

Title: Future Funding of Shakespeare's England
Lead Officer: Martin O'Neill (01926 456064)
Portfolio Holder: Councillor Liam Bartlett
Wards of the District directly affected: All

Summary

This report presents the interim funding arrangements for Shakespeare's England for the funding period 1 September 2022 to 31 August 2024. The proposal includes a set of grant conditions that Shakespeare's England will be monitored against and held accountable for.

Recommendation(s)

That the 2-year additional funding package for Shakespeare's England be approved for the period 1 September 2022 to 31 August 2024 on the basis that:

- (1) The conditions set out in Appendix 2 are agreed, implemented and monitored;**
 - (2) A free website listing is established as an additional category separate to the tiers of membership;**
 - (3) A decision regarding the long-term future arrangements of Shakespeare's England is made by Warwick and Stratford-on-Avon District Councils no later than December 2023;**
 - (4) The agreed conditions as set out in Appendix 2 are the only targets that Shakespeare's England will be monitored against and held accountable for by the two Councils within this funding period;**
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1 Background/Information

1.1.1 Shakespeare's England Ltd was set up in 2012 as a "not for profit" joint public-private sector partnership to be the official Destination Management Organisation (DMO) for South Warwickshire (incorporating important partners from the surrounding area). Shakespeare's England activity is principally within the following areas:

- Outward facing marketing
- Development and steering of the Destination Management Plan process
- Lobbying
- Company development
- Increasing membership to the company, Membership support and communications to members

- 1.1.2 Shakespeare's England prepares a Destination Management Plan to manage and develop tourism articulating the roles of the different stakeholders and identifying clear actions that they will take and the apportionment of resources. Its specific focus is around the South of the county but also includes the important tourism businesses in the surrounding areas too.
- 1.1.3 Although a membership organisation, it is primarily funded by Stratford-on-Avon District Council and Warwick District Council who have each provided £75k funding per annum. Funding has been provided on a three-year basis with the latest funding period ending in 2022. Warwickshire County Council contribute £25k per annum.
- 1.1.4 Shakespeare's England is run by a Chief Executive (supported by a small team of staff) who reports to a board comprising of a range of members. Stratford-on-Avon District Council and Warwick District Council are both represented on the board by their respective Cabinet Members responsible for Tourism.
- 1.1.5 When it was established, the expectation was that by moving to a membership organisation, Shakespeare's England would over time, become self-funded and as such, the obligation for public sector funding would diminish. For information, officers are not aware of any DMO that is self-funded.
- 1.1.6 The COVID-19 pandemic has had a devastating impact on the hospitality and tourism sector across South Warwickshire, resulting in a significant impact on the local economy. Both Stratford-on-Avon District Council and Warwick District Council have worked hard to support the industry through the effective distribution of Government and voluntary COVID grant payments.
- 1.1.7 However, both Councils acknowledge that more needs to be done to rebuild the hospitality sector and strengthen the South Warwickshire local economy. To this end, through their respective budget setting processes, as well as confirming the continuation of the £75,000 funding, the councils have each earmarked an additional £25,000 per annum.

Confirmation of this funding was subject to confirmation at a subsequent meeting of The Cabinet, hence this report outlining the proposed approach.
- 1.1.8 It should be noted that the proposed funding arrangements are for a two-year period. The rationale for this was threefold in that it acknowledged, firstly, that the future DMO landscape was uncertain in light of the Government's De Bois Review¹; secondly, that a long-term tourism solution was required that better benefitted all of South Warwickshire; and thirdly, that the two-year period dovetailed neatly with the proposed date of the merger between Stratford-on-Avon District Council and Warwick District Council.
- 1.1.9 Although the merger between the two Councils is not proceeding, an interim funding arrangement for Shakespeare's England is required prior to resolving its future in the long-term.

1.2 ***Proposed Funding Arrangements***

- 1.2.1 A report outlining the proposed funding arrangements was presented to Shakespeare's England Board on 5 May 2022 and is attached at **Appendix 1** for information.
- 1.2.2 In summary, in return for the additional funding, it proposed changes to membership structure and sets a number of grant conditions to effectively

¹ [Independent Review of Destination Management Organisations \(DMOs\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/reviews/independent-review-of-destination-management-organisations)

monitor the continued success of Shakespeare's England and ensure that Council priorities are met, with a focus being on widening the benefits of tourism across South Warwickshire. Importantly, the conditions seek to link tourism with other economic sectors (e.g., the creative industries in Leamington) and build on other tourism markets (e.g., business tourism and green tourism) as well as to help contribute to addressing the climate change emergencies declared by both Councils. Such approaches dovetail neatly with the emerging South Warwickshire economic strategy. The conditions are applicable to Stratford-on-Avon District as well as Warwick District.

