

**46. Visitor accommodation –
General Debate commenced**

The Chairman of the Economic Policy Review Committee (Mr Robertshaw) to move a General Debate on the First Report of the Economic Policy Review Committee for the Session 2020-21: Visitor Accommodation [[PP No 2020/0212](#)].

The President: We turn to the final Item on our Order Paper, Item 46, which is a General Debate on visitor accommodation, which means there is no vote at the end, no amendments, but of course, the mover will have a right of reply. It is a General Debate – for those who wish to take part. *(Laughter)* Mr Robertshaw, the floor is yours!

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The Chairman of the Economic Policy Review Committee (Mr Robertshaw): Well, Mr President, thank you for that huge encouragement there. I am overwhelmed! *(Laughter)*

The President: Your powers of persuasion will get everyone on their feet! *(Laughter)*

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Mr Robertshaw: Thank you very much, Mr President.

Before I open this debate on behalf of the Economic Policy Review Committee on the matter of visitor accommodation, I just want to address the Minister for Enterprise, because I am going to say a few nice things about both the Minister and his Department. This is a new experience for the Minister as far as his relationship with me is concerned. I just need to caution him, I would also, though, say that he should be secure in the knowledge that I will balance that off – *(Laughter)*

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The Minister for Enterprise (Mr Skelly): I thought as much!

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Mr Robertshaw: – with a degree of constructive criticism.

So what are the good things that the Department for Enterprise have done? Well, they are significant and they are important. They are actually the basis upon which the Committee addressed this issue of visitor accommodation.

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In 2016 the Minister, in his previous role as Minister of DED I think, commissioned this, as I recall – an excellent report by Hotel Solutions called ‘Hotel Futures’, and it reads well. It is a constructive, professional document, and it brought out a significant number of points, but I would like to highlight the main ones.

Incidentally, just before I start that, if I can just explain why I am a fan of General Debates, I have to say. I think they are a really good thing. Each debate we have had has brought important points out and sometimes we need just to talk together without having to fight over recommendations or motions. I think we have got to the point now in terms of tourism where it needs to come to the floor of this Hon. Court. We have gone on going on for year after year after year, and this year has been, well, utterly extraordinary. It has been an agony for the sector. So this point of pause, really, is an opportunity to try to step back and assess where we should be going and where we have come from. I hope that my debate helps that process on in some form or other.

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So the main point that the Hotel Solutions Report produced was that there was a real need for a much more contemporary standard of hotel offering. I will come back to all of these things later, but that is an important point.

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The second point it brought out was a much more integrated approach across public and private sectors, and I would emphasise first of all the original one: a more integrated approach across the public sector. That has echoes of the *many* discussions we have had previously about the need to work across Departments.

6385 The Report highlighted action required on the planning system and that really resonates with me, having obviously, Hon. Members will appreciate, a very long, 50 years' interest in the sector and watched the planning issues so often dragging things down.

The fourth main point that that first Report identified was the need for a significant investment fund to help to deliver on the visitor accommodation sector.

6390 Then in 2017, the next solid action the Minister took of serious import was to produce through, again, Hotel Solutions a second really good Report – by Andrew Keeling, I think his name is – about the non-serviced accommodation sector. He said there that there was not enough non-serviced accommodation. He said there were very few all-weather facilities. He said there was very little family-friendly accommodation. He said that some campsites needed to be
6395 upgraded, significantly upgraded, to four- and five-star standards, and that he did acknowledge that there was, nonetheless, a really good stock of existing self-catering accommodation.

The next big step that the Minister took, which enjoys nothing but my praise, was the formation of the four Agencies, of which one was the Visit Agency. I will just refer, in paragraph 19 of our Report, what one can say about that. Our Report says:

The Visit Isle of Man Agency was established in 2017 alongside three other agencies as part of the relaunch and rebranding of the Department of Economic Development as the Department for Enterprise. In its Strategic Plan to 2023 the Visit agency quotes Price Waterhouse Cooper as saying of it:

Visit Isle of Man has successfully brought together politicians, civil servants and members of the private sector better than any organisation of its type on the Island for some time.

6400 Well, bearing in mind my overlong experience, I absolutely concur with that, looking back at all the false starts that we had had previously. So again, Minister, well done. Okay, that is as far as we will take it!

So some *really* good actions, some *excellent* reports. What happened? Well, if we go to page 3 of the Report, it says this:

IMPLEMENTATION OF HOTEL SOLUTIONS' RECOMMENDATIONS

6405 – and this is the Economic Policy Review Committee now –

11. When asked on a scale of one to ten how many of the recommendations he thought had been actioned by the Department, Mr Keeling replied:

I do not know the answer to that, because obviously as a consultant you parachute in and then you [leave]. So I do not know exactly ... I would say it is probably three or four out of 10.

So we concluded:

that the Department for Enterprise [had] failed to act on the recommendations of the consultancy advice commissioned by its predecessor, the Department of Economic Development.

6410 Now, what is new about that? In my 50 years associated with the tourist sector, I have seen report after report after report coming out, and each one is the new dawn of a bright new beginning and each one gets ignored. So the point I am making here is what is the point of these important and, I would argue, extremely good reports that have been brought forward by the Department in good faith if they do not get actioned? I think we can parallel that in *many* cases, I am thinking now of DHSC. There were reports going back I do not know how many years, *many* years, until we eventually got to one, which is Sir Jonathan Michael's, that is being actioned. So I think the Committee wants to say, if you are going to spend the money, and it was good money,
6415 on good reports, take the reports seriously and action those reports. That did not actually happen.

