

 <b>Executive – 14 March 2012</b>		<b>Agenda Item No.</b>  <b>5</b>
<b>Title</b>		Tourism and Visitor Economy Strategy – Update
<b>For further information about this report please contact</b>		Joe Baconnet Economic Development and Regeneration Manager 01926 456011
<b>Wards of the District directly affected</b>		All Wards
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>		No
<b>Date and meeting when issue was last considered and relevant minute number</b>		Executive 16 <sup>th</sup> November 2011 Minute number 87
<b>Background Papers</b>		Executive report 16/11/11 – Strategic Principles: Tourism and the Visitor Economy  Draft Tourism Strategy Nov 2011  Background working papers
<b>Contrary to the policy framework:</b>		No
<b>Contrary to the budgetary framework:</b>		No
<b>Key Decision?</b>		No
<b>Included within the Forward Plan? (If yes include reference number)</b>		Yes
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>		No
<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Deputy Chief Executive	2/3/12	Bill Hunt
Head of Service		n/a
CMT	4/3/12	Chris Elliott, Andrew Jones, Bill Hunt
Section 151 Officer	4/3/12	Mike Snow
Monitoring Officer	5/3/12	Andy Jones
Finance	5/3/12	Jenny Clayton
Portfolio Holder(s)	5/3/12	Cllr. Hammon
<b>Consultation &amp; Community Engagement</b>		
Meetings with Warwick Town Council Meetings of the Visitor Services Review Group comprising the Portfolio Holder and member representatives from Leamington, Kenilworth and Warwick Discussions with the private sector resulting in the establishment of the industry led group		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## **1. SUMMARY**

- 1.1 This report follows the approval of the strategic framework for tourism in November 2011 and updates members on the progress made since then, presenting a Tourism Strategy for the district, accompanying Action Plan and recommendations arising from the review of visitor information services.

## **2. RECOMMENDATIONS**

- 2.1 That Executive notes the establishment of the Warwick Tourism Industry Steering Group (TISG) and agrees that the Development Portfolio Holder becomes a member of this group.
- 2.2 That Executive notes the agreement of an independent, private sector, Tourism Champion
- 2.3 That Executive approves the Tourism Strategy set out at Appendix One.
- 2.4 That Executive approves the Action Plan, detailing the work that will be carried out during 2012/13, as set out at Appendix Two
- 2.5 That Executive notes that discussions are underway on options for the provision of a formal Destination Management Organisation (DMO) for the district and that a further report will be brought to a subsequent Executive with recommendations as to how this can be delivered.
- 2.6 That Executive notes that the Visitor Services Review Group has been considering options for the delivery of visitor information services across the district, following the November decision that Warwick Tourist Information Centre will be the district's primary 'hub', and that the outcomes of their deliberations will be presented to members as an addendum to this report
- 2.7 That Executive approves a one year grant of an additional £15,000 to Warwick Town Council, funded from the Tourism reserve, to provide transitional Tourism Information Centre (TIC) services during the 2012/13 financial year whilst the outcomes of the review of visitor information services is fully implemented.
- 2.8 That Executive delegates authority to the Economic Development & Regeneration Manager, in consultation with the Development Portfolio Holder, to agree appropriate monitoring procedures for the delivery of the Action Plan and agree which of its elements will be delivered by Warwick TIC as a result of the additional funding.
- 2.9 That Executive approves that any underspend on the 2011/12 tourism budget is transferred to the Tourism Reserve.
- 2.10 That Executive delegates authority to the Deputy Chief Executive (BH), in consultation with s151 Officer, Development Portfolio Holder and Finance Portfolio Holder, to agree the future release of funding from the Tourism Reserve to support the development of the DMO and delivery of the Action Plan.
- 2.11 That Executive notes that the tourism budget will be reviewed in September 2012 as part of the 2013/14 budget setting progress, with a subsequent report brought to Executive as appropriate.

