

Report of the Assistant Director Economic Development and Partnerships

## **Service Level Agreement between City of York Council and the new Single Tourism Organisation for York**

### **Summary**

1. This report requests Member approval for the terms of the Service Level Agreement (SLA) between the City of York Council and the new Single Tourism Organisation (with a working title of Visit York). This Agreement sets out the Council's priorities for action and commits resources to the new company.

### **Background**

2. At the Economic Development Partnership Board meeting in March, Members were advised that a new Tourism Strategy and Action Plan was to be adopted by the York Tourism Partnership, and that a review was to take place of the organisation and management of tourism in York. This was reported back to the Board at the end of November. The review commended the establishment of a Single Tourism Organisation (working title "Visit York") by 1 April 2008. This will build on the success of the existing tourism partnership, which has seen the York economy benefit from a 62% growth in visitor spend since 1993 and almost 1,600 additional jobs.
3. The Council's current financial contribution to tourism in York is a combination of cash contributions and staffing support.
4. It is proposed to establish a rolling three year agreement, though the exact financial terms are subject to approval in the Council's budget programme. Up to four members of staff will be seconded into the new organisation. Three Members of the Council (Cllrs Hogg, King and Gillies) have been appointed on to the new company Board.
5. In return for this rolling three year agreement of financial and staffing support, a Service Level Agreement is proposed, which will complement the Company's Memorandum and Articles of Association, set out the main activities which the Council will require the company to address, outline how the council will monitor the performance of the company through a set of indicators and confirm the Council's contribution and the funding conditions.

## **Consultation**

- 6 Discussions have been taking place throughout the year on the shape and form of the Board and structures for Visit York. Essentially Visit York will be a public-private sector company limited by guarantee, with responsibilities for leading the continued development of tourism in York and the surrounding area. It will lead on defining and securing investment to develop the quality of the York product, and market York as a destination to the leisure and business visitor, including domestic and overseas markets. The ultimate target is at least 5% per annum growth in tourism earnings, contributing to regional growth targets.
- 7 Consultation has included the existing York Tourism Bureau membership and other key stakeholders including Yorkshire Forward, the Yorkshire Tourist Board and Council members and officers. An initial report on the development of tourism in York was taken to City Strategy Executive Member Advisory Panel in July, which approved the principle of establishing a Single Tourism Organisation. This approach was also commended by the Future York Group.

## **Options**

- 8 Members of the City Strategy EMAP in July have already endorsed the principle of a single tourism organisation, and this report shows how we will achieve this aim. The level of future financial support from the Council will be confirmed during the current budget-setting process

## **Analysis**

- 9 The specific activities of the company, subject to final confirmation by the newly appointed Chair and Board, are likely to include:

Setting the strategic direction for the development of tourism in York – led through the Chair and the Board, but with strong input from the Chief Executive

Aiming to encourage and facilitate transformational enhancements to York's visitor attractions, improvements to accommodation and hospitality provision within the city and influencing inward investment

Defining and securing public and private sector investment to develop the quality of the York product (including championing investment in the public realm), and its marketing and promotion

Maintaining and building on the current level of income from the private and public sector funding in order to carry out its core functions – raising funds from the private sector and maintaining investment and commitment from the Council and other public funding agencies

Specific marketing activity that delivers business to the city of York and the surrounding region through destination marketing, and directly to businesses through VIC services, hotel bookings, the visityork website etc

Engagement and communication with stakeholders, businesses and service providers. This also includes representation on many outside bodies as determined by the company's Board

Seek to enhance the marketing and packaging of signature events and festivals and evening activities that will bring additional staying and high-spend visitors to York

Pursuing a sustainable, green tourism agenda for the city and its businesses

Encouraging the take up of employer-focused business support, skills development and training activities and working with the industry and partners on the promotion of careers in the tourism industry

Commitment to performance management for the benefit of the company's Board and for reporting to stakeholders and businesses

Ambassadorial function – acting as the voice of tourism for York. Influencing national, regional and local strategies and opportunities for external funding, and working with regional and sub-regional agencies.

The forward strategy of the company will be to continue to grow and develop the private sector engagement with the partnership, increasing the level of support, to continue to secure significant investment from the public sector (through City of York Council), and to seek external funding for specific projects, through Yorkshire Forward or other bodies, that will secure the long-term future of York as a premier visitor destination.

