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18 January 2012

S U M M O N S

MEETING: Economic Development Board
DATE: 26 January 2012
TIME: 6.00pm
PLACE: Committee Room 1, Town Hall, Gosport
Democratic Services contact: Lisa Young

LINDA EDWARDS
BOROUGH SOLICITOR

MEMBERS OF THE BOARD

The Mayor (Councillor Carter CR) (ex officio)
Chairman of the Policy and Organisation Board
(Councillor Hook) (ex-officio)
Councillor Lane (Chairman)
Councillor Langdon (Vice Chairman)

Councillor Allen	Councillor Mrs Hook
Councillor Chegwyn	Councillor Kimber
Councillor Edgar	Councillor Ronayne
Councillor Mrs Forder	Councillor Mrs Searle

FIRE PRECAUTIONS

(To be read from the Chair if members of the public are present)

In the event of the fire alarm sounding, please leave the room immediately. Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

IMPORTANT NOTICE:

- If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

NOTE:

- i. Councillors are requested to note that, if any Councillor who is not a Member of the Board wishes to speak at the Board meeting, then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off for the duration of the meeting.

AGENDA

RECOMMENDED
MINUTE
FORMAT

1. APOLOGIES FOR NON-ATTENDANCE
2. DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter, any personal or personal and prejudicial interest in any item(s) being considered at this meeting.

3. MINUTES MEETING OF THE BOARD HELD ON 2 NOVEMBER 2011
4. DEPUTATIONS – STANDING ORDER 3.5

(NOTE: The Board is required to receive a deputation(s) on a matter which is before the meeting of the Board provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Tuesday, 24 January 2012. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

5. PUBLIC QUESTIONS – STANDING ORDER 3.6

(NOTE: The Board is required to allow a total of 15 minutes for questions from Members of the public on matters within the terms of reference of the Board provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Tuesday, 24 January 2012).

6. SECURING TRAINING AND LOCAL EMPLOYMENT THROUGH PLANNING OBLIGATIONS
To seek approval to carry out consultation on a draft scheme to secure training and local employment through planning obligations in line with the PUSH Policy Framework: The Use of Developer's Contributions to Provide Workforce Training.

Part II
Contact
Officer:
Chris Payne
Ext. 5216

7. TOURISM PARTNERSHIP ARRANGEMENTS
To seek Members' approval of the proposed tourism staffing and partnership arrangements for financial year 2012/13.

Part II
Contact
Officer:
Lynda Dine
Ext. 5231

Economic Development Board
26 January 2012

8. BUDGET SETTING
Report to Follow
9. ANY OTHER ITEMS
-which the Chairman determines should be considered, by reason of special circumstances, as a matter of urgency.

AGENDA ITEM NO. 06

Board/Committee:	Economic Development
Date of Meeting:	26 th January 2012
Title:	Securing training and local employment through planning obligations
Author:	Borough Solicitor
Status:	For Decision

Purpose

To seek approval to carry out consultation on a draft scheme to secure training and local employment through planning obligations in line with the PUSH Policy Framework: 'The Use of Developer's Contributions to Provide Workforce Training'.

Recommendation

That the Council consults on a scheme to secure training and local employment through planning obligations secured by Section 106 agreements based on the Policy Guidance Note set out in Appendix A.

1 Background

- 1.1 The PUSH Joint Committee in January 2011 approved the adoption of the PUSH Policy Framework: 'The Use of Developer Contributions to Provide Workforce Training'. The same Committee also agreed to the preparation of a Good Practice Guide. The Good Practice Guide 'Securing training local employment through Section 106 agreements' was launched in December 2011.
- 1.2 The PUSH policy framework makes the case and justification for seeking developer contributions for training and employment in relation to the PUSH economy. Since the mid 1980s, South Hampshire's economic growth has been consistently below that achieved by the South East Region as a whole. The framework sets out a number of factors that demonstrate the need to improve employment rates. These factors include:
 - a lower employment rate in South Hampshire (77%), than the region (78%) and the rest of Hampshire (80%)
 - lower levels of enterprise with fewer new firms being formed in South Hampshire (36 per 10,000 population in South Hampshire compared to the region's total of 48.6 per 10,000)
 - lower skills levels (at NVQ level 4 and trade apprenticeship levels)

- lower Gross Value Added per capita (a comparative measure of economic output) – the gap between South Hampshire and the rest of the South East is 11%.
 - lower labour productivity is evident in lower earnings for South Hampshire workers. The median gross weekly earnings in South Hampshire (£363) are 89% of the South East level (£408)
- 1.3 The framework considers that employment and skill development will play a driving role in increasing productivity and reducing economic inactivity by raising workforce skills. By raising the skills and employability of local people, particularly those that are not currently in employment, PUSH is seeking to ensure that the majority of jobs created in the PUSH area over the next 20 years are secured by local residents.
- 1.4 PUSH is encouraging all its constituent partners to adopt this framework where appropriate but recognises that it is up to each local authority how and when they seek to secure training measures.