### 3. REASONS FOR THE RECOMMENDATION

- 3.1 Since the November Executive meeting the Warwick Tourism Industry Steering Group has been formally established. The group will operate under the principles set out by Government in relation to tourism policy (through which Destination Management organisations are governed) and will be lead by the private sector. The group's membership current membership is detailed at **Appendix Three** but this may evolve in the future to ensure the optimum mix of experience, insight and industry representation is maintained. It is proposed that the Development Portfolio Holder becomes a member of this group given that they will have overall responsibility for the successful implementation of the Tourism Strategy.
- 3.2 The Tourism Industry Steering Group (TISG) will be critical to the delivery of tourism development in the district and will be the means by which the Council engages with private sector partners. It will be used to investigate the potential future development of an industry membership scheme in order to maximise the funding available from the private sector to support tourism within the district.
- 3.3 The approved Strategic Principles also made reference to the need for a tourism champion to be a public voice and advocate for the economic development of the tourism sector across the district. Tim Harrison-Jones, General Manager of Warwick Castle, has agreed to become such a champion for the District and in assuming this critical role will work closely with officers to drive the development of an integrated, strategic approach to tourism and the visitor economy.
- 3.4 The TISG have reviewed the draft Tourism Strategy that was appended to the November report and confirmed its support for its submission for approval. A revised document is attached as **Appendix One** for approval and adoption.
- 3.5 An Action Plan setting out the key tasks that will need to be delivered during 2012/13 has also been developed with the TISG and is attached at **Appendix Two** for approval. The involvement of the key tourism stakeholders, via the TISG, has ensured that the plan reflects their needs and aspirations and has secured their ongoing support and commitment to deliver it.
- 3.6 The one year Action Plan focuses on the immediate and the short term needs of the industry. The work it contains will be delivered by the Tourism Industry Group, supported by the Economic Development & Regeneration Manager, the Warwick Town Centre Development Officer and the Tourist Information Centre teams.
- 3.7 The immediate focus of the marketing strategy, agreed with the TISG, is to focus on growth in the short breaks market. This will be an interim approach whilst a longer term integrated strategy across all potential market areas is developed once the proposed Destination Management Organisation (DMO) for the district has been fully investigated and introduced, as discussed in 3.10-3.13.
- 3.8 The interim approach will require the production of a range of printed material and supporting e-materials, as set out in the Action Plan, which have been in development over the last few months. The costs of these materials can be met from within the 2012/13 approved tourism budget.

- 3.9 To ensure the development of a robust Destination Management plan, the TISG has recommended that the Council ensures that it works in partnership with the key industry stakeholders within a geographical area that is wider than our immediate administrative boundaries. This is common industry practice and, for example, Warwick Castle already works with the Birthplace Trust and the Royal Shakespeare Theatre (RSC) on international marketing under the marketing brand "Shakespeare's England". The Tourism Champion has advocated that the Council should pursue a similar approach and consider working with key stakeholders situated outside its area such as the RSC, Shakespeare Birthplace Trust and other cross border investors such as Eden Hotels Group & Q Hotels.
- 3.10 It is known that the Stratford Tourism Steering Group is currently seeking to employ a Destination Manager for Stratford district, funded jointly by Stratford District Council and the local tourism industry. Their first priority will be to undertake an options appraisal of the best structure for a Stratford DMO.
- 3.11 Following discussion with the Tourism Champion it is recommended that the Warwick TISG undertakes a similar options appraisal and works closely with the Stratford Tourism Steering Group to consider the potential benefits of the two steering groups working together, including the potential for a joint DMO.
- 3.12 A joint DMO could potentially co-ordinate marketing and delivery of the area at a national & possibly international level. Working in conjunction with the key private sector partners this could potentially provide us with a level of expertise and 'reach' that would not be available through marketing of this district alone.
- 3.13 Subject to the progress of these negotiations it is proposed that a further report will be brought back to a future Executive with specific recommendations relating to how a DMO for this district should be formed and funded and, unless it is joint DMO, what its relationship should be with a separate DMO covering the Stratford district.
- 3.14 Since November work has also been progressed on a review of visitor services. A member working group comprising of Councillors Hammon, Guest, Gifford and Coker has been established to consider how visitor information services should be provided against the backdrop of the previous decision that the Warwick TIC should be the principal visitor information centre hub for the district.
- 3.15 The group is scheduled to meet again on 8 March 2012 for an options appraisal workshop and it is proposed that an addendum to this report will be circulated prior to week commencing 12 March 2012 to enable members to scrutinise their recommendations as to future provision. The aim of this review will be to strengthen visitor services across the district and ensure a cost effective and viable model is established in Leamington, Warwick and Kenilworth
- 3.16 Whatever the outcome of the option appraisal workshop it is clear that the 2012/13 financial year will be a transitional year during which the agreed model for the delivery of visitor information services is implemented.
- 3.17 It is therefore recommended that additional 'one-off' funding is provided to Warwick Town Council to run Warwick TIC as the district's visitor information hub utilising existing unallocated budget within the Tourism Reserve.

