

**Minutes of a meeting of Visit Jersey Limited (“VJ”)
Held at Hotel de France, St Saviour’s Road, St Helier Jersey, on Tuesday 22nd November
2016 at 9.30am**

Present:	Kevin Keen (KK) – Chair
Keith Beecham (KB)	Tim Crowley (TC)
Mike Graham (MG)	David Seymour (DS)
Sam Watts (SW)	
(collectively referred to as the “Board” or the “Directors”)	
In Attendance	
Aimee Maskell, AM to PM Secretarial Services (Scribe)	
Mike King (MK) Chief Executive, Economic Development Tourism Sport & Culture (EDTSC)	
Darren Scott (DSc), EDTSC	

1. APOLOGIES

Apologies were noted from Catherine Leech (CL) and Doug Bannister (DB).

2. CONFLICTS OF INTEREST

No conflicts were noted.

3. MINUTES OF PREVIOUS MEETINGS

Minutes dated 12th July and 13th September 2016 were reviewed by the Board and **IT WAS RESOLVED** to approve them subject to a minor amendment at item 6 of the minutes dated 13th September 2016.

4. MATTERS ARISING

IT WAS NOTED that the results from the Condor CSR were due to be released today and with this in mind **IT WAS RESOLVED** to invite Paul Luxon to the next meeting scheduled for 28th February 2017. **Action: KB**

KK advised that all other matters arising from the previous minutes had been dealt with or were included on the agenda.

5. ECONOMIC IMPACT SURVEY

The Board reviewed Oxford Economics’ draft report entitled The Economic Contribution of Tourism to Jersey: The Productivity Opportunity” (the Report) prior to welcoming David Edwards (DE) (Visit Jersey) and David Goodger (DG) (Oxford Economics) to the meeting. **IT WAS NOTED** that DG was scheduled to present to stakeholders on the Report later in the day and KK stressed the importance of agreeing in advance what the message should be for the stakeholder event, particularly as the media will be present.

KK sought the Board’s views on the Report and a number of comments were noted.

At 9.50am DE and DG were welcomed to the meeting and introductions were made around the table.

KK noted the good relationship between the tourism and finance sectors and stressed the importance of ensuring that the presentation does not take away from this. He suggested that the induced and wider benefits of this relationship are easily defined and proposed that DG insert them in his presentation. He added that the finance industry recently undertook a similar piece of work using Oxford Economics.

MK highlighted the dependence tourism has on the finance industry and suggested that DG

present the two industries as complimentary rather than in competition. He also suggested that DG should amend his first slide to refer to a comparison of “tourism’s contribution to *locals* and other sectors”, noting that this was the methodology used by Oxford Economics when establishing the true value of Jersey’s finance industry in the context of the UK.

DS stressed the importance of tourism being a valuable export for Jersey and DG expressed the hope that this would become clear when looking more closely at inbound spending. He acknowledged that whilst the numbers in this regard should not be too optimistic, it is clear that in the same way as finance, tourism also has wider and induced benefits.

IT WAS NOTED that the figures referenced in the Report and the presentation are from a 2012 survey. However, in answer to a question from KK, DG advised that whilst more up to date data would provide a stronger message he does not believe the position set out in the presentation would change significantly unless there had been a fundamental change in the last three years.

MK queried whether it would be worthwhile noting that the level of expenditure referred to in the Report delivers approximately £14m worth of GST. DG welcomed the inclusion of this statistic and **IT WAS RESOLVED** that he would include it within the report. **Action: DG**

DG reported that the breakdown of spending was only based on overnight tourism, not day visitor tourism and he accepted that this was a data gap.

The Board reviewed the share of GVA by sector and KB suggested that expectation will be that retail contribution will be more than 4%. DG noted that retail and wholesale are included as one and he would therefore update the label on the slide accordingly. **Action: DG**

IT WAS NOTED that the comparison between Jersey and UK in terms of GVA generation by tourism was as at 2015 whereas the comparisons with individual areas within the UK were as at 2011. KK suggested that a London would be a more appropriate comparison to Jersey than Cornwall because of its links to the finance industry. MK added that Cornwall is an EU assisted area whereas Jersey is not. The Board agreed that even though there are no beaches in London, it was important for Jersey to be compared to an area with a similar finance sector. DE confirmed that figures are available for London and **IT WAS THEREFORE RESOLVED** to amend the presentation accordingly. **Action: DG**

