



**Minutes of a meeting of Visit Jersey Limited (“VJ”)**

Held at the Radisson Hotel, St Helier on Wednesday 19<sup>th</sup> January 2022 at 10 am

<b>Present:</b>	Kevin Keen (KK) – Chair
Patrick Burke (PB)	Amanda Burns (AB) – CEO
Tim Crowley (TC)	Ian Gray (IG)
Lawrence Huggler (LH)	Tracey Mourant (TM) - Board Apprentice
Catherine Leech (CL)	Amanda Willmott (AW)
(Collectively referred to as the “Board” or the “Directors”)	
<b>In Attendance:</b>	
Matt Thomas (MT), CEO, Ports of Jersey (POJ)	
Dan Houseago (DH) Department of Economy	
Julian Barber (JB) – VJ (part)	
Meryl Laisney (ML) – VJ (part)	
Matt Dass (MD) – Tourism Economics (TE) (part)	
Dave Goodger (DG) – TE (part)	
Aimee Maskell, AM to PM Secretarial Services (Scribe)	

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**General**

**APOLOGIES** – KK welcomed everyone to the meeting and no apologies were noted.

**CONFLICTS** – The Directors confirmed that they had no conflicts of interest to declare, and KK reminded the Directors to complete and return their 2022 Conflicts of Interest Declaration to IG as soon as possible. **Action: IG / Board**

**MINUTES OF THE PREVIOUS MEETING – IT WAS RESOLVED** to approve the minutes dated 13<sup>th</sup> October 2021, a copy of which were circulated with the agenda, subject to a minor amendment. AB to recirculate updated minutes for comment by the Board by 4<sup>th</sup> February. **Action: AB / Board**

The Board noted that the actions from the previous meeting were either complete or in progress and the latter were included on the agenda.

**SCHEDULE OF MATTERS RESERVED FOR DECISION OF THE BOARD – IT WAS NOTED** that an updated document had been circulated with the agenda. However, AB reported that further amendments were required at items 7 and 12 to reflect the change of department name from “EDTSC” to the “Department of the Economy” effective 1<sup>st</sup> January

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2022. DH added that the new Partnership Agreement, circulated with the agenda for approval by the Board, will be signed by the relevant Director General (or delegate) rather than the Minister.

AB sought the Board's view on the proposed uplift in the amount of expenditure, with Heads of Departments and Managers able to approve £40k and £10k respectively.

The Board agreed that the purpose of the document was to mitigate risk around single transactions over a specific amount and to avoid VJ being committed to anything over a certain amount in total, in one transaction, with one supplier, in a single year. **IT WAS THEREFORE RESOLVED** that AB would update the document to reflect this. **IT WAS FURTHER RESOLVED** that she would amend the reference to "Signing Limits" to "Authorising Limits" given that payments are made online and would amend item 18 to refer to a requirement for "dual authority". **Action: AB**

IG noted that the document refers to the Company Secretary (currently AB) and he queried whether it is proposed to change this. AB confirmed that she proposed appointing David Schofield as Company Secretary in due course once he had settled into his new position as Head of Corporate Services.

### Updates

**RECRUITMENT OF VJ CHAIR** – KK advised that he originally approached the Appointments Commission about allocating an Appointments Commissioner to oversee the recruitment process for his replacement in December 2021. However, he was advised that there were no Commissioners available until February 2022. He therefore responded seeking approval to advertise the position and asked whether they had capacity to review the advert prior to release. He reminded the Board that the process of recruiting a Chair has been undertaken by VJ previously and noted that a similar job description is being used. However, despite forwarding the advert and job description to the Appointments Commission for their review, he had not heard anything further from them, and a Commissioner has still not been allocated. **IT WAS RESOLVED** that he would follow up with the Appointments Commission next week if he had not heard from them. **Action: KK**

The timeline for the appointment of a new Chair was briefly discussed and **IT WAS NOTED** that KK was due to step down at the AGM in May 2022. It was therefore proposed to formally appoint the new Chair at the next meeting scheduled for 27<sup>th</sup> April 2022.

### For Discussion

**CEO UPDATE** - The Board reviewed the Q4 year end 2021 Board Update, a copy of which was circulated with the agenda and AB summarised the same which also included an update on the roadmap for 2022. She reported that VJ had a good end to the year with the



new website going live in the Autumn and the launch of the Spring/Summer campaign on 26<sup>th</sup> December 2021. She added that the team were almost up to full capacity.

AB reported a good marketing KPI performance during 2021 and advised that Visit Jersey's various achievements during the year were highlighted in the Board Update, including Jersey being named as a top destination to visit by two travel magazines. She noted that Visit Jersey's outlook for the year ahead was "cautiously optimistic".

