:

Right, okay. Now more importantly, you said at some point, page 3, so not so long ago. At the start, somewhere in there ... yes, we might want to go confidential for this bit. I do not know. You talked about some people were there to make sure the gravy came their way. This is fundamental to P.P.P.s and how they work because at least with Tourism you have got, in theory, an impartial ... so how do you resolve that? How do you get from a position where you felt there was a bit of that going on to a position where you feel that it is not going on?

(private session)