

**TO: EXECUTIVE –5TH APRIL 2004**

**SUBJECT: SOUTH WARWICKSHIRE TOURISM LTD - SERVICE LEVEL AGREEMENT**

**FROM: ECONOMIC DEVELOPMENT**

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**1 RECOMMENDATIONS**

- 1.1 To note the review of the performance of South Warwickshire Tourism Ltd against the Service Level Agreement for 2002/3 and the first half of 2003/4.
- 1.2 To agree the draft Service Level Agreement at Appendix 1 for 2004/5.

**2 REASONS FOR RECOMMENDATIONS**

- 2.1 South Warwickshire Tourism Ltd (SWT) was formed in 1996. It is a not-for-profit tourism company, set up by the private and public sectors in South Warwickshire, which now has over 400 subscribing members spanning all sectors of the tourism industry. Its core purpose is to provide tourism marketing, visitor services and visitor management activities to maximise the contribution of tourism to the economic, social and environmental well being of the area.
- 2.2 In the last full financial year, 2002/03, the turnover of the Company was £1,207,441. Warwick District Council's contribution was £200,580, representing 16.6% of turnover. The audited accounts for 2003/4 will not be available for a while but are anticipated to produce a small surplus of around £16,000. The Company has a Board of Management, which is made up of key business interests, plus representatives from Stratford and Warwick District Councils. This Council is currently represented on the Board by Councillors Gerry Guest (who is also the Company's Vice-Chair), Bill Evans and Margaret Begg.
- 2.3 In the Summer of 2002 the Board of Directors, with the full support of the two authorities, engaged Roger Carter, a specialist tourism consultant, who had drawn up the business plan which formed the basis for the company's establishment, to produce a 5-year strategic business plan for the Company. This plan sought to identify the key challenges and development opportunities, 2003-2007. The following concluding paragraph, drawn from the document, identifies the broad themes, which were identified as priorities:

“SWT faces a major challenge to maintain the momentum of the successes it has enjoyed in building and sustaining a dynamic private/public partnership over the last 5 years.

The key priorities identified for the Company over the next 5 years are:

- **Strategy and resource development**, engaging with new key players, such as Advantage West Midlands, to build support for tourism.
- **Tourist Information Centre services**, especially the contact centre, retail activity and an expanded Stratford operation.
- **Marketing**, especially to domestic overnight visitors, conference visitors, the travel trade and overseas independent visitors.
- **Visitor management**, re-focusing energy on activities which add greatest value.
- **ICT development**, with a focus on developing an extranet and ongoing investment in the website.
- **Staff development and training.**

Underpinning all this work is the essential, challenging task of managing the budget. To achieve more, with potentially less, remains the single biggest challenge to the organisation as it embarks on its second five-year business plan.”

- 2.4 2002/3 proved a difficult year for tourism, with SARS and the Iraq War creating continuing uncertainty. As a result, there was a loss of income to the industry, and consequently revenue to SWT. Further problems have been caused by the need for Stratford District Council to reduce their contribution by £39,000 and the loss of £24,000 as a result of American Express withdrawing from the Stratford TIC.
- 2.5 It is proposed to present a full report on 2003/4 and a progress report on 2004/5 to the Economic Overview and Scrutiny Committee in October 2004. Appendix 1 includes the performance for the first half year of 2003/2004.
- 2.6 Understanding the difficulties facing the industry and the company the proposed SLA (Appendix 1) seeks to consolidate the benefits to the area from tourism making sure that the service from SWT is not diminished despite the reductions in financial support from Stratford. The new SLA has only a marginal increase in the targets set in recognition of the potential problems.
- 2.7 The SLA is set out so as to show the four key service objectives and within this the core activities and it is not proposed to change these. Under each service objective the key achievements are listed. In addition to this the key performance indicators are detailed showing targets previously set and what was achieved. Members are asked to consider the new targets set for the forthcoming year. This is followed by a review of the actions of the company against the key issues set for 2003/2004 Finally five areas are highlighted which the company will be required to give particular attention to in 2004/2005

### **3 ALTERNATIVE OPTIONS CONSIDERED**

As the Council expends a considerable sum of money toward the South Warwickshire Tourism Company its use should be monitored and a Service Level Agreement helps the Council to do that. Therefore, there are no real alternatives.

#### **4 POLICY AND BUDGETARY FRAMEWORK**

- 4.1 The cost of the SLA for 2004/5 is £211,000 and is provided for within the revenue estimates.
- 4.2 Tourism in Warwick District in 2001 was estimated by the Heart of England Tourist Board to be worth £160 million and sustaining 4,500 jobs. Investment in South Warwickshire Tourism Ltd both helps sustain this important industrial sector and seeks to grow its value. In doing this it meets many of the targets within the Corporate Strategy. Marketing activity seeks to “Improve the performance of the 3 town centres in front of the regional performance”. The overall programme of the Company’s work will also contribute to the target to “increase the number of visitors by 2% by 2006/7”. The activity will help contribute to the target of “to promote cultural activity”. As tourism contributes so significantly to the local economy then the Company’s activities will help to achieve the aim of “to ensure that unemployment in Warwick District remains at or below 66% of the National rate each year.