The Board discussed whether figures for Cayman or Bermuda should also be included in order to provide a comparison in terms of the finance industry as well as the Island point and after careful consideration **IT WAS RESOLVED** that DG would include figures for Bermuda. **Action: DG**

Referring to the breakdown of total GVA impact, KK noted that the figure for direct impact (£153m) was unsurprising. DG suggested that there should not be any surprises in the presentation/report however it should provide comparisons which will hopefully give greater confidence in the tourism industry. The Board acknowledged that the indirect impact was smaller compared to other destinations due to importation requirements. However, if more local products were placed in to the product chain this would benefit the industry, improve indirect growth and result in synergy with the agriculture industry.

The comparison between the UK and Jersey in relation to total GVA and employment impacts was noted and KK queried whether it was fair to say that Jersey employment was less productive than UK employment. DG advised that in relative terms this was the case because Jersey has a significant number of financial services who make more money employing fewer people whereas the tourism industry employs more people and makes less money. KK stressed that he would not want the presentation or Report to imply that Jersey uses employment within the tourism sector less efficiently than the UK. However, DG noted that this is only the case due to the

seasonality of Jersey's tourism sector and, in order to avoid any concerns in this regard, **IT WAS RESOLVED** that DG would include per capita GVA figures in the Report/presentation. **Action: DG**

The Board agreed that the wider benefits/standard of life and high density of restaurants in Jersey could be as a result of the finance industry and DG therefore agreed to remove it. **Action: DG**

The slides entitled "current workers are under-employed" and "Scope for 350,000 new visitors per annum!" were discussed in some detail and DG explained that these statements were made on the basis that there is scope to improve numbers because those who are employed are less busy in the winter and therefore, on average, hotels and restaurants could accommodate more visitors without the requirement to employ more staff. However, the Board stressed that consideration must be given to the seasonality of the industry and the requirement to provide full time staff with holidays during the winter.

KB confirmed that DG's presentation will take approximately 30 minutes and 10-15 minutes have been allowed for questions thereafter.

The Board reviewed the considerations set out in the final slide of the presentation and SW proposed amending the second statement "contribution is lower than other comparable destinations" to "there is potential for greater contribution". **IT WAS THEREFORE RESOLVED** that DG would amend the presentation accordingly. **Action: DG**

The reference to a "younger" audience was noted and the Board agreed that this should be removed as VJ's brand proposition is not based on age. **IT WAS THEREFORE RESOLVED** that DG would update the presentation accordingly. **Action: DG**

KK advised DG that he had received the Board's feedback on the Report and **IT WAS RESOLVED** that he would provide this to him in due course. He reported that it was agreed not to publish this to industry in its present form and would continue to be considered as a draft pending further discussion by the Board at its next meeting in February 2017. He added that it was proposed to notify stakeholders that a final version would be published early next Spring or possibly in conjunction with the launch of VJ's Annual Report in May or at the time of its AGM.

DG was thanked for his time and he left the meeting at 1055am.

6. PROJECTING FULL YEAR 2016 PERFORMANCE

DE summarised the projecting full-year 2016 performance details of which were set out in his memo dated 17th November 2016, a copy of which had been circulated with the Board Pack. He reported that half way through the year VJ began undertaking randomly selected exit surveys at the Harbour and Airports in order to collect its data. The Board noted therefore that like for like data will not be available for July 2016 to June 2017 compared to the previous year and therefore comparisons on performance may be difficult. However, all of 2017 data will be collected using the new system.

The Board noted that DE has estimated performance for three quarters of the year as follows:

- Staying Leisure Visitors +3%
- Visits to Friends and Relatives +1
- Day Trip Visits +1
- Staying Business Visits -18%
- Total overall visits - 718k

However, DE advised that these are subject to a number of assumptions and pending receipt of Ports of Jersey's arrival figures for October.

DE reported that although it was not unachievable, on a best guess basis and based on the data received so far he does not believe total overall visits will reach the target of 735k. He explained that this was due to the fall in staying business visitors during the year. However, he noted that if this area was removed from the figures the market looks solid.

The decline in the staying business visitor market was discussed and DE suggested that this may be due to increased use of video conference or as result of difficulties with inter-Island connectivity, noting that a significant number of staying business visitors are from Guernsey. He added that inter-Island arrivals were down approximately 23% and Guernsey's figures are also down overall, although they release very few figures publicly.