The second issue I want to look at is the concept of 'contemporary offering'. Mr Keeling argues that we need to upscale our offering. I need to discuss this, because what one tends to hear is, 'Oh good, we've got the likes of a number of new hotels. Isn't that good?' We have got

6420 Premier, we have the Park – lovely hotel – all the good work done at the Mannin, massive investment up at Comis, significant money spent on the Claremont in recent years and so on and so forth. And all that is very good. But that is not an excuse. That is not an opportunity for us to recognise the fact – I am going to be very frank this evening – that is not to ignore the fact that we have got a significant amount of accommodation provision that is slowly dying. It is slowly dying for the simple reason that the yield on that product has not been achieved. It has been busy. Those hotels that are falling behind have been busy, and we say, ‘Look at the arrivals numbers, aren’t they great?’ But actually, a significant proportion of that accommodation was filled with coach parties, which is very small margin and some of them actually went bust at the beginning of the COVID crisis. So some of that business has now gone.

6430 The other story you often hear is, ‘Hey-ho, TT is going to be busy.’ That is wonderful, I am not against TT, but it is just one week. The point is that if you are going to get hotels that are going to be capable of delivering reinvestment programmes that make them, as the consultant has said, a contemporary offering, then you have to achieve an appropriate yield. The only way you can do that is to ensure there is a season of at least eight or nine months – no shorter. (A Member: Hear, hear.) Eight months maybe, if you can get four or five weeks’ good income during the run-up to Christmas. So nine months. Less than that, and less than a decent yield, and you have got a problem.

6440 One of the Committee members asked me to ensure that I described what yield meant, so I had better just talk to that for a second. It is not about how many people you have got in your hotel. It is about – and the airlines share this absolutely as well – the yield, and yield, to be really boring for a second, is a multiple of the average achieved room rate, exclusive of VAT, times the occupancy. What it means in fact is, as an operator, how much you have earned per room, per day, regardless of whether it is occupied or not. So to be simple about it, if you had 10 rooms and one was let for £10, your yield is £1, and so it goes on. Now, that yield issue over a significant number of months is what it is all about.

6445 Airlines are exactly the same. You all know that you will pay different prices for seats. If you book early, you might get it at that price and when you book late, it might be a much higher price. But the airline company is working out what its yield target is for that aircraft to lift off on that day and if it falls below a given yield, it loses money, if it goes above, it makes money. In terms of hotels, we have been running on reasonable occupancy rates for a significant period of time, but poor yield. And because of that you do not get the investment that you need. That is the important point. You do not get the investment. You get surges of investment occurring in one or two places because the proprietor is in a special position for one reason or another, and so you have had a limited response to try to replace low-quality accommodation, or just acceptable accommodation, with those who recognise that however small the market gets they will survive.

That is where we are at, at the moment.

**Standing Orders suspended
to complete all remaining business**

6460 **The President:** Now, Hon. Member, you will be aware that under Standing Order 1(2) the Court business shall terminate at eight o’clock. We are a little after that. I am sure you did not notice that.

Mr Robertshaw: I was well away ... ! *(Laughter)*

6465 **The President:** We are a little after.
Mr Cregeen.

Mr Cregeen: Thank you, Mr President. I beg to move that we finish this Item and the Supplementary Order Papers as well.

6470 **The President:** Mr Speaker.

The Speaker: I would like to second that, Mr President.

Mr Shimmins: No! Let's come back.

6475 **The President:** So the proposal is we complete this Item and the two Supplementary Order Papers. (**Mr Harmer:** Yes.) That is the motion. Two Supplementary Order Papers also, to complete tonight.

I put it to the Court. We will go straight to a vote. Twenty-two votes in favour in a combined vote are necessary.

Electronic voting resulted as follows:

In Tynwald – Ayes 23, Noes 9

FOR

Dr Allinson
Mr Ashford
Miss August-Hanson
Mr Baker
Mr Boot
Mrs Caine
Mr Callister
Mr Cannan
Mrs Corlett
Mr Cregeen
Ms Edge
Mr Greenhill
Mr Harmer
Mr Hooper
Mrs Lord-Brennan
Mrs Maska
Mr Moorhouse
Mr Perkins
Mr Quayle
Mr Quine
Mr Robertshaw
Mr Skelly
Mr Speaker

AGAINST

Mrs Christian
Mr Henderson
The Lord Bishop
Mr Mercer
Mr Peake
Mrs Poole-Wilson
Mrs Sharpe
Mr Shimmins
Mr Thomas

6480 **The President:** With 23 votes for (*Laughter and interjections*) and 9 against, the motion does carry.

**Visitor accommodation –
General Debate concluded**

The President: You may proceed, Mr Robertshaw.

Mr Robertshaw: Mr President, you did your best to stop me but ...! (*Laughter*)

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The Speaker: We'll move the next business in a minute! (*Laughter*)

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Mr Robertshaw: I think it is important to say at this stage that it does not matter how much money you make in one week in TT, you have got another 35 weeks to fill and it is just wrong to think that a limited number of high volume events are the key to a successful tourist sector; that simply is not the case. What I am saying may be considered to be *very* unpopular, that somehow I am talking against TT. I am not talking against TT, and I will address it a little bit later on as to how I think we should see TT in terms of a successful future market.