2 Report

- 2.1 Having regard to the justification set out in the PUSH policy framework and recognising the particular employment and training needs in Gosport it is considered that the Council should seek measures to provide workforce training through planning obligation secured by Section 106 agreements that are related to planning applications for major development.
- 2.2 In order to implement this policy framework it should be linked to a policy in the Gosport Borough Local Plan Review. Policy R/DP3 specifically relates to the provision of infrastructure, services and facilities. It states:

Development Proposals will be permitted provided that

- i. adequate infrastructure, services and/or facilities are available: and
- ii. arrangements have been made by the developer to provide or to improve existing infrastructure, services or facilities, both on and off site, which are made necessary by that development.

It is considered that securing local employment and training is covered under this policy.

- 2.3 A planning obligation under Section 106 of the Town and Country Planning Act 1990 ('the 1990 Act') must be directly related to a development and it is considered that contributions to ensure that developments complement and benefit the local labour market and economy, by raising skills and enabling local people to compete for the jobs generated would satisfy this requirement. Specific measures could include training (pre employment and vocational), apprenticeships, employment advice, interview guarantees, work placements, transport arrangements and child care, facilities and

equipment. Developers will need to discuss particular measures with the Council and in some instances where it is not possible for a developer to deliver these measures a financial contribution may be taken in lieu of providing such measures.

- 2.4 The Policy Guidance Note set out in Appendix A provides the framework for securing training in connection with major developments in Gosport. It sets a threshold above which planning applications for certain uses will need to comply with the provisions of the policy guidance note. The threshold figures have been based on the approximate level of floorspace required to generate a minimum of 50 jobs derived from the Housing and Communities Agency's Employment Densities Guide (2010). It is intended that this guidance note will be used as a basis for discussing training and local employment packages with prospective developers with a view of securing the package through a Section 106 agreement.
- 2.5 It is considered advisable that the Policy Guidance Note should be tested through consultation for a period of 4 weeks to provide additional weight to the document. Appendix B shows a proforma of the questions that will be asked as part of this process. Following the conclusion of the consultation, the responses will be analysed and the Policy Guidance Note will be amended if necessary and brought back to the Board for adoption.

3 Risk Assessment

- 3.1 If the Council does not secure local training and employment in connection with appropriate development proposals it would be a lost opportunity to enhance local employment prospects. There is a risk that developers see this initiative as additional burden on development and may deter investment. Consideration will need to be given to all the planning constraints and obligations that apply on a site by site basis.

4 Conclusion

- 4.1 The draft Policy Guidance Note on 'Securing Employment and Training Measures through planning obligations secured by Section 106 Agreements' provides a mechanism to ensure that developments complement and benefit the local labour market and economy, by supporting job creation, raising skills and enabling local people to compete for the jobs generated. Consultation will provide added weight to this document which then will be a material consideration when considering planning applications.

Financial Services comments:	None for the purposes of this report
Legal Services comments:	Contained in the report
Service Improvement Plan implications:	None
Corporate Plan:	This initiative would be in line with the strategic priority of maximising employment opportunities.
Risk Assessment:	See Paragraph 3.1
Background papers:	PUSH Policy Framework: 'The Use of Developer Contributions to Provide Workforce Training' PUSH Good Practice Guide 'Securing training local employment through Section 106 agreements'
Appendices/Enclosures:	
Appendix 'A'	Draft Policy Guidance Note on 'Securing Employment and Training Measures through Section 106 Agreements'
Appendix 'B'	Proforma of consultation questions.
Report author/ Lead Officer:	Chris Payne/Lynda Dine

DRAFT Policy Guidance Note

Securing Employment and Training Measures through planning obligations secured by Section 106 Agreements - Policy Guidance 2012

Introduction

Gosport Borough Council on [to be inserted] 2012 at a meeting of its Economic Development Board agreed to secure employment and training measures through planning obligations secured by section 106 agreements associated with major development proposals. This guidance note provides a framework as to how these employment and training measures will be secured.