- 3.18 Under the recommended funding arrangement Warwick TIC would take on additional work during 2012/13 to support the implementation of the Tourism Strategy and deliver the Action Plan set out at Appendix Two. It is recommended that this programme of work is formally agreed in discussion with the Economic Development & Regeneration Manager, in consultation with the Development Portfolio Holder.
- 3.19 Current estimates indicate a potential underspend of c£56,000 for the 2011/12 financial year which was not identified at final estimates. It is recommended that the actual year end underspend is transferred to the Tourism Reserve to supplement the existing funding held within it.
- 3.20 It is recommended that appropriate delegated authority is put in place to ensure that the monies within the Tourism Reserve can be utilised on a timely basis to support the establishment of a DMO and the delivery of the Action Plan.
- 3.21 At this stage it is not possible to determine how much expenditure from the Tourism Reserve will be required or when it will need to be released. The delegated authority requested in recommendations 2.8 and 2.10 will ensure that the delivery of the Action Plan is closely monitored and that appropriate funding can be made available when required. It is anticipated that the funding from the reserve will enable new cost-effective delivery mechanisms to be put in place through the year to support the revised strategic approach and that these will enable on-going revenue savings to be identified when the tourism budget is reviewed in September 2012 at the start of the 2013/14 budget setting process.
- 3.22 The proposed budget review will also encompass a review of progress against the Action Plan as this will be necessary to determine what proposals should be brought forward with regard to any uncommitted balance within the Tourism Reserve. The budget and Action Plan reviews will be reported to a future Executive.

#### 4. **POLICY FRAMEWORK**

- 4.1 The Tourism Strategy supports the Sustainable Community Strategy strategic aims to create a "thriving tourism economy in Warwick District, making it one of the top visitor destinations" and to create a "strong, diverse economy which provides jobs for all"
- 4.2 Section 2 of the Local Government Act 2000 gives councils the power to promote or improve the economic, social or environmental well-being of the area.

#### 5. **BUDGETARY FRAMEWORK**

- 5.1 The currently agreed Tourism Budget, excluding support services recharge, is shown below:

	<b>2011/12</b>	<b>2012/13</b>
	<b>£</b>	<b>£</b>
Tourism Budget (excluding Support Services)	194,400	196,900
One- off, additional funding from Tourism Reserve for WTC	15,000	

Total Tourism Budget	209,400	196,900
Specific Budget allocations:-		
Leamington Visitor Information Centre	102,600	102,700
Grant Agreed to WTC	40,300	25,300
Unallocated Budget to support projects/misc. expenditure (and future Action Plan initiatives)	66,500	68,900