AB noted that all the necessary paperwork had been submitted to the GOJ for Visit Jersey's 2022 grant payment and receipt for the first half year was awaited.

AB advised that a review of the TIC will also be completed this year and confirmed that preparation for the Exit Surveys was continuing as planned, with 4Insight aiming to receive the first batch of data due in March.

Questions or comments were invited on the Board Update and KK stressed the importance of VJ focusing on the industry's prospects for 2022. He queried whether there was capacity in terms of flights and hotels to ensure it is a year of recovery and proposed asking MT and the hoteliers on the Board to provide an update in this regard when ML joined the meeting.

IG requested a broader picture on the forecast air and sea capacity for 2022 compared to 2019, while acknowledging that there would be some fluctuations this year given the continuing unpredictability of the pandemic and that airlines could still decide to go elsewhere. MT therefore agreed to provide a summary when ML joined the meeting.

**PRESENTATION ON SPRING/SUMMER CAMPAIGN AND NEW WEBSITE** – ML was welcomed to the meeting at 10.40am and provided the Board with a presentation on the Spring/Summer Campaign and the new website, following which she invited any comments or questions from the Board.

KK noted that VJ's 2022 Business Plan included a target to provide full year visitor figures by Q1 and suggested that it would be useful to consider what these figures will be to enable agreement to be reached on "what good looks like" and AB advised that this would be presented as part of the Board's discussion with TE when they joined the meeting.

MT stressed the importance of ensuring target load factors on the flights which have been allocated this year are met and that sufficient bed stock is available. He explained that 2022 would still be a challenging year to recover to 2019 levels and the more important issue was agreeing what those load factors/capacity should be in future years, noting that investment in accommodation is required to grow connectivity.

PB noted that VJ's ambition is to get back to 2019 levels in terms of interest in the island and queried whether similar capacity will be resumed. Referring to the Spring/Summer campaign, he asked what the ratio between traditional and digital media was and whether this was moving, noting with surprise that this was not 50/50. ML advised that the ratio of



traditional and digital was 60/40 based on Jersey's target markets and their media consumption. However, she explained that this flexes considerably between now and the end of March, with more digital being used during some parts of the campaign.

IG congratulated VJ on the execution of the campaign. He noted feedback received regarding the importance of sea routes and queried whether this was being addressed. ML confirmed that this had already been addressed and reference to sea travel was due to be included in the campaign content.

In answer to a question from IG, AB reported that VJ has not yet purchased any advertising in Ireland. However, she agreed that it was a market VJ needs to develop given the resumption of routes to the island of Ireland and this would be led by the Trade team.

IG noted that there was no reference to the Queen's Platinum Jubilee (and the four-day bank holiday weekend combined with half term) in the update for 2022 and queried whether VJ had planned anything for this. ML confirmed that it was proposed to use the Jubilee in content that would be released shortly and VJ was looking for partners to assist by providing offers. She added that this would be promoted using contacts from the VJ database.

LH queried the spend on the Spring/Summer campaign compared to 2019 within the same timescale and ML advised that the spend was similar in 2019, albeit there had been more on digital channels for 2019 whereas a different channel mix had been agreed for 2022.

**DESTINATION PLAN FORECASTS** – The Board welcomed Matt Dass (MD) and Dave Goodger (MG) from TE and Julian Barber (JB) from VJ to the meeting at 11.30am and AB advised that TE had been invited to present on “Jersey's Tourism Recovery – Opportunities, Risks and Constraints” (the TE Report), a copy of which had been circulated with the agenda.

JB advised that the TE Report had been updated since being circulated in the Board pack (to include figures around Omicron up to the year-end). However, the 2022/23 figures remain the same and he agreed to table the updated appendices following MD/DG's presentation.

MD and DG summarised the TE Report and questions were taken throughout.

It was noted that the UK market will drive initial recovery in visitor numbers and spend.

It was also noted by KK that staying visitors and visitor spend are what VJ should really be interested in rather than visitor numbers. TE responded by explaining that in terms of value, day visits are a very small part of the overall visitor expenditure and therefore do not skew the forecasts to any great extent. This is driven more by overnight visitors. They also made the point that without the day visits then there is a risk of reduced sea connectivity that could have a bigger impact than the loss of day visitors. Ferry operators rely on day visits for commercial viability with French ferry connections being very important to the German

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market as well.