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We have already, as you recall, mentioned the issue of planning and the best example I have seen of that has been – and Members have heard me say this before – that when I first came into politics, one of the reasons was to try to ensure that good things happened in Douglas as our capital, because if we were going to be a successful jurisdiction, we had to have a successful capital, and that there we were with this bland, open space at Lord Street. Here we are, all those years later, with the same open space. The parallel I offered to people was: look what Jersey did in St Helier. It had not got the space that we have got, so it took some of the seafront, filled it in, and created a first-class hotel, I think it is a cinema, some other leisure facilities, and some accommodation, and they got on with it.

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The interviewer at the time that I was explaining this said, 'Yes, but is that fair? Because look what we've done: we've built a first-class hospital and Jersey is still struggling, all these years later, with a lack of a new-build hospital.' Before I could answer that particular point, I was moved on to another subject. But what I wanted to say, and I think this is quite important, is that the Isle of Man is *very* good at spending taxpayers' pounds, but not so good at working with the private sector; whereas Jersey has learnt how to work *very* well with the private sector and is not very good at spending taxpayers' funds. I think we really need to think about that.

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On the planning thing, bringing that particular idea into focus on a particular issue, I have had at least two occasions, where private sector operators have tried to bring in yurts, and they have fallen down at the planning stage. And yet here we are now with a significant development going to occur, I hope, through the Government, to build a very significant number of them. So what it seems to me is if the Government is involved and it is Government money, we will do it, but we have not learnt how to work with the private sector, and we have not learnt how to make planning work in that scenario.

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We approach our relationship with private sector investment in a sort of clumsy, bureaucratic way and expect the private sector to fit the bureaucracy, when, in fact, actually what has got to happen is the reverse: Government has got to learn to work with the private sector. I do not know how many times we have fallen down on Lord Street and I certainly would not dare to start discussing that now at 10 past eight. (**A Member:** Hear, hear.) Thank you. But I hope I have made my point on that one.

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But the Committee then concluded that the lack of definition of the concept of overriding national need within the planning system is hindering the necessary development of accommodation in the countryside, and we also went on to conclude that the Council of Ministers' new power to make policy directives could be used to facilitate development of holiday accommodation, a power not yet used.

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Then the fourth point was about the Hotel Investment Fund. Nothing is new, really, with Hotel Investment Fund problems. In my time as a hotelier, I did not engage with Government funds. It was complicated, difficult, bureaucratic and I could not apply myself to it. In my time, I raised millions on the market, I worked with banks and investors, and got there; but not Government investment funds. Again, the same problem that exists in planning, the slight clumsiness that exists that stops things happening, also exists in the application of investment funds, because we do not know how to work with the private sector. So there is a real challenge there. Let's apply Government funds, but let's learn to apply them so that we get more private

sector funds in, through flexible planning and through responsive approaches to companies trying to bring investments in.

6540 The final point that was raised in the Hotel Futures Report was the integrated approach. I think what I would like to say is, I would like to congratulate the Minister for Enterprise for bringing in the Agencies, but I would say to him that I think we have reached the point now where the Agencies have grown up and it is about time they left home. They have learned the ropes, but I think, now, the fact that they sit inside effectively a single Government Department is holding everything back.

6545 Let me try and explain what I mean: it goes back again to a single legal entity, it always will, but good tourism strategy and policy does not sit inside one Department or one Division of one Department. If you think it does, then what happens is that all the issues that relate to engaging a successful tourist sector, right across DoI, DEFA, Treasury and Enterprise, are lost because what happens is people say, 'Oh, well, actually, tourism is not our problem, it is the Minister's problem in the Department for Enterprise.' No, it is not. If we really seriously ultimately want a successful tourist sector, we have to have a really clear strategy and everybody has to own it. And to own it, the Council of Ministers as a whole has to own it, not the Minister for Enterprise. If the whole of the Council of Ministers in a single legal entity or one public service or a new public service or whatever we are going to call it, if that body owns it – and by the time it gets to there it has got to have been really well thought out – and that organisation owns it, then it says
6550 to the whole of the Council of Ministers, 'See that strategy: you all own it.'

6555 So how do you then make the Departments across Government answerable for that strategy? The way to do it, whether it is finance, digital or business or, in this case, the Visit Agency, you have a body which sits outside of the Departments, commissioned by the Council of Ministers to deliver and engages with all the Departments concerned. At the moment, however
6560 much the Department for Enterprise may consider a particular issue in tourism is important, DEFA does not own it, the DoI does not own it, nobody owns it, 'it is just *their* responsibility' – no, it is not. It is not their responsibility, it is Government's responsibility if it takes the view that it wants to deliver a successful tourism strategy.

6565 What I would like to discuss is achieving full potential. If I can just turn to paragraph 27 of our Report, Mr Andrew Keeling of Hotel Solutions told us in oral evidence:

there is a significant potential for tourism growth which I think, if anything, COVID-19 has accelerated.