- 10 Driving the new company will be its Board. The Chair, John Yeomans, was appointed in October by a Nominations Committee following an open recruitment process and five other Directors have been appointed in the same way.
- 11 The other directors will be three nominees each from the current Bureau Board and from City of York Council (Councillors Hogg, King and Gillies). The final Board appointee will be the Chief Executive.
- 12 The role of the Directors, including the Council directors, is to provide a creative contribution to the Board by providing ideas and insight, objective and constructive criticism and support to the executive team in implementation of agreed strategies and specific actions. In conjunction with the Chair and Chief Executive, the Directors are primarily responsible for:
  - Determining the company's strategic objectives and commercial viability.
  - Monitoring progress towards achieving the objectives and policies.
  - Overseeing the company's activities.

13 The constitution of the new company has been the subject of discussion and negotiation between the Council and the current Bureau Board, given that the responsibilities of the new company are much wider than those of the existing Bureau. The Memorandum and Articles of Association of the new company have been agreed, subject to final approval at a Bureau AGM in December. The Mem and Arts confirm the company's strategic and operational roles, and the Service Level Agreement covers what the Council expects the new company to deliver, and ensures proper accountability for public funding.

14 The Council's funding provides a contribution towards the activities to be set out in a business plan for the new company. The Council will require Visit York to address the following activities which are regarded as priorities for the strategic development of tourism in the City:

Production and/or revision of a Tourism Strategy and Action Plan for the City through consultation and involvement of the Council and other stakeholders;

Acting on behalf of the City on priorities that enhance York's tourism offer to attract higher added value in the tourism sector and to strengthen the City's function as a tourism gateway to a wider region;

Developing the quality of the York visitor product, either directly or through influencing and engaging with business interests;

Ensuring that Visit York has sufficient resources to be able to run its services effectively and maintaining the financial viability of the company;

Ensuring that timely responses are made to consultation from the Council, thereby assisting the Council to fulfil any responsibilities to consult with the tourism industry;

Helping the Council to achieve its environmental sustainability objectives for the city through the company promoting a sustainable, green tourism agenda for the City and tourism businesses;

Encourage and facilitate transformational enhancements to York's visitor economy, subject to the development of a business plan for Visit York and the availability of resources;

Complement and contribute to the work of [York@Large](#), particularly regarding the promotion of major events in the City that will attract visitors;

Take account of the interests of residents in the development of tourism, including to continue to run the Residents First Weekend or other similar activity;

Provide tourism advice to the Council and other stakeholders on issues such as business skills and training needs;

Deliver information services to York's visitors and make best use of destination management systems;

Provide input, comment and intelligence so that the Council can respond to regional and national tourism policy where the local authority can have an input.

- 15 The Service Level Agreement will establish a set of performance indicators that reflect the objectives of the company (para 6 above), the activities of the company (para 9) and the Council's strategic priorities for tourism (para 14). Exact measures are to be finalised but will include:

To increase visitor spend per annum by at least the rate of recent years (5% per annum)

To increase the average length of stay by 1% annually

To increase the number of jobs created in the visitor economy by 1%

A service level measure linked to the Visitor Information Centre service – detail to be confirmed

To maintain private sector membership of Visit York to at least the same level as recent years

To maintain the number of tourism businesses in York engaged in skills development

To maintain the number of training days per annum delivered or facilitated by Visit York to tourism businesses

To increase rate of return on investment in advertising and promotions campaigns.

- 16 The company will be required to produce monitoring reports against these performance indicators, and also on other project work it undertakes, and the Council will carry out an annual review of the organisation, by 31 January each year. The results of this annual review will be used to inform the Council's decision on the continuation of the agreement into the second and third years of the agreement.

- 17 The SLA also highlights statutory responsibilities for the company – Equal Opportunities, DDA, Health and Safety legislation etc, and sets out the Council's requirements in terms of its representation on the Board and the role of officers, including an agreement to second up to four existing posts to the Company, subject to a separate secondment agreement.