KK acknowledged the value of staying business visitors to Jersey. However, he noted that VJ has no influence on them and has chosen to focus on holiday makers instead and the Board agreed that this should be highlighted when the results are published. **Action: DE/KB**

Occupancy was briefly discussed and MG reported that it had been a good year for accommodation providers. **IT WAS NOTED** that STR were now managing approximately half of the room stock in Jersey and DE advised that although he just received the October data from them he had yet to understand the revenue per available room. He added that whilst occupancy may have improved because of fewer hotels being available this does necessarily not mean the industry is doing well collectively. However, MG suggested that the market has definitely improved over the shoulder season and KB reported that industry are not unhappy with this year's results.

The Board noted that the figures were only for information at this stage and it was not proposed to publish them and they were reassured by the fact that VJ has no influence over the area of decline and improvements have been seen in areas in which VJ have been focussing. However, SW expressed concern that the change in methodology may have a reflection on true movement and stressed the importance of presenting the figures fairly. She added that VJ will need to be prepared to answer questions regarding the closure of the Jersey Conference Bureau (JCB) and KB advised that his response in this regard will be that that VJ's business and events team address issues previously dealt with by the JCB. MK noted that available finance to travel and developing IT has also undoubtedly played a part in the reduction in staying business visitors.

7. 2017 BUSINESS PLAN

IT WAS NOTED that KK and KB are due to meet Senator Farnham on Monday 28th November to present him with VJ's 2017 Business Plan for sign off following which he will be asked to sign a ministerial decision. However, MK advised that the Minister may require a period of reflection prior to sign off.

KB reported that a draft 2017 Business Plan was sent to the Minister some weeks ago although this has been slightly updated, a copy of which was circulated as part of the Board Pack. He advised that this does not propose any change in strategy from 2015 save for the addition of Events Jersey. He explained that in 2017 it is proposed to build on the work undertaken by VJ in 2015, review learnings, develop a marketing programme with new partnerships and use opportunities positively to help government in the policy area, noting that the latter was an important additional activity for VJ going forward.

KB summarised the Executive Summary to the Business Plan for the Board and highlighted the following salient points:

(A) **Tourist Information Centre (TIC)** – **IT WAS NOTED** that an agreement has been reached regarding the TIC whereby the current arrangements will remain in place until the end of 2017 and that during next year arrangements will be made for 2018 going onwards.

(B) **Robin Segal (RS)** – KB reported that in light of RS’ resignation, interviews taking place with agencies and reviews are being undertaken of all supplier contracts to ensure that they are delivering good value.

(C) **Island Break** – The Board noted that it is proposed to continue with the Island Break hash tag as part of VJ’s brand and run an “early bird” summer campaign.

(D) **Events Jersey** – KB stressed the importance of embracing Events Jersey. He advised that although Events Jersey only has one member of staff (Suzanne Kirk (SK)) dedicated to it at the current time she is in consultation mode with people on and off Jersey and **IT WAS RESOLVED** to bring an Events strategy to the February Board meeting. **Action: KB**

(E) **Jersey Expo** – KB advised that a Jersey Expo may be held at some point in the future. He noted that this was a “Minister driven” discussion and the necessary due diligence to establish whether there is an appetite for this on the Island is currently being undertaken. MK stressed the importance of undertaking a feasibility study in this regard to ensure that VJ does “not over promise and under deliver” and **IT WAS RESOLVED** to review and discuss the results of the feasibility study at the February Board meeting prior to taking the matter forward. **Action: All.**

(F) **What’s On Guide and Map** – SW suggested that this should refer to the “*revitalisation* of the What’s On Guide and Map” rather than the “introduction” and **IT WAS RESOLVED** that KB would make the necessary amendment. **Action: KB**

KB drew the Board’s attention to VJ’s targets, details of which were set out on page three and KK suggested that focus should also be placed on the figures/KPIs set out in the JDP (e.g. the headline figure of 733k visitors in 2016). He also proposed that these should be included at the front of the Business Plan. MG welcomed the inclusion of details of what VJ is proposing to achieve going forward and he suggested using the format adopted by Condor in their report released earlier today which sets out critical issues to be undertaken and the rationale behind them. **Action: KB**

The Board noted the 2017 assumptions listed on page five of the Business Plan and **IT WAS RESOLVED** that KB would amend the first bullet point to read “2016 *Visit Jersey* business targets met”. **Action: KB**

