

## Supporting Information and Impact Assessment

Service / Policy:	Tourism Marketing
Executive Lead:	Cllr Nicole Amil
Director / Assistant Director:	Anne-Marie Bond

Version:	2	Date:	January 2016	Author:	Kevin Mowat
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<b>Section 1: Background Information</b>	
<b>1.</b>	<p><b>What is the proposal / issue?</b></p> <p>The proposal is to cease funding to the English Riviera Tourism Company (subject to the transitional funding to the ERTC which has already been agreed for a maximum period of nine months from 1 April 2016 to 31 December 2016).</p>
<b>2.</b>	<p><b>What is the current situation?</b></p> <p>The English Riviera Tourism Company is a wholly owned company of the Council to which funding is being provided, with the contribution in 2015/16 being £350k.</p> <p>In September 2014, the Council agreed to fund and support the development of a TRTBID as an alternative sustainable funding model to provide ongoing retail and tourism destination marketing activity, including visitor information service. This proposed funding model is no longer available to the ERTC, as the proposed TRTBID was not supported at a recent ballot.</p> <p>A TBID is now being proposed, with a ballot to take place later this year.</p>

	In December 2015 the Council approved £200,000 of transitional funding, from reserves, to fund the ERTC until the 31st December 2016 but on a reduced operating budget.
<b>3.</b>	<p><b>What options have been considered?</b></p> <p>The Council could continue to provide on-going revenue funding to the ERTC, or cease funding as per the proposal. Given the austerity measures, the Council has to make difficult decisions, prioritising statutory services.</p>
<b>4.</b>	<p><b>How does this proposal support the ambitions and principles of the Corporate Plan 2015-19?</b></p> <ul style="list-style-type: none"> <li>• Use reducing resources to best effect</li> </ul>
<b>5.</b>	<p><b>Who will be affected by this proposal and who do you need to consult with?</b></p> <p>Consultation has taken place with the following stakeholders</p> <ul style="list-style-type: none"> <li>• The English Riviera Tourism Company (ERTC) and staff</li> <li>• Torbay Town Centres Company (TTCC)</li> <li>• The Chair of the multi-stakeholder Task Group set up by the Council to progress the proposed Torbay Retail &amp; Tourism Business Improvement District (TRTBID)</li> <li>• The Mayor and his associated Executive Leads</li> <li>• A number of cross-party representative Councillors</li> <li>• The Council's Senior Leadership Team</li> <li>• The Mosaic Partnership</li> <li>• Overview and Scrutiny Board</li> </ul>
<b>6.</b>	<p><b>How will you propose to consult?</b></p> <p>Consultation has been undertaken via face to face meetings, emails and also via the TRTBID ballot in November 2015.</p>

## Section 2: Implications and Impact Assessment

### 7. What are the financial and legal implications?

Please see section 8 below.

### 8. What are the risks?

An independent and professional research agency undertook a Marketing Evaluation Report for the ERTC in 2014. One of the key points that can be learnt from the report is that the ERTC Destination Marketing Activity currently has a return on investment of £60 for every £1 invested by Promotional Partners. Based on this multiplier and the £85,904 figure identified in 6.2 above, it is clear that there could be a significant risk to the Torbay Visitor Economy destination marketing were not to be undertaken.

It is not possible to quantify the reputational risk to the Bay if the ERTC were not to be funded after March 2016. However, if the Destination Marketing Organisation of the South West's biggest seaside resort were to close, having achieved five years of consecutive visitor growth in terms of numbers and value, it is likely to send a negative message to the industry and to potential inward investors. In addition, our links with Visit England as the national tourist board would also be harmed with the ERTC currently the official Visit England partner.

There are currently six permanent staff employed by the ERTC and if all the staff were to be made redundant, the cost would be approximately £23,000 and this figure has been included within a draft budget prepared by the ERTC for the period 31 March to 31 December 2016. This budget has indicated that the maximum amount of transitional funding would be £200,000.

As the ERTC is wholly owned by Torbay Council, the Council will be responsible for picking up any pension deficit on the cessation of the ERTC. A cessation valuation report for the ERTC has been obtained from the Devon County Council Pension Fund (the Fund) and this indicates that the deficit would be £428,000 on a "full cessation" basis and £284,000 on a "partial cessation" basis. The Council can cover this liability in several ways:

	<p>a) providing a guarantee to the new company;</p> <p>b) adding the liability to the Council’s overall pension liability (which will be funded from future employer contributions);</p> <p>c) making a cash payment to the pension fund; or</p> <p>d) a combination of the three options outlined above.</p> <p>The ERTC currently lease both the Visitor Information Centre and Offices from the TDA, on Vaughan Parade, Torquay. A 12-month notice period is required to terminate and there is a financial risk to the TDA if new tenants cannot be found once the 12-month notice period has elapsed.</p> <p><b>Risk Mitigation</b>  The Council would try to redeploy staff at risk, either directly or through its trading subsidiaries, but the Council will remain responsible for any pension deficit where this is not possible. The TDA, for example, is responsible for providing the Council with strategic tourism advice; it also operates a business and a number of facilities, which might offer suitable alternative employment.</p> <p>If an alternative funding model can be found prior to the end of 2016, any transitional funding not required by the ERTC would be returned to the Council.</p>
<p><b>9.</b></p>	<p><b>Public Services Value (Social Value) Act 2012</b></p> <p>N/A</p>
<p><b>10.</b></p>	<p><b>What evidence / data / research have you gathered in relation to this proposal?</b></p> <p>Please see section 1-3 above. An industry survey has also recently been commissioned regarding the idea of a Tourism only BID.</p>

11.	<p><b>What are key findings from the consultation you have carried out?</b></p> <p>The TRTBID ballot did not support a tourism and retail Business Improvement District. A recent survey of the tourism industry has indicated support for a tourism only BID.</p>
12.	<p><b>Amendments to Proposal / Mitigating Actions</b></p> <p>In December 2015 the Council approved £200,000 of transitional funding, from reserves, to fund the ERTC until the 31st December 2016 but on a reduced operating budget. This will now allow for the outcome of the TBID ballot to be known.</p>

### Equality Impacts

13	<p><b>Identify the potential positive and negative impacts on specific groups</b></p> <p>Although the proposal to cease funding has the potential to reduce the current level of service delivery this proposal will have no differential impact on the specific groups listed below.</p>			
		<b>Positive Impact</b>	<b>Negative Impact &amp; Mitigating Actions</b>	<b>Neutral Impact</b>
	Older or younger people	No differential impact		
	People with caring Responsibilities	No differential impact		
	People with a disability	No differential impact		

Women or men	No differential impact
People who are black or from a minority ethnic background (BME) ( <i>Please note Gypsies / Roma are within this community</i> )	No differential impact
Religion or belief (including lack of belief)	No differential impact
People who are lesbian, gay or bisexual	No differential impact
People who are transgendered	No differential impact
People who are in a marriage or civil partnership	No differential impact
Women who are pregnant / on maternity leave	No differential impact
Socio-economic impacts (Including impact on child poverty issues and deprivation)	No differential impact

	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	No differential impact
<b>14</b>	<b>Cumulative Impacts – Council wide</b> (proposed changes elsewhere which might worsen the impacts identified above)	No cumulative impacts
<b>15</b>	<b>Cumulative Impacts – Other public services</b> (proposed changes elsewhere which might worsen the impacts identified above)	No cumulative impacts