Outdated laws, recruitment challenges and an eco-drive

28th December 2022

Simon Soar
Soar Consulting

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Simon Soar, of Soar Consulting, reflects on the opportunities facing the industry.

2022 has been a difficult year for Hospitality and Tourism. Jersey has seen an increasing number of visitors to the Island which has meant growth in occupancy numbers. The past few years of being unable to travel has left guests desperate for escape. Visitors are spending well, giving the local economy a boost.

However, 2022 hasn't been without its challenges. Apart from the widely seen increase of costs throughout the island, recruitment and retention is one of the industry's biggest concerns, magnified since Brexit was finalised, and exacerbated by the pandemic.

Brexit reduced the staffing market on the Island by 86%. The Covid-19 restrictions saw a number of employees in the industry look to move back home after being isolated away from family or made redundant. Sadly, many chose to leave Tourism and Hospitality behind for good.

2023 is likely to see the continuation of this pressure on the industry unless permanent solutions can be implemented. For example, the annual cost of the recruitment cycle is immense, and a key reason for a reduction in profit margins. To allow businesses to retain staff for longer than nine months – the current working permit length allowed – Government must explore permit extensions.

This then leads onto another complication within the industry – staff accommodation. It's a common story to hear of hotels blocking off several rooms to house staff members. This loss of occupancy space has a direct effect on productivity; how can businesses make the most of their asset when a proportion of their business is effectively out of service? Businesses in the industry need further support to enable them to build high-standard staff accommodation. This will not only boost occupancy rates and therefore efficiency, but it will also encourage more staff to take up employment in Hospitality and Tourism.

While it may feel that both hurdles are going to be difficult to overcome, Jersey Business has been listening intently to the needs of businesses in the Island while working as efficiently as possible to support them with finding solutions.

15 months ago, we began speaking with multiple departments in Government to seek resolve when it comes to the current staff accommodation issue. At the same time, we also began liaising with the Home Affairs department on the extension of the current nine-month work permit. Jersey Business has been working hard to stay ahead of the curve and put plans in place to help the industry thrive in 2023 and beyond.

Of course, our support for the industry goes further than staffing. We have been keenly focusing on wider issues too, such as how we can support the industry to become Carbon Neutral.

From local resourcing for seasonal menus to thinking about how to drastically reduce wastage, we've been working closely with businesses to help them implement their Carbon Neutral strategies. Our work doesn't penalise any business' current way of working but seek to reward them for making change.

2023 will see jargon-busting events being organised by Jersey Business, helping organisations understand the reams of acronyms and phrases that embody Carbon Neutral strategies. We will also be running workshops and conferences on the technology available to businesses in the Island that can help them reach their Carbon Neutral goals.

However, it isn't just these current challenges that we're tackling. The Tourism law in Jersey dates back to 1947 and, as you may expect, has multiple outdated clauses that no longer serve the Island's Tourism and Hospitality industry.

If we're going to ensure that Jersey invests wisely, delivers great customer service, and provides real value to those visiting the Island, then everything the industry does needs to reflect an evolved and innovative 21st century offering. A modern industry requires modern regulation.

Throughout 2022 and into 2023, Jersey Business has focused, and will continue to focus, on giving businesses the opportunities to grow their knowledge and move forward, despite ongoing challenges. One example includes supporting business owners in applying for the Productivity Support Scheme.

In 2022, Freedom Holidays was awarded funding from the Productivity Support Scheme. The grant enabled them to invest in automated technology that saved the equivalent to one salary per year.

A second example is enrolling businesses onto Jersey Business's Business Improvement Programme (BIP). The course supports businesses to deliver sustainable efficiency and productivity gains that will create market competitiveness and a solid operational platform for future growth. This year, Beresford Street Kitchen was enrolled onto BIP and as a result, the business is expanding its outside catering offering which will add additional revenue streams to its bottom line.

There's a lot for Hospitality and Tourism to consider for 2023, and it may not always be plain sailing, but Jersey Business will continue to be a solid foundation of support for businesses across the Island, no matter what.