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| REPORT TO: | FINANCE & MANAGEMENT COMMITTEE | AGENDA ITEM: 10 |
| DATE OF MEETING: | 15th MARCH 2018 | CATEGORY: DELEGATED |
| REPORT FROM: | CHIEF EXECUTIVE | |
| MEMBERS' CONTACT POINT: | MIKE ROYLANCE (01283 595725) mike.roylance@south-derbys.gov.uk | DOC: |
| SUBJECT: | SWADLINCOTE TOURIST INFORMATION CENTRE | REF: u/KS/budgets/budget round 2018 19/tic march 2018 |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: FM 08 |

1.0 Recommendations

- 1.1 That an increase of £3,000 per year in the Grant to Sharpe's Pottery Heritage & Arts Trust for the operation of the Tourist Information Centre is approved.
- 1.2 That the increase is subject to the satisfactory completion of the Service Level Agreement between the Council and the Trust.
- 1.3 That the increase is applied from 2018/19 onwards.
- 1.4 That a retrospective contribution of £1,500 is made to the Trust in 2017/18 to cover increased costs of operating the Tourist Information Centre.

2.0 Purpose of Report

- 2.1 To seek Members' support to provide additional funding to Sharpe's Pottery Heritage & Arts Trust for the operation of Swadlincote Tourist Information Centre (TIC) reflecting an increase in staffing costs. This report refers specifically to the grant from the District Council to Swadlincote TIC. Sharpe's also receives a grant from the District Council towards the Museum of £26,000 per year.

3.0 Detail

Background

- 3.1 Tourism is one of the country's fastest growing business sectors. The National Forest has brought new tourism opportunities to businesses in South Derbyshire, from farms diversifying to provide bed and breakfast and holiday cottages to village pubs serving walkers and cyclists. Tourism in the Forest already supports more than 4,700 jobs, attracts more than 7.8 million visitors a year and contributes £376 million to the local economy.
- 3.2 Swadlincote Tourist Information Centre (TIC) opened in 2006, aiming to contribute to economic development within South Derbyshire through the growth of tourism in the District. It seeks to maximise the economic benefits of tourism in a variety of ways,

for example, by attracting visitors to the District, and encouraging them to stay for longer periods, to visit in off-peak and shoulder months, and to return in the future. The greater the visitor spend, the greater the benefits for the local economy in terms of business income and employment. With many tourism businesses located in rural areas, they play a vital role in providing business creation and diversification opportunities in the countryside, and create new employment opportunities.

3.3 The role of Swadlincote TIC is:

- To provide an impartial visitor service for local residents and visitors to South Derbyshire and The National Forest, in accordance with prevailing Tourist Information Centre criteria and specified customer service standards, together with agreed targets. This is based upon maintaining Visit England 'Official Partner' status for tourist information services;
- To support and promote visitor-related businesses, including attractions, accommodation and facilities, together with relevant food & drink and retail outlets. Similarly, event and market organisers, including operating a booking service on behalf of the Council and tourism and leisure operators; and,
- To contribute to joint destination marketing activities which will attract visitors to South Derbyshire, including those of the National Forest & Beyond destination marketing partnership and the Visit Peak District & Derbyshire destination management organisation.

3.4 In 2016/17 Swadlincote TIC responded to over 44,000 visitor enquiries, though face-to-face queries both at the Centre and at events, via telephone and email, and online through websites and social media. It also prepared three editions of the "What's on" guide and contributed to a range of other publications including the National Forest & Beyond Attractions Guide, Heritage Open Days Guide and Derbyshire Well Dressings & Gardens Guide.

Operation

3.5 The TIC employs 1.8 Full Time Equivalent (FTE) staff. The District Council meets the cost of employing the staff, together with associated materials and equipment, plus a contribution towards the maintenance and utilities of the Museum buildings from which the TIC operates. This is included in an annual grant paid to Sharpe's Pottery Heritage & Arts Trust and totalled £53,194 in 2017/18.

3.6 At the time of establishing the TIC, a commitment was made by the District Council to Sharpe's that Swadlincote TIC would be 'cost-neutral' for Sharpe's i.e. that the District Council would meet the full cost of its operation.

