

Scrutiny Committee – 18th December 2008

8. Discussion Paper - Options for the Governance of the Somerset Tourism Partnership

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Purpose of the Discussion Paper

To outline two current options for governance of the Somerset Tourism Partnership (STP) and to take opinions and a steer on these options from the Scrutiny Committee.

Action Required

The Scrutiny Committee is asked to consider the two current options for governance of the Somerset Tourism Partnership.

Background

Tourism is a vital economic development tool within Somerset's economic portfolio, supporting 20,000 full time equivalent jobs and generating visitor expenditure of over £1billion a year from 10.5 million overnight stays and 13 million day visitors (STEAM 2007).

Whilst tourism forms a large and important sector of the Somerset Economy, it is a sector comprising a large number of small businesses. These are businesses that Local Authorities are able to engage with, offer strategic guidance to, and provide assistance to help improve the visitor experience, and increase the spend and length of stay of the visitor.

In 2006 it was decided to set up an informal Somerset Tourism Partnership (STP). The partnership would cover the geographical areas of Sedgemoor, Taunton Deane, Mendip and South Somerset (as encapsulated within Somerset County), with North Somerset and Exmoor as neighbouring partners.

The original aim of STP was to find effective ways of working in partnership to deliver tourism support and improve 'the tourism offer' across the county. Working as a partnership offered economies of scale, the chance to explore new and more efficient ways of working together, and the opportunity to make efficiency savings for all the partners at a time when budgets savings are sharply in focus. Additionally, the English Regional Development Agencies had suggested the creation of Destination Management Organisations (DMOs) or tourism partnerships as a more efficient way of delivering direction and support to the tourism sector.

The creation of STP offered a practical opportunity chance to explore the strengths, weaknesses, possibilities and impediments of working in partnership.

The following achievements were recorded by STP during 2007/08:

- Greater co-operation between the public and private sector

- Setting up the STP management group
- Managing and balancing an annual budget in excess of £350k
- Producing and distributing the Visit Somerset Brochure- widening market awareness
- Setting up a process to evaluate the Brochure
- Hosting a major Somerset Tourism Conference
- Hosting a Sustainable Tourism conference
- Contributing to, using and promoting the Visit Somerset Website
- Negotiating the continuation of South West Tourism Membership Scheme
- Negotiating a profit share of membership
- Negotiating future funding from SWERDA
- Promoting Somerset through the development of Brand, Image and Placement
- Procuring the services of a PR company with strong regional and national contacts
- Driving the quality and tourism training agendas in Somerset
- Developing bespoke and themed support groups for: research, marketing, promotions, sustainability
- Greater engagement and work with Somerset TICs

The 2008 – 2013 draft STP business plan has produced a focussed set of strategic aims. These are:

- Joint working across Somerset for more effective delivery of tourism services, and the sharing of resources.
- Effective promotion of Somerset as a visitor destination, focussing on local distinctiveness with effective promotion including to appropriate overseas and niche markets, under the Somerset brand, whilst measuring effectiveness with research enabling future improvements to influence decisions, subsequently achieving long term increase in visitor expenditure
- To attract sufficient resources to achieve required outcomes, economies of scale and efficiency savings
- Engagement of the Somerset tourism industry ensuring commitment to the Partnership and its principles and priorities
- Represent Somerset Tourism's interests on regional & national platforms, ensuring alliance with appropriate regional and national directives
- Development of Somerset's Visitor Information service including Visit Somerset, Tourist Information Centres, Signage etc
- In partnership promote sustainable and accessible practice and development of the Somerset tourism industry
- Encourage Somerset's tourism industry to offer excellent quality standards across the total visitor economy including links with other related sectors e.g. recreation, food and drink and retail and a highly motivated and skilled workforce
- Work with public and private Partners to improve standards of public realm management and to strengthen Somerset's event programme.

Somerset Tourism Partnership also encourages effective communication and shared priorities to enable joint working with neighbouring areas including the West of England, Devon and Wiltshire.

Governance

Although the STP has delivered a range of outputs, Portfolio Holders from the Local Authorities have questioned the lines of accountability and the level of Scrutiny under which STP has operated. The breadth of this Public/ Private Sector partnership has raised questions on where responsibility for the governance of the partnership lies and who ultimately should agree the spending of public funds.