6570 We absolutely as a Committee believe that but we believe we are constantly making judgements, decisions and comments based on what was, instead of what will be in the future, and what will be in the future is a completely different product to what has gone in the past. We have denied ourselves the opportunity to create that understanding of what a powerful product we could really have if we went for it. We all love the Isle of Man to bits, we really do. We think it is a great place, as the Minister says, to live and work and yet we do not actually translate that into a clear brand. That brand issue that sits within the Visitor Agency should also sit in the Business Agency, the Digital Agency, everywhere and the Isle of Man needs to decide for itself what it wants to look like in the future and then really drive that process forward.

6575 That process, going back to the concept of visitor accommodation, which is where I started out, will require a high-quality contemporary product, be it self-catering or hotels of sufficient size to maintain a sector because the way we are going at the moment is we have limited success, but a major problem in terms of quality of accommodation and really serious problems about expanding that. If we do not expand that to a sensible level, then it will contract in and
6580 very shortly you will get to the point where nobody will be able to justify the continuation of Manx National Heritage because the visitor numbers will not be there, because the hotels are not there. You will be getting to a point where you will be saying, 'Well, you know what, we cannot maintain the steam trains or the electric trams, because the numbers will not be there.' Five or six good contemporary hotels are not going to deliver that, so this whole concept is a real

6585 challenge. What the brand is, what the product is and how big it is going to be is a real challenge
which sits as a responsibility right across the piece, but right at the heart of it is getting the
requisite number of good hotels in place, and as the current policy stands it will not happen.

Coming back to the issue of TT, because I said I would, TT is iconic. It is loved or people leave
the Island during TT week because they do not want to be involved. It is a big cash cow, but it is
6590 fast cash. It is not anything that can relate to what I have earlier discussed is a long season yield
for hotels, it has had no impact upon that at all.

I am often laughed at when I say what is more perishable, a banana or a hotel room? A
banana is less perishable and a hotel room because you can put the banana in a cold place and
sell it or eat it the following morning, but if you do not sell a hotel room by midnight you will
6595 never, ever get the chance of selling that again. As far as TT week is concerned, because of the
lack of transport facilities, which is understandable, because that can only comply with what is
deliverable over the whole year, the TT period is becoming shorter to a tighter peak. It has two
troughs, one at the beginning and one at the end and in pure yield terms, if you then put that
right across the three or four weeks before, during, and after TT you get more or less the same
6600 as the rest of the year. Where TT matters is where you can stack inventory up high and sell it
fast. So the retail sector gains hugely and so do other areas, clubs that are able to sell their
playing fields for campers so that it contributes massively to that club for the rest of the year.
But for hotels, in terms of investment, it is just another week.

So I would argue that the best way to deal with TT, if we have the courage to get our grown-
up Agencies to move out of the Department for Enterprise, I would also argue that to stop TT
6605 being seen in tourism terms as the great and glorious, but simply a really special event, then it
would be appropriate and the right way to handle it would be to take the team that runs and
manages TT inside the Department for Enterprise out and set up an arm's-length company that
delivers the TT product as a separate proposition.

So just to close, a few more points. There are those who wrongly dismiss tourism as
yesterday's issue. First of all, I would say to that (1) we have always prided ourselves, compared
to the other Crown Dependencies, in having a pretty diverse economy, we must not let those
areas that we have got now that have been shrinking go simply because they are not quite
fashionable in the current environment. We need to recognise that they are recoverable and
6615 they are really important. If you look at what is happening in a lot of other cold water
destinations, where investment programmes are accelerating way beyond us, they are leaving
us behind. We have to decide are we going to be left behind and forgotten, do we not care
about this any more? Are we going to throw away a really vital contributor to our economy now
and in the future? I hope not.

But if we really start thinking strategically about where the economy and future life is going
to go, I recall very well an occasion where the Department for Enterprise set up a ... I do not
know what ... it was a seminar down in the Villa Marina, I think. I was not very keen on some of
the speakers; I did not go. But there was one person I particularly wanted to listen to, and that
was Jim Mellon, who owns the Sleepwell group. I do not know whether any of you were there,
6625 but his presentation was fantastic. He started out by saying to the audience, 'Do you know how
many people drive taxis and lorries in the UK?', and we all were embarrassed, we did not know
the answer to that. He said seven million. So he said, 'Scroll forward 20 or 25 years. Do you know
how many people will be driving taxis and big trucks in 20/25 years' time?' Again, we did not
know the answer. He said, 'A lot fewer, because society is migrating towards autonomous
6630 vehicles.'

If you then parallel that point on, right across our economy, where AI, autonomous vehicles,
technology, is driving forward at such a remarkable pace, it is breath taking, really. But that
ultimately will result in a situation where work opportunities will be very different. Why I want
you to think about the concept of hospitality continuing to be important is you cannot automate
6635 the personal services that the hospitality sector deliver to people. There will always be jobs in
the tourism sector. I think that if you start to imagine what life will look like in 20/25 years' time,

if you really think it through, you will come to the conclusion that our hospitality sector in the Isle of Man has a great future. It is a great place and we must not undersell ourselves by imagining the product is what it was 10 or 15 years ago.

6640 So a couple more points then. Well, one more point, and then I will sit down. (*Interjection*)

The President: Yes, could you bring your remarks to a close? I have a number of people quite anxious to –

6645 **Mr Robertshaw:** Okay. Right, well I will close on –

The President: – expand on what you said. Carry on, please – and finish.