3.7 However, there was an expectation that any anticipated increase in costs would be agreed in advance with the District Council prior to being incurred. The operation of the TIC, including its funding and performance monitoring, etc. is contained within a Service Level Agreement (SLA).

3.8 During 2017, Sharpe's implemented an increase in salary costs for all of their staff. This was based upon the Board's decision to adopt the National Living Wage for the lowest paid staff and to maintain a salary differential for higher paid staff including between the TIC Assistants and TIC Manager posts. Additionally, the Government's

introduction of an automatic enrolment workplace pension scheme (National Employment Savings Trust) has added to staffing costs.

- 3.9 This has led to an ongoing increase in the cost of salaries relating to the TIC, that Sharpe's has requested is met by the District Council. Sharpe's has also sought to recoup additional expenditure incurred in the current financial year arising from the increased staffing costs.
- 3.10 To-date, Sharpe's have been reluctant to agree a Service Level Agreement with the District Council. A new draft SLA has recently been prepared between the District Council and Sharpe's covering the funding for both the Museum and Swadlincote TIC.

4.0 Financial Implications

- 4.1 External funding was used to meet the capital costs of establishing Swadlincote TIC, including the purchase of equipment and materials. This was part of a Phase 2 development of the Sharpe's site and was funded approximately 50/50 between the Council and a contribution from the Derby and Derbyshire Economic Partnership (DDEP). Total capital investment was approximately £140,000 in 2005/06.
- 4.2 As part of the funding received from DDEP, the Council made a commitment to fund the on-going costs for the financial years 2006/07 and 2007/08 and provision was made in the Council's budget. Since that time, the Council has supported the on-going costs of the TIC through an annual grant to Sharpe's.
- 4.3 The amount of this grant is considered during the annual budget cycle alongside other grants paid to voluntary bodies and is cash limited each year.
- 4.4 The increased employment cost to Sharpe's is approximately £3,000 in 2017/18. Sharpe's have requested that this additional cost is met annually by the District Council from 2018/19 onwards.
- 4.5 If agreed, this would increase the base amount of the annual grant paid to Sharpe's of £53,000. This would then still be subject to an inflationary increase as part of the annual review of all grants made to voluntary and third sector organisations.
- 4.6 Sharpe's has also sought to recoup £1,500 from the District Council as a contribution towards the additional salary costs incurred in the current financial year (2017/18). As a one-off, this payment has been met from within an existing budget in Economic Development.

Service Level Agreement

- 4.7 The Council has previously made a commitment to fund the on-going costs of the TIC. This is achieved through the annual cash limited grant. Therefore, it is considered important that the draft SLA is signed to ensure that the on-going funding of the TIC is secured. This will also mitigate the Council's risk from any unforeseen costs and strengthen control over what the TIC are able to commit.

5.0 Corporate Implications

- 5.1 Swadlincote TIC directly contributes to the Corporate Plan's vision to 'make South Derbyshire a better place to live, work and visit' and in particular to the themes of:

- Place – Creating vibrant communities to meet residents
- Progress - Encouraging inward investment and tourism opportunities

5.2 The key aims include:

- Support provision of cultural facilities and activities throughout the District
- Unlock development potential and ensure the continuing growth of vibrant town centres
- Work to maximise the employment, training and leisure uses of The National Forest by residents and increase the visitor spend by tourists.

6.0 Community Implications

6.1 Swadlincote TIC contributes directly to the South Derbyshire Partnership's Sustainable Community Strategy vision of '*a dynamic and caring South Derbyshire, able to seize opportunities to develop and empower successful communities, whilst respecting and enhancing the varied character and environment of our fast growing and diverse District*'.

6.2 Sustainable Development is highlighted as a key theme, with the aim of achieving 'A more prosperous, better connected, increasingly resilient and competitive economy' and 'A better place to live, work and visit at the heart of The National Forest', with measures including unemployment levels in the District and spend by visitors to The National Forest.

7.0 Conclusions

7.1 Tourism is one of South Derbyshire's key sectors, identified in the District's Economic Development Strategy 2016-2020. The Strategy highlights that maximising the potential of The National Forest is a key challenge for the District in order to realise the full benefit of this unique initiative.

7.2 As such the continued operation of Swadlincote TIC is an identified action in the Economic Development Strategy and in the District Council's Corporate Plan for 2017/18.

8.0 Background Papers

8.1 None