
Meeting of the Executive Members for City Strategy and Advisory Panel

16th July 2007

Report of the Director of City Strategy

Development of the York Tourism Partnership

Summary

1. This report sets out a proposal for the development of the York Tourism Partnership.

Background

2. Tourism is very important to the York economy. Tourism spending by visitors has risen by 62% since 1993 (to £332.9mn in 2006), and employment has risen by over one and a half thousand jobs in the same period to 9,970 jobs (2006 figures). These figures include both the direct contribution that tourism makes to the economy (in accommodation, attractions, entertainment, shopping, eating out etc) and also the multiplier effect that tourism has in such sectors as printing, publishing, professional services, financial services, food, beverage, construction, laundry/cleaning services etc. Tourism therefore has a big role to play in many people's livelihoods in York, which is why the First Stop York Tourism partnership was founded in 1995 to facilitate, deliver and grow tourism services through public-private sector partnership. This is led by the Council, York Tourism Bureau, the York Hospitality Association and the regional partners Yorkshire Forward and the Yorkshire Tourist Board. Hitherto the First Stop York tourism partnership has been a unique body in tourism service delivery in the Yorkshire Region.
3. Over the past few years there has been considerable discussion on the future direction and organisation of tourism, starting from national government policy (highlighted in the Department for Culture, Media and Sport's 2004 paper "Tomorrow's Tourism Today") which has given a greater role in tourism in recent years to Regional Development Agencies. In the Yorkshire region this review of delivery processes has been led by Yorkshire Forward but with significant input from the local authorities (including York) and the regional tourism board has led to the establishment of six sub-regional tourism delivery partners in the Yorkshire region, to lead on the delivery of a range of tourism services, particularly in the areas of product development, business engagement and marketing of local areas. Yorkshire Forward have set a series of targets and aspirations for the local delivery partners, with the key overall target for the region being a 5% growth in tourism earnings per annum up to 2010.

4. More recently and at a local level, the Future York Group report recommends that the tourism partnership is strengthened by having a single tourism partnership organisation working with the private sector to deliver growth in tourism spend. It recommends that the partnership should adopt a plan which aims to deliver transformational enhancements to York's visitor attractions; improvements to accommodation and hospitality provision within the city; and to the quality of the public realm order to attract higher added value in the tourism sector and strengthen the city's function as a gateway to the region.
5. It is opportune therefore to review the tourism partnership arrangements in York, taking account of the wider and more formal responsibilities as one of six sub-regional agencies in Yorkshire as well as the recommendations contained in the Future York Group report. We need to ensure that an active fit for purpose tourism partnership is in place if York develops as a leading European destination. The recent award as European Tourism City is testament to current partnership working but also indicates the potential to achieve the recommendations of the Future York Group. As the Council is a principal partner in developing tourism in York, it is important to discuss and agree future partnership arrangements.
6. A Task and Finish Group has been established under the First Stop York Executive to examine the best options for taking forward future partnership arrangements for tourism in York, taking account of best practice elsewhere in the country. Their conclusion is that the most appropriate organisational arrangement is to establish a Company Limited by Guarantee (CLG). It is also their recommendation that the best way to achieve this is by completely reviewing the constitution of the York Tourism Bureau, including a new name for the company. This would establish a new memorandum and articles of association as well as creating a new board with direct Council representation. The proposal would be to have a board of 13 directors, including 3 nominated by the City of York Council. The Chair and 8 other directors would be sought by open recruitment by advertisement; the remaining board position would be filled by the Chief Executive. A job description would be established for all Director posts and representation on the board would be determined by a nomination committee consisting of the Director of City Strategy, the current Chairman of the Tourism Bureau, and a Director of the Yorkshire Tourist Board. The Chairman of the CLG would be expected to work on tourism partnership basis for an average of one day a year and would receive an appropriate remuneration; other Directors would be entitled to expenses.
7. The next stage in developing the tourism partnership, following endorsement by the Council and partners, will be to prepare the constitution for the new company and commence procedures to determine the membership of the Board. More detailed work is still required to develop a business plan for the company, setting out strategic objectives, working arrangements and budgets. It is anticipated that the costs for taking forward the new York tourism partnership arrangements will be found from existing budget allocations and specific funding allocated by Yorkshire Forward. The Council's specific involvement with the new York tourism partnership will be set out within a Service Level Agreement. In order to give some foundation for the new partnership, it is recommended that consideration is given within the Service

Level Agreement to the Council's financial contribution to the new York tourism partnership being based on a 3 year rolling funding basis, subject to annual review.