### **Corporate Priorities**

18. Several elements of the new Corporate Strategy relate to the establishment of a new company to enhance tourism in York. These include two Values: "Providing strong leadership" and "Encouraging improvement in everything we do"; two of the ten Priorities: "Increase people's skills and knowledge to

improve future employment prospects” and “improve the economic prosperity of the people of York with a focus on minimising income differentials”; and two of the Direction Statements: “The Council will provide strong leadership for the city using partnerships to shape and deliver the Community Strategy for the city” and “We want services to be provided by whoever can best meet the needs of our customers”. Strengthening the visitor offer with judicious investment in new products, improved services and better marketing and promotion gives the best chance for York to achieve these goals, and these are all aspirations of the new company. The new company’s objectives also reflect the importance of tourism as a generator of economic benefits as set out in the City Vision and Community Strategy 2001-2024, where strategic aims within the “York – The Thriving City” objective include:

To be ranked as an international quality leisure and business visitor destination

To provide a strong and distinctive cultural sector, enriching the lives of residents and visitors.

## **Implications**

18 The following implications have been considered in establishing the new company:

- **Financial**

The development of the company is based on the assumption of no net increase in tourism expenditure by City of York Council but the SLA does seek to secure a commitment from the Council for a three year rolling programme of funding

- **Human Resources (HR)**

There will be staff seconded from the Council’s tourism team (within the Economic Development and Partnerships group) into the new organisation, subject to a Secondment Agreement. HR issues for Bureau staff will be considered by external consultants.

- **Equalities**

The SLA does require the company to fully comply with general and statutory requirements, including equal opportunities legislation. Tourism is very much an industry that welcomes all visitors and future investment (especially capital investment) will be DDA-complaint – this is especially important regarding investment in enhanced visitor information services.

- **Legal**

Advice has been obtained from Civic Democratic and Legal Services on the content of the Mem & Arts and the Service Level Agreement, co-ordinating with the partners’ legal teams.

- **Crime and Disorder**

No implications of organisational change, though the activities of the new organisation will create genuine opportunity to increase safety in the evening by encouraging more activity in the evening.

- **Information Technology (IT)**

The IT requirements of Visit York will be handled by the new company, though seconded staff from the Council will still have access to the Council's IT services.

- **Property**

Currently the partnership operates from separate offices in George Hudson Street (Bureau), Scarcroft Road (Hospitality Association), St Leonard's Place (CYC tourism) and the Station and De Grey Rooms (Visitor Information Centre offices). Plans are being explored for the De Grey Rooms VIC to be relocated to a property on the corner of Blake Street and Museum Street, and there is an opportunity, subject to further discussions, for the single company's offices to be on the first floor of this building. The property in question is currently owned by the Council but is to be sold to another party and leased back.

### **Risk Management**

- 19 Issues of risk have been minimised by preparing and agreeing new Mem and Arts for the company, and a Service Level Agreement between it and the Council, following legal advice. Though the company will be a new one, essentially the organisations joining it have been delivering activity for some twelve years now, so actions to achieve the key goals of growing the value of tourism earnings will be continuous and seamless.

### **Recommendations**

- 20 Members are asked to endorse the principles of the Service Level Agreement, whilst acknowledging that the financial terms will be subject to confirmation during the Council's budget-setting process.

Reason:

To formally confirm the Council's endorsement for the Single Tourism Organisation, whilst identifying clear parameters for this support.

### **Annexes**

Annex 1 is the Service Level Agreement between the Council and the new company.

## Contact Details

### Author:

Ian Tempest  
Tourism Manager  
City of York Council  
Tel: 01904 554427

### Chief Officer Responsible for the report:

Roger Ranson  
Assistant Director (Economic Development and Partnerships)

**Report Approved** ✓ **Date** 26 Nov 2007

*Bill Woolley*  
*Director City Strategy*

## Specialist Implications Officer(s)

*Implication ie Financial*

*Name Patrick Looker*

*Title Finance Manager, City Strategy*

*Tel No. ext 1633*

*Implication ie Legal*

*Name Brian Gray*

*Title Principal Property Lawyer*

*Tel No. Ext 1042*

*Name: Janet Neeve*

*Title: HR Business Partner*

*Tel No: Ext 1661*

## Wards Affected

All ✓

**For further information please contact the author of the report**

## Background Papers:

Memorandum and Articles of Association of Visit York  
Minutes of York Tourism Partnership Executive meetings

(All are held in the City Strategy offices at 9 St Leonard's Place)