Whilst the Private Sector contribute to the budgets through the purchase of advertising space in STP publications, and contribute both time and expertise through the management team, the majority of revenue comes directly from the public purse.

The Somerset Tourism Partnership Management Group currently comprises an officer representative from each of the six Public Sector partners (David Julian represents SSDC) and six Private Sector Partners. This group currently reports to the Economic Leaders Group that links to the Somerset Strategic Partnership. It is thought by our portfolio holders that this line of governance does not offer sufficient levels of accountability, scrutiny or control for the Somerset Tourism Partnership.

A brief background to governance issues

The tourism services of the Somerset Public Sector rest within the Economic Development Directorates of the local authorities and the County Council. South Somerset District Council is the notable exception with tourism services residing in the Health and Well-being Directorate. At SSDC tourism enjoys strong synergies with Countryside, Heritage, Sports, Arts and Leisure. Much of the successful development of South Somerset's tourism product has been under this direction. Traditionally South Somerset District Council has positioned tourism in a wide 'multi-service' setting rather than framing it as an economic development activity.

In creating a stronger line of governance for STP, our partners have been keen to pursue linkages to the Somerset Inward Investment Agency. This is a new agency aimed at encouraging inward economic investment for Somerset. Whilst such a governance arrangement has advantages, it would be fair to say that assumptions have been made at partnership level that SSDC are ready to take this route.

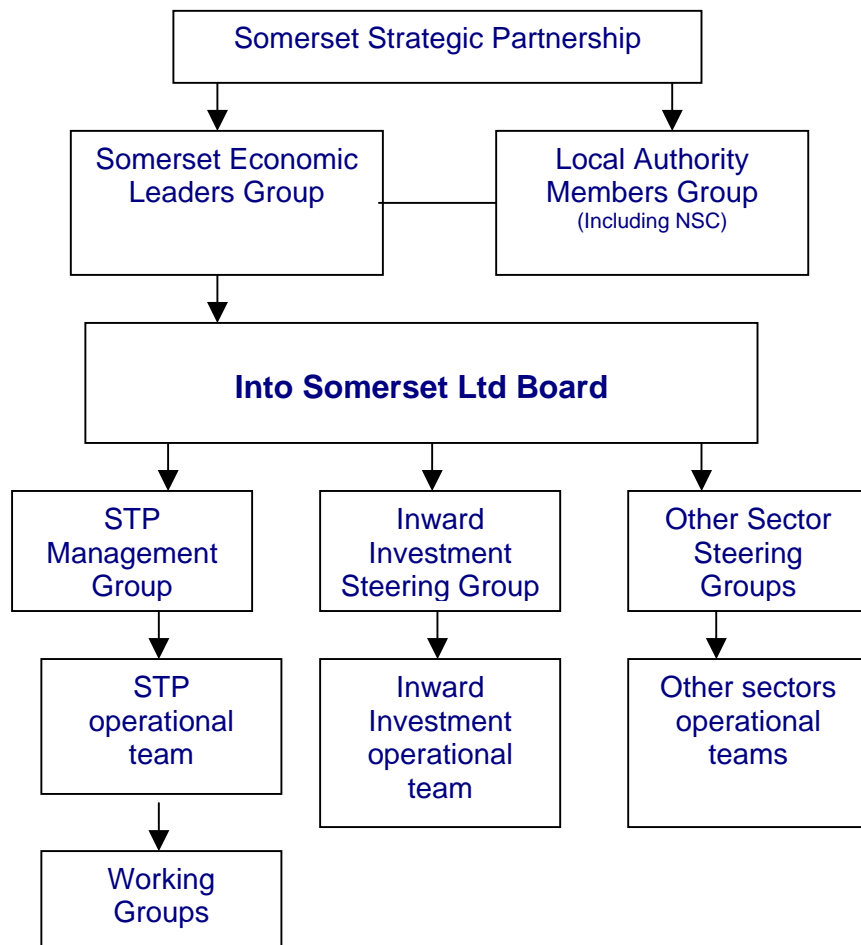
The aims and aspirations of STP are consistent with the broad aims of Pioneer Somerset. This option for governance has thus far received little consideration and greater credence has been given to the Into Somerset Option. SSDC have always maintained that the creation of STP should be through a consultative process that gives due consideration to *all* the options.