- 5.2 A separate Tourism Reserve was established in 2010/11 to hold the unallocated funding that remained unspent from the old South Warwickshire Tourism budget while an alternative strategic approach to tourism and the visitor economy was developed.
- 5.3. The Reserve has previously been utilised to provide one-off funding for 2011/12 to Warwick Town Council in 2011/12 whilst the current proposed Tourism Strategy was under development. The Reserve currently has an uncommitted balance of £40,000.
- 5.4 Subject to approval of recommendation 2.7 it is proposed to utilise this reserve to fund a further one-off grant of £15,000 to Warwick Town Council for the financial year 2012/13. This one-off grant would be additional to the base level of grant funding provided to Warwick Town Council, as shown in the table above.
- 5.5 The grant of the additional funding will enable the expertise of the existing staff at the Warwick TIC to be fully utilised whilst transitional arrangements are implemented which will introduce new visitor information services in Leamington, Warwick and Kenilworth.
- 5.6 The future funding requirements of the new visitor information services model will be explored as part of the 2013/14 budget setting process when the Tourism budget is reviewed in September 2012. It is anticipated that as a result of the implementation of the Action Plan and the visitor services review referred to in 3.15 that the current allocations for the Leamington VIC and Warwick TIC, as shown in the table at 5.1, will require alteration. Where possible any on-going revenue savings will be identified as a contribution to the on-going the Fit for the Future programme.
- 5.7 Subject to approval of recommendation 2.9 it is proposed to transfer any underspend on the 2011/12 tourism budget at final outturn to allow a one-off replenishment of the Tourism Reserve. This is considered to be a more robust approach than establishing an earmarked reserve for any underspend as the future call on this funding has not yet been fully identified. The proposed delegation set out in 2.10 will allow future usage to be closely monitored and controlled.
- 5.8 On the assumption of a likely a final outturn of c£50,000 of the unallocated budget remaining unspent such a transfer would increase the available funding in the Reserve to c£75,000 after payment of the proposed £15,000 grant referred to in 5.3.

- 5.9 As explained at 3.21 it is not yet known whether the full balance of the Tourism Reserve will be required to support the implementation of the Action Plan. The future of the reserve will be reviewed in September 2012 and, depending on progress of implementation, it is anticipated that some or all of any unspent balances may be offered up as a one-off saving. This will be reported to Executive during the normal cycle of reports associated with the budget setting process.

## 6. **ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 One alternative option would be to not adopt the delivery plan. This would leave the District's tourism sector without any structured support and fail to address the continuing concerns raised by Warwick Town Council about the allocation of the tourism budget.
- 6.2 Another option would be to withdraw from directly funding tourism within the district. This has been rejected as it would severely hinder the sector's ability to realise its potential and jeopardise the investment, jobs and wealth that it generates and runs contrary to government policy statements regarding the coordination of tourism and its economic role in driving recovery. It is also contrary to the tourism strategy adopted by the Council in November 2011.

## 7 **BACKGROUND**

- 7.1 The November 2011 Executive report contains further details and background on the history relating to the history of joint working at WDC on Tourism. The November 2011 Executive agreed the following Vision:

*"Working in partnership with others to present a clear, compelling message about the area's unique strengths, which has the active support of local businesses and communities, and which is founded on the highest standards of visitor welcome"*

*"To grow the value of tourism to the District's economy by more than 5% per annum over the next 10 years"*

- 7.2 The following guiding principles to underpin the Vision were also agreed:

- **Sustainable growth:** which is better than the national average and mindful of environmental impact
- **Value not volume:** marketing campaigns encourage visitors to stay overnight, stay longer, spend more, and to return
- **A distinctive offer:** investing in a "sense of place"
- **An inspiring message:** backing a coherent identity which builds on acknowledged market strengths
- **A strong partnership approach:** which avoids duplication and clarifies roles
- **Local ownership:** initiatives have the widespread backing of business communities
- **Quality experience:** offering excellent, easily-accessible information and joining up services to make high-quality, memorable experiences.

- 7.3 The Warwick District tourism strategy is based around delivery of 4 key aims:

- **Marketing** the destination to achieve sustainable growth

- **Place shaping:** to create a distinctive destination experience
- **Business engagement:** to strengthen industry-led coordination and advocacy
- **Visitor services:** to enhance the quality of visitor information and welcome

7.4 Warwick District Council itself remains a key player in the delivery of tourism through the district by:

- funding Tourist Information Centres at Leamington and Warwick;
- supporting proactive town centre management – promoting, developing and animating town centres through events, promotions and information for visitors and locals
- running the museum and art gallery at the Pump Rooms which attract 95,000 visitors a year, of whom half are tourists;
- supporting exhibitions, arts events and festivals;
- providing a range of sports venues and parks which attract visitors and host key events, notably England's women's bowls;
- running (or sub-contracting the running of) a range of entertainment and catering facilities, including the Spa Centre, the Royal Pump Room and in Jephson Gardens.