6650 **Mr Robertshaw:** Okay, well, just one point then about booking systems and the overreliance now that is beginning to develop in a number of hotels that are increasingly reliant on Booking.com. If I take you back a number of years, the sector became over-reliant on travel agents and yield levels, and therefore the capacity to reinvest diminished on the basis that travel agents were taking more and more of the commission margin from hotels. The great future was seen to be direct bookings on the internet, and that gave way, progressively, to dominant
6655 players like Booking.com, who are now migrating their commissions, because they control the market, from originally 7% to 10%, then to 15%, and it is now migrating in some places to 20%. Now, if you have already got a low-level tariff and you are taking 15% to 20% out of it, you will not get the yield necessary to reinvest in your product or persuade investors to go with you in the first place.

6660 I think – and I look here to the Department for Enterprise – there is a piece of work to be done here about how we can create a fully integrated booking system that transcends travel hotels on the Island, control by the Island, Manx National Heritage, the vintage transport system and other amenities that we have got.

6665 So that is enough from me, Mr President. (**The Speaker and Mr Henderson:** Hear, hear.) I would love to hear what everybody else has got to say.

The President: Now, I have four Hon. Members who wish to speak. If we are to complete before midnight, we really will have to pick up the pace. Otherwise, I think the mood of the Court would rather be that we come back tomorrow, (**Several Members:** Hear, hear.) refreshed.
6670 We have important matters to discuss, which we have to do justice to, and we are not going to do it hallucinating because we are tired. So I suggest we review what stage we are at at nine o'clock, (*Interjection*) if that is acceptable.

Mrs Sharpe.

6675 **Mrs Sharpe:** Thank you, Mr President.
I beg to second and reserve my remarks.

The President: Well, you certainly may second. If you wish to speak –

6680 **Mrs Sharpe:** I had better do it now?

The President: – I suggest you do so now.

6685 **Mrs Sharpe:** Okay, Mr President. Thank you.
I was not planning to speak today, because I did not think we would get this far, Mr President, so I will just try to attempt to read my handwriting. But I would like to thank the Chair of the Economic Policy Review Committee, Mr Robertshaw, and my colleague on the

Committee, Mr Moorhouse, our Clerk, Dr King, and our intern, Kieran Skehan, for what has been an interesting and perplexing few months drawing up this Report.

6690 I say perplexing, because initially I thought, why are we concentrating just on visitor
accommodation? Surely, first of all, you have to sort out there being something for people to do
and see when they get here? But the more I looked into the evidence ... and I would really
recommend Hon. Members, if they have not had a chance so far, to look at the appendix to the
Report, because there is a lot of evidence in there revealing increases in staycations across
6695 Britain, the fact that in a recent survey 71% of Britons said that they will be taking a staycation
within Britain in 2021. So this is an area which is increasing – and people have to have
somewhere to sleep, after all, when they do get to these locations. Also, the visitor economy is
really our calling card to the rest of the world. So we have to get it right and we have to get the
accommodation right as well.

6700 So the second reason that I was perplexed was that, as we have heard, the Department
commissioned two reports at a cost of £41,000 and in the first report, the main
recommendation was that there should be a hotel investment fund for hotels on the Island; the
second report was that there should be a development in planning policy to allow
accommodation for holidays which will cater for specialist tourists – for example, hostels,
6705 bunkhouses, glamping, that sort of thing. But neither of these were implemented.

I understood what the CEO of the Department had to say when he said, ‘Well, you know, you
commission a report, but you don’t have to accept all the recommendations, and also the
Department doesn’t want to skew the market.’ But the only recommendation that was
implemented was the marketing element. Nothing was actually done to change what people
were coming to see, do or stay in the Island. As we heard, Mr Keeling of Hotel Solutions, when
6710 asked how many of the recommendations were implemented, said three or four out of 10, and
you could tell that, when you were there in person, he was being quite generous with that.

Also, the report had recommended that the lower-star hotels in the Island should really be
allowed to slide away quietly in order to increase the overall quality of the accommodation that
6715 the Island is offering. But we have not done that either, because during lockdown Treasury
supported these lower-star hotels. I am not saying that they should have been left, strung out
during lockdown, but there needs to be a clear plan here.

So I was perplexed as to why none of this had happened and also I was trying to understand
during the evidence session, how do these Agencies work? If you have a report where you have
got recommendations, then is it the Department that says to the Visit Agency, ‘Right, these are
6720 the recommendations, now you go off and make it happen’? That is how I thought it would
work, but clearly it has not. I suspect – and this is what I saw with the Active Travel Strategy –
that there are a lot of officers engaged with the project, and I imagine that there are people
within Government who have been allocated the jobs of working with the Visit Agency, but
6725 actually they are too busy doing other things to have time to actually implement any of the
recommendations.

We also heard from Ranald Caldwell, who is the Chair of the Visit Agency, that he actually
was finding it difficult to convince the Department that the Department really does want to
increase tourism on the Island. That led to another of our conclusions in the Report, that
6730 actually, the Agency should not have to be doing that; should not have to be trying to convince
the Department to increase tourism. So there is this general feeling I got that the whole of the
visitor economy was on hold, and it really did seem that, as my hon. colleague Mr Robertshaw
said, the Agency, or probably all the Agencies, need to be cut free so that they can get on with
delivering.