- 1.2.3 Whilst the Board were happy with the general tenor of the grant conditions, certain amendments were proposed to strengthen the monitoring components of the conditions. The revised proposed grant conditions are set out in **Appendix 2**. A key change is the distinction between general conditions and specific targets that Shakespeare's England's performance will be monitored and measured against.
- 1.2.4 The Board did, however, raise two areas of significant concern. The first was in relation to the length of the funding period and queries as to why this was set at 2 years, especially now in light of the fact that Stratford-on-Avon District Council and Warwick District Council are no longer merging. The Board was reminded that the merger proposal was only part of the rationale for the 2-year period and this was very much an interim solution whilst discussions and decisions were made regarding the long-term future of Shakespeare's England. It also reflects the very challenging financial climate that both Councils currently face.
- 1.2.5 However, despite those challenges, both Councils have not only agreed to continue to fund Shakespeare's England but have also in principle, agreed to increase the funding of the DMO for the next two years to help rebuild the tourism and hospitality sectors. Moving forwards; it was accepted that any future funding package should be set over a minimum 5-year period to enable Shakespeare's England to take a strategic and longer-term perspective in respect of destination management.
- 1.2.6 The second concern related to the proposal to replace the current three-tier paid membership structure (bronze, silver and gold) with two tiers of paid membership and a free 'website listing'.
- 1.2.7 The rationale for this change is twofold; firstly, to help spread the Shakespeare's England brand across South Warwickshire, in particular, attracting smaller businesses in less touristy areas through the introduction of a free website listing and communications from Shakespeare's England. Secondly, it is hoped that by doing so, a greater number of businesses are encouraged to become fully paid members of Shakespeare's England. This has a dual benefit to both the business in terms of benefitting from the experience and brand power of Shakespeare's England as well as benefitting Shakespeare's England by increasing the membership income it receives. In turn, this money can then be reinvested in improved member services.
- 1.2.8 By minimising the benefits of the free listing, it is hoped to encourage businesses to purchase paid membership. All additional benefits including social media support, free access to the Quarterly Forums, attendance at Trade Shows, inclusion in Press or Trade Familiarisation trips, would only be available at paid member level.
- 1.2.9 One further benefit is that by automating the registration process it significantly reduces the administrative burden of servicing what were

previously a high number of low-value (in membership income terms) members. This will allow Shakespeare's England to deploy its limited staffing resources more effectively to not only drive forward the marketing of South Warwickshire but also to more expeditiously and expediently exercise its destination management functions.

- 1.2.10 The particular area of concern related to the possible conflation of the free web listing with free membership. It was felt that free membership would devalue the organisation and also make it very challenging to reinstate paid membership should it be necessary at a future date. However, it was stressed that the proposal was not for free *membership* but rather for a free *listing*; the benefits of which would be to broaden the reach of Shakespeare's England not only to smaller businesses but also to those businesses in less 'touristy' areas of South Warwickshire.
- 1.2.11 Whilst the Board accepted this rationale it was noted that the proposal for a free listing was a separate issue from the membership structure which was a decision for the Board itself.
- 1.2.12 To provide certainty to Shakespeare's England, the Board sought confirmation that decisions about the long-term future of Shakespeare's England be made as soon as possible to provide clarity and certainty regarding the way forward. The Board also sought confirmation that the agreed conditions (see **Appendix 2**) are the only targets that Shakespeare's England will be monitored against and held accountable for by the two Councils.
- 1.2.13 As such, the Board recommended the following:
That the 2-year additional funding package be approved on the basis that:
- a. The free website listing is an additional category separate to the tiers of membership
 - b. Incorporating amendments to the wording of the proposed conditions as set out in **Appendix 2**
 - c. Confirmation that the agreed conditions as set out in **Appendix 2** are the targets that Shakespeare's England will be monitored against and held accountable for by the two Councils within this funding period
 - d. A decision regarding the long-term future arrangements of Shakespeare's England is made by March 2023
- 1.2.14 In respect of the Board's recommendations, it is advised that these can be accepted noting the following:
- In respect of (b), **Appendix 2** also incorporates some further amendments to the conditions to assist with clarification and confirm monitoring periods and completion dates.
 - In respect of (d), it is proposed that the date for this decision is by December 2023. This is to allow one full year of monitoring data for the new funding period to have been collated given that Shakespeare's England's financial year runs to 31 August. This should also allow adequate time for a clearer picture to emerge regarding the wider DMO review. Although later than wished for by Shakespeare's England Board, it still provides for clarity at least 8 months in advance of the end of the funding period.