Dennis Stanley,  
Economic Development Officer

#### **BACKGROUND PAPERS Report to Scrutiny Committee – 4 March 2003 Tourism Strategy and Action Plan**

<b>Areas in District Affected</b>	All
<b>Executive Portfolio Area and Holder</b>	Economic Richard Tamlin
<b>Scrutiny Committee</b>	Economic
<b>Key Decision</b>	Yes
<b>Included in Forward Plan</b>	Yes
<b>If yes, method of consultation</b>	With Scrutiny Committee

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**WARWICK DISTRICT COUNCIL**  
**SERVICE LEVEL AGREEMENT: SOUTH WARWICKSHIRE TOURISM**  
**2004/2005**

Broadly, there are four main categories of service provided by SWT, as detailed below.

## **1. MEMBERSHIP SERVICES**

**Service Objective:** To consult with, represent, and serve the tourism business community in South Warwickshire, in order to support a prosperous and successful local tourism industry.

### **Core Activities:**

Information management: maintain databases to supply accurate information on all member businesses.

Member communications: newsletters, regular liaison with tourism associations, networking meetings.

Support and advice: covering the spectrum of professional marketing and visitor services (see below).

Representation: secure an effective voice for tourism in South Warwickshire, participating in regional and national tourism forums (eg. Visit Heart of England, Visit Britain). The Director of Tourism represents the Council's tourism interests on Advantage West Midlands' tourism core cluster opportunity group.

### **Achievements in 2002/3:**

- Won £145,000 in external funding from AWM for rural innovation and TIC support projects in the coming year.
- Membership satisfaction levels: 61% of members voted SWT services either good or very good value for money.
- Achieved "Investors in People" status.
- Set up new procedures for monitoring industry and SWT performance: HETB digest of performance statistics and "Best Value" benchmarking group.

## **2. TOURIST INFORMATION CENTRE SERVICES**

**Service Objective:** To provide a high quality, efficient Tourist Information Centre (TIC) service in Leamington Spa, for residents and visitors to Warwick District. Work closely with Warwick Town Council in support of the Warwick TIC, and Warwickshire County Council in relation to Kenilworth TIC, in providing high quality, efficient tourist information facilities.

### **Core Activities:**

Information services: Service counter enquiries and provide information displays on accommodation, attractions and facilities in the area.

Accommodation and ticketing: Provide accommodation bookings and ticketing services.

Central Information Unit: Maintain accommodation availability information; handle telephone and e-mail enquiries and bookings.

Retail services: Sell publications, souvenirs and other merchandise.

The Leamington TIC is open 7 days a week in summer and in winter. Hours of opening vary according to the season.

### **Achievements in 2002/3:**

- Helped to create new information displays at Kenilworth TIC.
- Worked with consultants, Warwick DC and Warwick Town Council to prepare a feasibility study for the development of Warwick TIC.
- Visitor satisfaction survey: Leamington achieved high mean score of 4.13 out of 5 (equating to "good" and above average for the region). Achieved a particularly high rating for "Helpfulness and knowledge of staff": 4.56.
- ICT investment: introduced ADSL broadband and new computers enabling multi-user access to the internet and e-mail.
- Commissioned access audit.
- Hotel bookings increased by 5%, worth over £85,000.
- Established a new service: Stratford Ticket Shop, providing London, Birmingham and NEC theatre, show and hotel bookings.
- The TIC achieved record gross revenue, with overall turnover rising by 27% to almost £123,000.
- Commissioned Warwick TIC user survey.

### **3. VISITOR MANAGEMENT SERVICES**

#### **Service Objective:**

To raise the quality of visitor information and welcome services, in order to encourage visitors to stay longer and spend more money in the local economy.

#### **Core Activities:**

Leaflet display: Provide a leaflet dispenser network in accommodation/attractions across S Warks.

Visitor Attractions Maps: provide 150,000 copies of a comprehensive free guide to attractions.

Visitor Information Patrollers: VIPs greet visitors to Warwick and give directions and information.

Visitor Attractions Maps: provide 150,000 copies of a comprehensive free guide to attractions.

New Technology: Maintain a comprehensive, up-to-date, information database, which feeds data to the TIC and the SWT web site. Provide 24-hour public access "kiosks" at the Royal Pump Rooms TIC.

### **Achievements in 2002/3:**

- Awarded regional VisitBritain "Pathfinder" project, piloting new "EnglandNet" systems to deliver enhanced visitor information and bookings services. SWT will be one of the first destinations to be licensed to supply local information to the regional and national tourism networks, via "EnglandNet", a government-backed initiative aimed at promoting e-business in tourism.
- Visitor leaflet network expanded to 200 outlets.
- Visitor attraction maps expanded to A5 booklet format.
- Organised much-acclaimed Visitor Information Patroller service in Warwick.