6735 The Department has brought out a glossy brochure on the visitor economy, but looking at it,
it does not tell me how things are going to happen practically. So if it does not really convince
me that things are going to happen practically, then how does the Department hope to convince
investors to part with their hard-earned cash? If you look at the appendix to the Report, there
are numerous examples of where, in other jurisdictions, they have used local government and

6740 national government money to invest in visitor accommodation, leading to an increase in the visitor economy.

Now, Mr Robertshaw suggested that instead of focusing purely on the TT, the Island should look at an eight-month tourist season. This does make sense. In fact, we have always, I suppose, historically concentrated on these tiny little one-off points in our calendar. Even in the 19th
6745 century, where we were an absolute tourist destination of choice within Britain, we were still only catering to factory workers who had one week's holiday a year, and that is the same as what we are doing with the TT.

I think that what struck me was that we cannot just look at visitor accommodation, but we need to look at things in the round; that a good place to start would be with the regeneration of Douglas, of course, because this is our capital. During lockdown, it really concentrated my mind
6750 when I thought, is this the only capital I am going to be visiting for the next two or three years? We have to get that right.

I think that if we do concentrate more on the visitor economy, we will improve the lives of local people as well, because I do not know about anyone else, but I only dust when people are coming around to visit. We make the effort to make a place look nice for visitors, but we do need an overall plan. I do not see why we are not tying in our green strategies, with our healthy streets, with our brownfield-site developments, getting people into apartments in town so that
6755 you have got more businesses staying open in the evening, you breathe life into the capital. This is what people need.

I think the Hon. Member mentioned AI, and I suppose, maybe in the future, people ... it is possible they will not go anywhere. They will just sit at home with goggles on experiencing travel to different countries. But I also believe that in this world of social media and fake news, what people are looking for is authenticity, (**Mr Robertshaw:** Hear, hear.) and I think in the Isle of Man we have authenticity oozing out.
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We have got the landscapes. We have got our crafts. If you look at how much crafting has become popular at the moment across Britain, spinning, weaving, we have all of these things. And this could relate to, if you look at the evidence at the end of the Report, there is reference to 'digital detoxing' and 'microgapping', which are really popular with young people. A Visit England survey shows that over 52% of young people, when they go on holiday, they would like
6770 to learn a new skill. So why not combine the two in the Isle of Man and have microgapping, so that people can learn a new skill and it could be spinning or weaving or Manx thatching? Why wouldn't people want to do that? You could market it as being meditative – just some thoughts for the Minister.

Also, I am constantly reminded of Sweden and how Sweden turned itself around. It had the highest suicide rate in Europe. It is dark all through the winter. They managed to turn themselves around, so that they became known as the happiest place in Europe. I believe that the Isle of Man could also do that. Why not promote *traa dy liooar*? We have had a slow TV movement, a slow food movement, why should this not be part of it?
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So I think that we need to bring together all of our plans and, overall, we need a clear plan for the visitor economy, underpinned by a clear policy and a friendly regulatory framework to support early-stage development and regeneration.
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Thank you, Mr President.

The President: Mrs Lord-Brennan.

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Mrs Lord-Brennan: Thank you, Mr President.

Three points from me. Do we need a better vision for tourism on the Isle of Man? Yes – visitor accommodation is clearly part of that. I worry that we are still going to just continue looking backwards. I have joked to some Members talking about a 'festival of yesteryear', and whilst that might serve some elements of the population and visitors, what we build for visitors
6790 is also what we get to experience here.

6795 I do not think, though, that a vision and an overall strategy for tourism is going to be something that can actually happen under the existing set-up, because some of the comments I am going to make next do relate, in my view, to some of the concerns I have about the Agency set-up and also DfE. But I will end on a positive note, I think. I do very much welcome having this debate here today, because I hope it might point to the future because we need to have higher ambition for what we are doing now. I think that is clear.

6800 So to move on to the points that have concerned me about the Agencies and the DfE, is that I can see there is definitely a willingness there to engage with the private sector and to move things forward. However, something that has bothered me has been that – I think this has been drawn out in perhaps separate Committee hearings – is that actually, when it comes to strategy, I have heard and understood that the Department say that they were going to make a strategy once the Agencies had done their various business plans. Then, quite clearly, the Agencies have come forward with their own strategies, and certainly looking at the one to do with Visit Isle of
6805 Man, that in itself also talks about needing a strategy.

So we need to get out of this pickle where we are constantly talking about strategies but not having the overall vision on it. So I just wonder if we are also operating at the right level, because I think that some of the points that Mr Robertshaw is making is that we need to think long term, we need to think quality and maybe not just focus so much on the smaller level
6810 promotional side of things, because that is just one piece of the puzzle.

The other point I would make is that it strikes me that we need to have more of a marketing approach to much of what we are doing with tourism here. It concerns me where it has been raised in this debate and elsewhere that the approach to economic development seems to be in some ways at present fragmented. So talking about tourism in isolation, well, how does that tie in with Visit, because it is all the same stuff, right? It is all about attracting people here and having a better place.
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But the final point I would make is that it is totally possible to emerge from a crisis, which is where we are with tourism now, with a singularity of purpose and in terms of raising the game. That has been successfully done in Iceland. After they had their banking crisis, they had to completely reimagine the sort of place that they wanted to be in terms of attracting people. But when they did it, they actively sought to do in a *really* streamlined way. I would ask, then, the Minister for Enterprise, perhaps, when he contributes to the debate, if he is going to review the interaction between the Agencies and the Department, just to make sure that we have not just got layers and layers of bureaucracy and lots and lots of talking, because I think there could be an opportunity in this, but it is going to need a single economic strategy, which I am sure will be forthcoming over the longer term. But it is also going to need a really uncomplicated approach.
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So that is what I think is needed to address some of the issues that are *much* bigger than simply promoting aspects of tourism in terms of what we are describing as products: the walking, golfing, things like that. I think we need to have some bigger thoughts on that.
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Thank you, Mr President.