IT WAS NOTED that the Government Priorities were different to previous years due to government’s focus on the Enterprise Strategy. However, KB reassured the Board that VJ’s contribution to the Enterprise Strategy was non-controversial and straight forward. KK noted that the 2015 GVA figure of £153m referred to in the Business Plan was the same in Oxford Economics Report and **IT WAS RESOLVED** that KB would amend the Business Plan to state that this is based on government statistics and note the conversion of GST of £243k from this expenditure. **Action: KB**

TC queried whether it also was possible to include a figure for duties earned by government on this figure. However, whilst MK advised that this was possible to calculate, KB noted that there was not sufficient time to do this before meeting with the Minister on Monday.

KB summarised VJ’s 2017 activities with regard to research, marketing, product development and trade marketing. With regard to the marketing he provided the Board with details of VJ’s proposed marketing strategies in various jurisdictions including France, Germany and Scandinavia and referring to product development, DSc proposed removing the reference to “Film Jersey” and **IT WAS RESOLVED** that KB would amend the Business Plan Accordingly. **Action: KB**

KB explained the “Market Development Challenge Fund” to the Board and **IT WAS NOTED** that this was a match funded initiative from government of £500k which is what VJ is currently spending in order to achieve its targets.

KB drew the Board's attention to the 2017 events to be supported by Events Jersey and as noted above, subject to Minister's approval, the Board would discuss the Events Jersey Strategy at the next meeting. **Action: All**

KB stressed the importance of undertaking visitor and information services activities, noting that these encouraged visitors to spend money. He advised that agreement regarding the TIC will be required next year for 2018 onwards and **IT WAS THEREFORE RESOLVED** that he would present the Board with recommendations in this regard towards the middle of 2017. **Action: KB**

The KPIs in the Business Plan were discussed and KB welcomed the Board's input and guidance on what visitor economy should be judged on. TC stressed the importance of retaining the measurement with regard to staying leisure visitors. He suggested that it was too early to remove this measurement and proposed continuing with it in parallel with the exit survey measurements. KK echoed this view. He acknowledged that whilst improved measures could be added going forward it will always be necessary to reconcile back for comparison purposes. KB noted that staying leisure visitors were only recorded within registered accommodation and therefore they are not an accurate calculation of staying "holiday makers", although the new exit surveys will be able to define them. He acknowledged that whilst it is helpful to track backwards, he queried how helpful it was to know whether a visitor was a holiday maker or not.

The Board agreed to add KPIs as they see fit which KB would track and report internally using the live dash board of visitor statistics (a demonstration of which he agreed to provide to the Board at the next meeting). However, he would report on the high level figures publicly. **Action: KB**

KK reiterated the importance of reporting against the KPIs mentioned in the JDP and the Board agreed that the KPIs should also focus on what are considered "hot topics" in government at the current time (e.g. GVA per FTE). It was also agreed that "new/first time visitors" and "repeat visitors" should be measured and **IT WAS RESOLVED** that KB would update the Business Plan accordingly. **Action: KB**

The Budget summary on page 16 was reviewed and **IT WAS NOTED** that this assumes a total grant of £5.1m, £200k of which will be allocated to Events Jersey. The Board agreed that this figure should be described as a "grant" rather than "income" on the basis that VJ generates some of its own income in addition to the funding received from government. **IT WAS THEREFORE RESOLVED** that KB would make the necessary amendment. **Action: KB**

SW expressed concern about the overall structure of the Business Plan. She suggested that the purpose of a business plan was to highlight the goals of an organisation; explain what success looks like; and summarise how various departments or individuals will contribute in order to achieve those goals/that success. KB acknowledged SW's concerns however he explained that the document needs to be structured in a specific way for the Minister in order to secure funding. He reminded the Board that last year he prepared an abridged version of the Business Plan to suit specific audiences (e.g. staff, industry etc.) and advised that whilst there was not sufficient time to prepare this by Monday, he would welcome the opportunity to work with SW thereafter to re-work the document accordingly.

KK supported the proposal to re-structure the document prior to presentation to various audiences. However, he reiterated that it would not be possible to achieve this before meeting with the Minister on Monday. He therefore sought the Board's approval of the Business Plan in its current format, subject to the amendments agreed above. This was supported by the Board and **IT WAS RESOLVED** that KB would circulate a revised copy the following day. **Action: KB**

8. CHIEF EXECUTIVE'S REPORT

The Board reviewed the CEO's Report, a copy of which was circulated as part of the Board Pack.