## **4. MARKETING SERVICES**

### **Service Objective:**

To undertake a programme of marketing activity, which raises the profile of South Warwickshire as a tourism destination, spreading the benefits of tourism throughout the year, and encouraging visitors to stay longer.

### **Core Activities:**

- Support the promotion of all parts of the District, including the towns and rural areas.
- Consumer advertising and direct mail activity.
- Domestic Short Breaks: Implement marketing campaign, including production and distribution of 120,000 copies of the main South Warwickshire "Holiday Guide". The campaign is to target domestic short break holidaymakers, encouraging year-round travel, especially in the winter/off-peak period.
- Accommodation Guide: Print and distribute 55,000 copies of an Accommodation Guide for Warwick District.
- Overseas Marketing: Produce and distribute an additional 70,000 copies of an overseas accommodation supplement included within the main holiday guide, distributed via the overseas offices of VisitBritain.
- Work in partnership with other agencies to raise the profile of the District overseas especially in the USA and Australia.
- Conference and Business Tourism: Produce a conference manual, attend exhibitions, organise a conference open day, and provide a dedicated conference desk service to promote South Warwickshire for business tourism both at home and abroad.
- Travel Trade Marketing: Implement a marketing campaign comprising dedicated travel trade print, themed itineraries, and exhibition attendance at the British Travel Trade Fair.
- Press and PR: Secure regional, national and international media coverage for Stratford District.
- Continued investment in the Shakespeare Country web site.

## **Achievements in 2002/3:**

- Promoted new “Leisure Drives” leaflet, featuring four tours of the South Warwickshire towns and wider countryside.
- Value of conference business placed increased by 11.5% to £327,000.
- Generated 17,000 responses to advertising and direct mail activities.
- Launched new “Gardens of Shakespeare Country” direct mailer, which achieved 17% response rate from gardens enthusiasts.
- Generated and organised 40 separate press visits.
- Launched “Be a Local Tourist” campaign to encourage local residents to visit our attractions.
- Web site unique visitors grew by 66% to 66,333.

## **Key Issues for SWT for 2003/2004 report on activity**

- 1 Develop a forward plan for the TICs in Warwick and Kenilworth. so as to create a more integrated service in the District and support them in the challenges ahead and in particular the increased use of new technologies.

Comment: SWT has worked with consultants, WDC and WTC officers to begin to develop a feasibility study for the development of Warwick TIC in the future. There has been a new display system set up in Kenilworth Library jointly funded by Warwickshire County Council and Warwick District Council. The introduction of EnglandNet and associated new technology provides a sound platform for the development of cost-effective information services across the District, utilising the SWT database.

- 2 Work closely with the Town Centre Managers in helping to achieve effective and coordinated marketing of the individual towns.

Comment: SWT is an active contributor to the promotion working groups convened by the TCMs. SWT will be hosting meetings to explore further joint working to promote and develop the town web sites.

- 3 Develop a programme to spread more of the benefits of tourism to the rural areas.

Comment: SWT has developed a package of services designed specifically for enhancing the promotion of our individual towns. The Company has successfully secured outside funding (from AWM) for rural promotions under the “Rural Innovation” funding scheme. This has resulted in new “Leisure Drives” and “Gardens” promotions. A further bid to AWM has recently been drafted, to secure additional funds for working with the travel trade to develop short break tour packages in the rural areas.

- 4 Work closely with the Economic Development agencies in South Warwickshire so as to achieve both SWT’s key priorities and those of the area as identified in the developing South Warwickshire Economic Development Action plan.

Comment SWT’s Director of Tourism is a member of the core COG (Cluster Opportunity Group) for tourism within AWM, and represents the Council’s interests on this key economic body.

## **Reporting Process**

The company is expected to meet quarterly with the Economic Development Officer to review progress.

## **Key issues for 2004 /2005**

Whilst it is recognised that progress has been made against the key issues identified for 2003/2004 outlined above SWT needs to complete the work that has started

1, Warwick TIC is very important to both South Warwickshire and of considerable importance to the town. It must be established as a key part of the visitor information service. The authority now looks to SWT to provide advice and assistance in developing a full proposal on the future of the centre, taking into consideration plans that are being developed by this authority and Warwick Town Council for a capital redevelopment programme and management plan. Within this context, SWT will be asked to submit a proposal for running the centre. This proposal to be presented to Warwick Town Council and Warwick District council no later than 1<sup>st</sup> October 2004

2, The authority now looks for a business plan that clearly outlines the working relationship between SWT and the town centre managers. This will include clear proposals on what SWT will do to promote each town to be drawn up and agreed by the Economic Development team by 1<sup>st</sup> October each year.

3, SWT will include the promotion of the rural areas within the annual marketing plan.

4, SWT will meet quarterly with representatives of the new South Warwickshire Economic Development Team to review progress and present relevant monitoring information including financial position.

5, The Company will lead on a substantial funding bid to Advantage West Midlands to support the further development of tourism to include the development of Warwick TIC. The funding bid should be agreed with Warwick District Council and submitted by 1<sup>st</sup> September.