The President: Thank you, Hon. Member. Having picked up the pace with that succinct contribution, we will see how we can proceed.

Mr Quine, please.

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Mr Quine: Thank you, Mr President. I am sure Members of this Hon. Court will be pleased to hear that I shall try to be brief.

Mr President, my honourable, and ineffable, friend, the Member for Douglas East, spoke with the most concise lucidity.

6840 Thank you, Mr President. *(Laughter)*

The President: Well done, sir! *(Laughter)*
Mr Moorhouse.

6845 **The Speaker:** Ditto!

Mr Moorhouse: Thank you, Mr President. *(Laughter)*

6850 This Report is by design both short and focused. This Committee did not want to reinvent the wheel. What they wanted to do was to raise one point: the experts have identified a way forward, now let's do it.

6855 Tourism is important and this is the first Report to be brought on tourism during this administration. We are good at promoting what we have, but is what we have adequate in the 2020s? Planning must be looked at. The national impact of a new development should be considered and, arguably, take priority. Currently, the local situation dominates. These restrictions are the chains which are holding us back. The words and actions of the Minister will hopefully ensure that we can now move forward effectively by adopting the suggestions of Hotel Solutions. The reports, which the Minister had a genius moment and ordered, have been delivered, but unfortunately have been gathering dust. The Minister will hopefully take these off the shelf, reassess them and find a new way forward to create an optimistic and vibrant tourist sector on the Island again.

6860 Thank you, Mr President.

The President: Thank you, sir.

6865 Now, the last Hon. Member on my list before we have a brief summing up will be Mr Skelly.

The Minister for Enterprise (Mr Skelly): Gura mie eu, Eaghtyrane.

6870 'Isle of Man for happy holidays' – do you remember that? Probably not; some of you may. The Victorians started it, and it lasted all the way up to the 1960s. So the Victorians gave us tourism. They gave us the wonderful promenade which we are investing in at the moment, they gave us the glens, they gave us the railways, which we are all subsidising right now, for the betterment, not just for tourists, but for us – for our well-being and our quality of life.

6875 So first and foremost, I want to thank the Committee, and particularly the Chair, who is clearly an authority in this particular space. I fully respect his views and the entire Committee. But this is actually a very narrow view. We are looking actually at the accommodation sector, and you do need to look at it holistically. Of course, it has already broadened out; understandably, I guess, because it touches so many people. But when you talk about the accommodation sector, that is 600 businesses; 225 food and drink businesses, 134 activity and attraction businesses, 3,000 people actually are affected in this particular industry.

6880 It is an important industry, but the focus here is all about a report that goes back to 2016/2017 in serviced and non-serviced accommodation, and what actions did we as a Department take. Well, I will come back to that in a second. However, what happened after that is in 2017 we had a review, we restructured the Department and we committed to the Agency model. It is wonderful to hear the positivity about the creation of this Agency model because this was to be not talking shops. These, and Mr Robertshaw has in them, some of you may have been involved with them, we have had far too many of these between public/private sector and all they are is talking shops.

6890 So this Agency was set up, first meeting was in 2018. Their focus and their remit was about promotion, product development and policy input. A hundred and forty papers they have considered; 44 decision papers they have made. They have been productive for this industry, and they are volunteers too. Between the four Agencies, there are 50 of them and we have four Chairs. What did they do? The last thing they did pre-COVID was right here. I gave evidence, and they were still working off the Destination Management Plan, were not aware that we had actually published here the Visit Agency. Not us, not the Department; the Visit Agency. This is industry talking with their Strategic Plan to 2023. Were they ambitious? Yes they were, because 6895 in 2017, £112 million spent, 266,000 visitors; 2023, they want to get to £159 million spend and

340,000 visitors. The big leap there, and I am absolutely in tune with Mr Robertshaw about yield, that is visitor spend that is actually growing faster than what we have in terms of visitors. That is really vital and that is very important for this sector undoubtedly.

6900 So they have reviewed the Destination Management Plan, they have come back with a new Strategic Plan. But do you know what? They have actually got bigger ambitions than this: 2030, they want to get up to half a million visitors on our Island. At the very peak of tourism in 1913, 660,000 people came here. Amazing, wasn't it? It really was. The Steam Packet, and that is ours now – strategic investment this Government has made from a holistic point of view. This will help this sector immensely, not just now, but for the future coming through it. I was on the
6905 *Mannin Line* on Friday and I had a question: 'We got the Steam Packet, we could discount the fares.' Yes, we are already engaging with them. They are looking at improving their product, which is equally important as the accommodation sector. They have already commissioned a new vessel that is going to be passenger friendly. I think that will be a massive improvement.

6910 Back to the Report – and I will try to be very succinct here, Eaghtryane – it talked about contemporary hotels. Now, since then, we have seen already hotels arrive, as already recognised by Mr Robertshaw. But it is worth recognising some of these investments that have happened without an investment fund: the Mannin Hotel; the Comis; Premier Inn; the Park extension; Port Erin Marine Biological Station is going in for detailed planning right now; the Halvard. That is just to mention a few.