Options for Governance

There are currently two options for the governance of the Somerset Tourism Partnership although neither, offer a perfectly formed solution. These options are:

The Inward Investment Agency (Into Somerset)

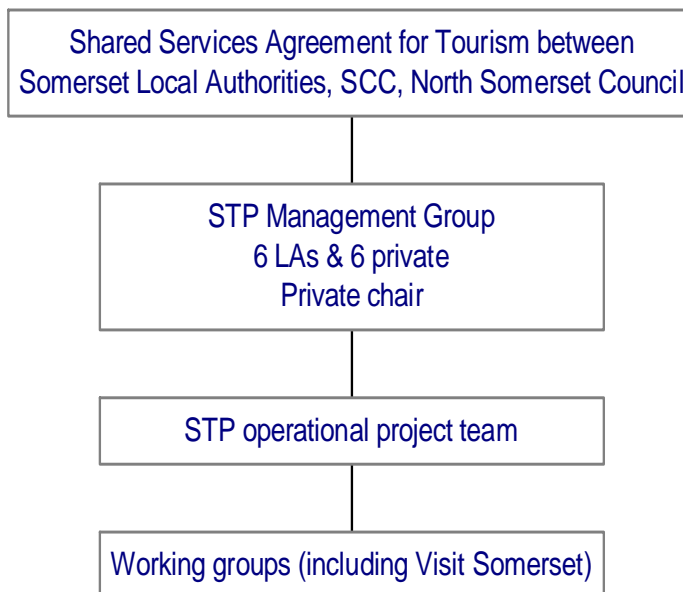
This is a county-wide private/ public sector partnership that will form a limited liability company (in 2009) to co-ordinate inward economic investment activity in Somerset. The Somerset Tourism Partnership may become a subsidiary arm of the Inward Investment company, reporting to the company directors (a mix of private/public sector directors). Governance would be through the Inward Investment Agency, which in turn reports to the Somerset Strategic Partnership.



Pioneer Somerset - the Shared Services Route

The STP project is consistent with the aims of Pioneer Somerset and presents an opportunity for Local Authorities to work co-operatively, reduce duplication of work and seek savings through more efficient use of resource. Governance would be through a shared service agreement between the partners. This would authorise the STP management group to manage on behalf of the partnership and to report directly to the Somerset Strategic Partnership. North Somerset would request input or tourism representation at SSP level.

As an existing project, The Somerset Tourism Partnership already operates effectively and in a fairly uncomplicated manner. This simple style of partnership could provide an excellent template for partnerships wishing to take the Shared Service Route



Analysing the Options

The following analysis of the two options is offered

Into Somerset – the Inward Investment Agency	
Advantages	Direct Linkage to Economic Leaders Group and Economic Strategy Synergies between Inward Investment and Tourism Wider marketing opportunities
Disadvantages	Possible greater expenditure on Company Costs Less empathy for tourism Danger of greater bureaucracy Less local influence Possible TUPE issues/ redundancy costs Reduces capacity for LAs to deal with local/residual issues
Pioneer Somerset – Shared Services Agreement	
Advantages	Consistent with Pioneer Somerset Simpler reporting line Uniquely focussed on tourism Economies of scale not absorbed by greater fixed costs Local tourism business still able to exert influence Project already seen to work well at this level of operation
Disadvantages	Shared Services Agreement needs to be drawn up

Taking STP forward

In 2008/09 it is envisaged that the work of the STP will continue. Many local authorities will undoubtedly see STP as a means of delivering cost effective tourism services well into the future. The draft Business Plan 2008-2013 offers a progressive way forward for

tourism services and includes a wide range of critical activities and outputs linked to the partnership aims.

It is hoped that the governance issues will be resolved following full consultation of the partners. As with all partnerships, a majority view may determine the way forward.

The views of the Scrutiny Committee are sought to help determine South Somerset District Council's position in this matter.