2 Alternative Options available to (name of Committee/Cabinet etc.)

2.1 The following three options are available:

- (1) To approve the recommendations of this report;
- (2) To amend the recommendations of this report; or
- (3) Not to approve the recommendations of this report.

2.2 It should be noted that if option 3 is supported, the additional funding would not be paid and Shakespeare's England and the future operation of the Destination Management Organisation for South Warwickshire would therefore be in jeopardy.

2.3 It should be noted that the recommendations are subject to approval of the concurrent report being taken by Stratford District Council at their meeting of The Cabinet on 16th June 2022.

3 Consultation and Member's comments

3.1 The Portfolio Holder for Economy and Culture is supportive of this approach.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

4.1.1 There are no direct implications arising from this report. Amendments to Shakespeare's England contract will be required, as appropriate.

4.2 Financial

4.2.1 The funding was agreed as part of the 2022/23 budget setting process when £100,000 has been accounted for in 2022/23 and 2023/24.

4.3 Council Plan

4.3.1 This report directly addresses the objective of nurturing a thriving, innovative and inclusive economy by seeking to strengthen the tourism and hospitality sectors, that are key to the local economy. It also indirectly addresses the objectives relating to climate and place.

4.4 Environmental/Climate Change Implications

4.4.1 Shakespeare's England is actively exploring green tourism and the proposed conditions seek to mandate and expand this approach.

4.5 Analysis of the effects on Equality

4.5.1 There are no direct implications arising from this report although the proposal is expected to have benefits to a broader range of businesses. The proposal also supports economic growth which will benefit the local economy.

4.6 Data Protection

4.6.1 To assist Shakespeare's England in attracting new registrations for a free listing, it is proposed that the two Councils contact businesses on Shakespeare's England's behalf. As such contact relates to marketing, there are some data protection issues. However, the Information Governance Manager is satisfied that these can be addressed appropriately.

4.7 Health and Wellbeing

- 4.7.1 There are no direct implications arising from this report although a stronger local economy will have wellbeing benefits.

5 Risk Assessment

- 5.1 A budget commitment has already been made to continue to fund Shakespeare's England for the reasons outlined above. That commitment was predicated on a further report outlining what conditions Stratford-on-Avon District Council and Warwick District Council will seek to ensure that Shakespeare's England is as effective as possible in respect of promoting tourism across South Warwickshire. Not supporting Shakespeare's England at this time would undermine our efforts to rebuild the local economy post COVID and support a sector significantly impacted by the pandemic. Ultimately, the risk is that without supporting the DMO, the tourism and hospitality sector does not grow as quickly as it would otherwise and further jobs are put at risk.

6 Conclusion/Reasons for the Recommendation

- 6.1 This report sets out the proposed interim funding arrangements for Shakespeare's England following the earlier in-principle confirmation of funding as part of the Council's budget setting process. In particular, it seeks to broaden the reach of Shakespeare's England by introducing a free web listing as well as set a number of grant conditions to effectively monitor the continued success of Shakespeare's England and ensure that Council priorities are met.

Background papers:

None.

Supporting documents:

[Independent Review of Destination Management Organisations \(DMOs\) - GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/612222/Independent_Review_of_Destination_Management_Organisations_DMOs.pdf)
(www.gov.uk)

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	6 th July 2022	
Title of report	Future Funding of Shakespeare's England	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)		
Portfolio Holder WDC & SDC *	May 2022	Both Portfolio Holders are supportive of this approach
Financial Services *		
Legal Services *		
Other Services		
Chief Executive(s)		
Head of Service(s)	May 2022	Supportive of the approach
Section 151 Officer		
Monitoring Officer		
CMT (WDC)	20 th June 2022	
Leadership Co-ordination Group (WDC)	20 th June 2022	
Other organisations	May 2022	Shakespeare's England Board – as set out in Appendix 1
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to :Cabinet / CouncilCommittee
Contrary to Policy/Budget framework		No
Does this report contain exempt info/Confidential? If so, which paragraph(s)?		No
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?		No
Accessibility Checked?	Yes	File/Info/Inspect Document/Check Accessibility