6915 Then the mix of accommodation, in terms of glamping, because there was talk there with regard to development in the countryside and there was a high-profile application that did not get past planning. But what did get past planning was Port Erin. A glamping site there with the commissioners in Port Erin that is already approved. There is a South Barrule application, which will be very family friendly and add to the product that is already there. We have interest in a
6920 five-star hotel. We have interest in boutique hotels, which are actually under development right now. And the self-catering, I must mention this, because once they published this, they were working on a plan. COVID came along. What did they do? They adapted, and that is exactly what we have done I think, as a Government. They adapted, because what did you have? The staycation market. We jumped on that. The Agency jumped on that. And you and the Island
6925 public, the great Manx public, have contributed to the staycation market, which has been a tremendous success. The air bridge: another great success. The numbers that we are talking about, I think was 1,800 initially, ended up being nearly 7,000, and they want to do it again in the new year. So even when we have restricted borders, this industry has adapted and has been a success and it will continue to do so.

6930 But if I just come back to the integrated approach, I do accept that, because that is something we as Government must do more of. The Agency, in this particular case, has worked very closely with colleagues in DEFA, has worked very closely with colleagues in DoI, in improving the products. Because, remember, their remit is product development, promotion and policy input. They have not come forward and said, 'We need an investment fund.' They may, and we will
6935 certainly listen to them, and you will have to listen to them and we will have to convince Treasury. But when we value this industry, I will put a figure on it, it is just shy of £20 million. That is what we have supported this industry since COVID; Strategic Capacity Scheme, wage support for this industry. That is how much we value it. Back to the 1960s: 75% of GDP was tourism. Now: minuscule. But I remind you: 600 accommodation businesses, 225 food and drink
6940 businesses, and 134 activities and attractions.

I do believe in the Agency model. Can it go further? Yes, is the answer, but clearly we have been operating under the restriction that is COVID, and I believe they have been very successful in delivering what we have here right now. And we are poised now for the future, because we have a fund that has been supported in terms of marketing, did not launch pre-COVID, but we
6945 are ready to actually launch that fund. We believe that the trends have changed. We are listening to the industry to understand where those trends are changing. Mr Robertshaw talked about Booking.com and those organisations. We are going to need to adapt to that, and I will

6950 highlight that we are also trying to educate and promote to this industry. For example, in early January, we are having a webinar for the industry about exceeding customer service. Really important because it is so competitive out there, you have to have the highest level of service. Pivoting revenue streams, driving profit and revenue management. That is all about yield, and that is why what we are trying to do is to provide the support and get out the way of the industry in trying to drive this forward.

6955 Mrs Sharpe mentioned there about a brand and I do recognise it. But I will come back to when tourism started. What did the Victorians come here for? The great outdoors and those railways and the fresh air, and really everything in the heritage that we have. And what is that encapsulated in? UNESCO Biosphere status. That is our brand, as I believe it. We are *very* good at events. I am not going to labour TT, but we have an extended season and that has actually already shown that we can generate more revenue and benefit for this particular sector. But I
6960 will say this also: without a tourism sector, you do not get those restaurants and attractions. You are going to say goodbye to over 30% of them. And that is why it is valuable, not in GDP, but in many other terms – our quality of life.

6965 So last, but not least, Programme for Government: a special place to live and work. It needs to be a special place to visit as well, and we will work with the Agency and work with industry to continue to deliver that.

Gura mie eu.

The President: Thank you. I call on Mr Robertshaw to reply. There being no vote of course, this can be a very short reply. *(Laughter)*

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Mr Robertshaw: Thank you, Mr President.

In no particular order, I am bound to address the Hon. Member for Douglas South first, Mr Quine. Thank you.

6975 Mr Moorhouse: I liked his contribution. Produce a report and then act, rather than produce reports and then wait and then produce more reports. I do beseech the Department to recognise the validity of those reports and keep working away at it.

6980 Two points ... one point from two Members and the issue of marketing. I just ask the Department to hesitate from overselling, really. Produce a fine product and almost undersell it then, because that is the way to success. In terms of marketing, there was a determination to jump ahead of ourselves there terribly, where the reports talked about the need for extending and developing the family market, but the requirement was to invest significant sums of money in it. We did not. We did not invest those sums in the family market; we just marketed and fell flat on our face. So it is all about the investment in the quality of the product.

6985 I appreciate the comments from Mrs Sharpe about our authenticity, and we should never, ever dispel that.

6990 As far as Mr Skelly is concerned, I would expect him to have said what he said and I think probably in his shoes I would have said something similar – *very* upbeat. I this evening thank the Hon. Court's time for this subject, because it is the first time we have had one on tourism for a long time. I think we need to be a lot more hardnosed and business-like in terms of how and where we invest our money. I quite understand the Minister talking about the number of businesses involved, but right now we are being left behind. We do have some movement forward, in some of the new accommodation that we have got, but it is thoroughly inadequate if we are going to get the scale that we require to support a lot of the things we hold dear. I would just leave that particular thought with Hon. Members and thank them for their engagement this evening.

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Thank you, Mr President.

The President: Thank you, Hon. Member.

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Two Members: Hear, hear.