**IT WAS AGREED** by the Board that spend and visitor nights were primary targets for Visit Jersey to grow productivity and sustainability, rather than just visitor numbers. The original ambition of 1 million visitors was driven by volume but it is important to look at the economic benefit of each visitor **IT WAS RESOLVED** that day trip market data is considered separately in the recovery forecasts to assess the impact on visits, nights and spend.

**Action: JB / TE**

TE were asked why the German market had not been separated out in the forecasts – it was agreed that TE should be asked to include forecast for this important market to Jersey.

**Action: JB / TE**

KK said that VJ's Destination Plan should align with Ports of Jersey forecasts.

The Board were asked to feedback to AB by the end of January further comments about the TE report and Destination Plan. **ACTION: Board**

The Board thanked TE for their time, and they left the meeting at 1pm, following which the meeting was adjourned for lunch.

## **ANY OTHER BUSINESS**

### **NEW PARTNERSHIP AGREEMENT**

KK updated the Board that GoJ have requested a refreshed Partnership Agreement (PA) and it had been agreed with DH that GoJ would provide 3 months for VJ to seek legal advice, negotiate with GoJ and attain Board approval for a new PA. Whilst it was understood that the current PA was written in 2014 and requires an update, there were some key clauses missing from the proposed new contract that would have a material effect on Visit Jersey and the liabilities of the VJ Board:-

1. No winding up clause. In the current PA it is agreed that Government will fund the winding up of Visit Jersey Ltd, but it is not included in the proposed new contract.
2. There is a dead-stop to the PA at the end of 2023, whereas the current PA ensures a continuous 6 months rolling notice period from the Government to Visit Jersey Ltd.

IG advised that this creates two parts of concern:

#### **Going Concern.**

VJ needs to be able to demonstrate that it can keep going for at least the next 12 months at the date of signing the financial statements. Once 2022 is completed, on 1st January 2023 there is less than 12 months for the Partnership Agreement to run so, until a new agreement is signed extending the 31/12/2023 date, VJ would not be



a going concern. This means that the auditors will not sign a "clean" audit report and they will not say that VJ is a going concern. Once VJ has a new agreement signed extending past 31/12/2023 then they can say we are a going concern but he doubted that VJ will have that signed before they sign the accounts around the end of April 2023. If VJ is no longer a going concern, then normal accounting goes out of the window and VJ would have to account 100% for items when they are committed and make various provisions relating to winding up costs, which could be around £1m.

If a company gets a set of accounts signed that say it is not a going concern then this causes huge reputational damage and generally suppliers, if they find out, start dealing with you on a cash on order basis only. It would also have a huge impact on staff morale and stability.

#### Trading whilst insolvent.

If the directors allow the company to trade whilst insolvent then the directors can be personally liable for any amounts owed by the company that cannot be paid. This is generally judged to start when directors can reasonably foresee (usually within the next 12 months) that the company will run out of cash. If there is no partnership agreement then there is no cash so this eventuality can be reasonably foreseen from 1st Jan 2023. VJ could calculate the winding up costs and keep that money in the bank so that VJ can pay any amounts that they owe but that represents over 20% of the annual grant and the amount could be miscalculated. If VJ think that the winding up costs are £1m and they turn out to be £1.1m then the extra £100,000 could have to be paid personally by the directors.

If VJ doesn't get a satisfactory solution then VJ would need to discuss the new agreement with Alex Picot.

IG advised that his view was:

1. The same winding up clause that was in the last agreement needs to be in this agreement. If GoJ want us to give them an annual winding up costs estimate so that they can quantify the potential liability then VJ could provide that.
2. There needs to be a roll over clause to the termination date just as there is now.

DH advised that the current PA is a legacy document and needs to be renewed but that it would be a negotiation with VJ that aimed to accommodate VJ's requirements as well, through legal negotiation. DG also advised that the proposed PA sent in December 2021 was a transitional arrangement that would require further revisions for 2024.

KK advised that there was no way the VJ Board would sign-off a new PA without having winding up provisions. <sup>DH</sup> DG responded that GoJ would underwrite any winding up costs or could provide provisions. DH

CL commented that an interim PA would be a massive distraction for the organisation as



it tries to recover coming out of the pandemic, especially if there was another PA that needed to be worked on in 2023 to come into effect in 2024.

**IT WAS RESOLVED THAT** KK and AB would meet David Hill from Parslows Law who worked on the current VJ PA as soon as possible.

In the meantime, DH confirmed that the H1 Annual Grant payment would be made by the first week in February at the very latest. **ACTION: DG** D 14

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**DATE OF NEXT MEETING – IT WAS NOTED** that the next meeting was scheduled for 27<sup>th</sup> April 2022.

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Chair

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