Consultation

8. These proposals have been subject to development through the First Stop York Task and Finish Group. The principle of establishing a single tourism partnership in York was endorsed by the Economic Development Partnership Board in March 2007, as part of the consideration of the York Tourism Strategy and Action Plan.

Options

9. At this stage, Members are asked to support the proposals in principle for establishing the single tourism partnership as set out above in this report. If this is not supported by the City Council, or any other key partner, it will be necessary to return to negotiations between stakeholders.

Analysis

10. FSY has proved itself as a partnership and has been successful in achieving above target visitor numbers and spend; this has also been recognised in York winning the European Tourism City award. It is recognised by Yorkshire Forward as making progress towards the establishment of a single tourism partnership in York and the surrounding area. Nevertheless, it is timely to review tourism partnership arrangements to ensure that York remains, and develops further, as a European destination. Whilst the informal partnership arrangements have been a strength, as expectation rises so, agendas will become more complex, and there will be a requirement for a more transparent, and more formal structure, that can allow partners to pursue a shared agenda for the benefit of the city while also providing clarity on decision making and accountability. This will strengthen governance and accountability for the new tourism partnership.

Corporate Priorities

11. Tourism in York is a major generator of economic benefits, with one in ten of the local workforce (9,970 people) employed directly or indirectly in tourism in 2006-07. Two of the Council's Corporate Aims are relevant here – Objective 7 “work with others to develop opportunities for residents and visitors to experience York as a vibrant and eventful city” and Objective 3 “strengthen and diversify York's economy and improve employment opportunities for residents”. 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. York's Tourism Strategy also reflects the importance of tourism as a generator of economic benefits 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

12. At this stage, a decision in principle is recommended. Detailed implications will be considered following the preparation of a Service Level Agreement.

- **Financial**

The development of the single tourism partnership has been based on the assumption of no net increase in tourism expenditure by City of York Council. Increased activity and partnership building is based on additional resources received through Yorkshire Forward at the moment (£666,700 in total from 2006-07 to 2009-2010) and any proposals to be brought forward through the Sub-Regional Investment Programme

- **Human Resources (HR)**

The future organisation of the York Tourism Partnership may require consideration of human resource issues, but this will be the subject of further work in developing the Service Level Agreement. Any implications for Council employed staff will take account of existing HR policies and procedures.

- **Equalities**

None. Tourism is very much an industry that welcomes visitors of all characteristics, and future investment (especially capital investment) will be DDA-compliant

- **Legal**

The City Council has previously supported and worked with companies limited by guarantee in other fields. The proposed structure for the new company will mean that the Company is regulated as a local government influenced company.

- **Crime and Disorder**

None at present through this report although the activities of the new tourism partnership such as investment in lighting and in the evening economy creates genuine opportunity to improve safety in the evenings by having more people in the city centre, preventing no-go areas

- **Information Technology (IT)**

There are no direct implications at this stage.

- **Property**

There are no direct implications at this stage although the new tourism partnership will be involved with discussions that are already taking place with Property Services re: the city centre Visitor Information Centre operation.

Risk Management

13. One purpose to the new tourism partnership will be to improve governance and accountability. Other stakeholders are understood to be fully supportive of the new proposals set out above in this report; a rejection of them may, therefore, make relationships with partners more problematic with a risk to the effectiveness of this initiative.

Recommendations

14. The Executive Leader is advised to endorse the arrangements for establishing a new tourism partnership in York as set out in this report.

Reason: This will enable the Council and tourism partners to deliver transformation change in developing York as a European destination.

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Report Approved ✓ **Date** 03/07/07

Specialist Implication Officers

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Wards Affected: *List wards or tick box to indicate all*

All ✓

For further information please contact the author of the report

Background Papers:

York Area Tourism Strategy, responses to earlier consultation, and minutes of the First Stop York Executive meetings are held at the Economic Development Group offices in George Hudson Street