IT WAS NOTED that this also included a copy of Greenlight's recent report "IT – State of Union" which KB advised had been a significant piece of work.

9. NOVEMBER 2016 TRENDS REPORT

The Board reviewed the November 2016 Trends Report, a copy of which was circulated as part of the Board Pack.

10. TOURISM INFORMATION CENTRE

The Board reviewed a report dated 16th November 2016 summarising results of research recently undertaken within the TIC, a copy of which was circulated as part of the Board Pack. In answer to a question from TC, KB reported that they mystery shopping exercise has not yet been undertaken. He advised that under the terms of the SLA responsibility for this lies with POJ. He is therefore continuing to press them in this regard.

11. RISK REGISTER

The Board reviewed the Risk Register dated 16th November 2016, a copy of which had been circulated as part of the Board Pack and **IT WAS NOTED** that any recent amendments had been marked in red. TC noted that the risk regarding staff shortages discussed at the previous meeting had not been included and **IT WAS THEREFORE RESOLVED** that KB would update the register accordingly. **Action: KB**

KB reported that the Audit Committee raised concern regarding route disruption and requested that this be included on the register. However, DB proposed that as routes come and go any risk in this regard should refer to "major" routes or "key" routes. DS suggested that a risk should also be included regarding the on-going concerns around Air Berlin and **IT WAS RESOLVED** that KB would add this as a tour operator risk.

TC noted that the risks listed on the register relate to the Island rather than just VJ and KK stressed the importance of including external risks. He reported that DB's view is that only internal risks should be included but an agreement was reached to include risks to industry as well as any wider risks. MK added that whilst external risks cannot be mitigated by VJ they should still be included.

12. FORWARD BOARD MEETINGS CALENDAR

The Board reviewed the Forward Board Meeting Calendar, a copy of which had been circulated as part of the Board Pack. KB stressed that this was a live document that could be updated/revised as required. **IT WAS NOTED** that the next meeting was scheduled for 28th February and **IT WAS RESOLVED** to update the calendar to include presentations from Events Jersey and Condor. **IT WAS FURTHER RESOLVED** that KK would check if Durrell was still available as a venue for the meeting. **Action(s): KB/KK**

13. ANY OTHER BUSINESS

(A) **Board Appraisals** – **IT WAS NOTED** that DS and KK have discussed the matter of Board appraisals, possibly with support from an external facilitator and **IT WAS RESOLVED** that they would bring a proposal to the next meeting. **Action: KK/DS**

(B) **Audit Committee Update** – TC reported that to date VJ's targets have been met in terms of budget and Q3 accounts have been prepared and sent to EDTSC. MK reported that following agreement from the Chief Internal Auditor, VJ will be able to retain any underspend of up to 15%.

(C) **Population Policy** – MK highlighted the growing sensitivities around the population implications from growth in visitor numbers and he stressed the importance of reconciling this with current vacancies in the industry. He noted that the 325 population limit has been exceeded and suggested that the Board should be mindful that the activity of VJ will undoubtedly result in an

increase in demand for registered positions and an increase in population. KB reported that he has been approached by various industry businesses seeking support for various government applications (e.g. applications for licences, conversion of property etc.) and he has written in support from a visitor economy point of view. However, he sought MK's advice in this regard on the basis that those letters would become public. MK responded that Ministers provide similar letters of support. However, he suggested that these were on a small scale and did not necessarily have any implications for population. He added that Planning very rarely take economic advice and that supporting these types of applications would lead to an improvement in the overall tourism product and therefore it would be usual for VJ not to support them. That said, he asked that KB was mindful of the population issue.

(D) **Brexit** – DS reported that Brexit has caused significant issues for the catering industry in London and he expressed concern that Jersey may experience similar issues. He noted that details of this have been summarised in a paper issued by the London Chamber of Commerce and he agreed to circulate a copy to the Board. **Action: DS**

14. CLOSED BOARD SESSION (NON-EXECUTIVE BOARD ONLY)

IT WAS RESOLVED to defer this session until the full Board was available.

15. DATE OF NEXT MEETING

IT WAS NOTED that the next meeting was scheduled for Tuesday 28th February 2017 at 10.30am at Durrell.

There being no further business the meeting was closed at 12.45pm.