This Guidance note is linked to requirements of Policy R/DP3 in the Gosport Borough Local Plan Review 2006. Policy R/DP3 specifically relates to the provision of infrastructure, services and facilities¹.

Background

The Partnership for South Hampshire (PUSH) Joint Committee in January 2011 approved the adoption of the *PUSH Policy Framework: The Use of Developer Contributions to Provide Workforce Training*². The same Committee also agreed to the preparation of a Good Practice Guide. The Good Practice Guide 'Securing Training and Local Employment through Section 106 Agreements' was launched in December 2011 and can be found on the PUSH website³.

The PUSH policy framework makes the case and justification for seeking developer contributions for training and employment in relation to the PUSH economy. Since the mid 1980s, South Hampshire's economic growth has been consistently below that achieved by the South East Region as a whole. The framework identifies a number of factors that demonstrate the need to improve training and skills in the sub-region. A set of key local indicators are set out below to emphasise the need to improve employment and training opportunities locally including:

- The job density in Gosport is 0.46⁴ which is one of the lowest in the country. This compares with a South East average of 0.8 and a UK average of 0.78.
- The proportion of the working age population that is economically inactive in Gosport is 21.9% which is higher than the Hampshire (18.9%) and South East (20.7%) averages.⁵
- There are a higher proportion of working age claimants including those on job seekers allowance in Gosport (10.3%) than the regional average (8.5%)⁶.

¹ www.gosport.gov.uk/localplanreview

² www.push.gov.uk/pic-110111-r05-gtu-kra-.pdf

³ www.push.gov.uk/rp-17-0411_push_magazine_print_lo-res.pdf

⁴ total jobs to working age population

⁵ ONS Annual Population Survey Apr 10-Mar 11 cited by Nomis Official Labour Market Statistics

⁶ DWP benefit claimants-working age client group cited by Nomis (2011)- (Oct 2011)

- There is also a higher proportion of unemployment among young people with 8.0% of 18-24 year olds in Gosport unemployed compared with a regional average of 5.4%.⁷
- There are 8.6 Job Seekers Allowance claimants per unfilled job centre vacancy in Gosport compared with 4.6 nationally and 2.5 in Hampshire.⁸
- There are lower skills levels in South Hampshire and Gosport. Only 16.8% of the population in Gosport have achieved at NVQ level 4⁹ and above compared to 33.9% in the South East and 31.3% nationally. Levels are also lower at NVQ level 2¹⁰ and above with 60.2% achieving this level in Gosport compared with 70.8% regional and 67% nationally.¹¹
- Levels of enterprise is lower with fewer new firms being formed in South Hampshire (36 per 10,000 population in South Hampshire compared to the region's total of 48.6 per 10,000)¹²
- Business density is lower in Gosport with 18.9 businesses per 1,000 head of adult population compared with 38.1 in Hampshire and 38.5 in the South East.¹³
- The area has lower labour productivity which is evidenced in lower earnings. Gross weekly earnings in Gosport for residents are £455.2 (2011) which is lower than the South East (£554.4) and national (£503.1) averages.¹⁴

Use of Planning Obligations and Section 106 Agreements

Section 106 agreements can be used to secure planning obligations related to new developments including improving training and skills. However the Government has set tests when a Section 106 agreement can be used. These are:

- Is the obligation necessary to make the development acceptable in planning terms?
- Is the obligation directly related to the development?
- Is the obligation fairly and reasonably related in scale and kind to the development?

PUSH and Gosport Borough Council consider that in light of points made above there is a clear case to use Section 106 agreements to secure contributions to ensure that developments complement and benefit the local labour market and economy, by supporting employment growth, raising skills and enabling local people to compete for the jobs generated. Specific measures could include training (pre employment and vocational), apprenticeships, employment advice, interview guarantees, work placements, transport arrangements and child care. Developers will need to discuss

⁷ Claimant count=age and duration with proportions (Oct 2011) cited by Nomis Official labour Market Statistics

⁸ Jobcentre Plus vacancies-summary analysis

⁹ HND, Degree and Higher Degree level qualifications or equivalent

¹⁰ 5 or more GCSEs at grades A-C, intermediate GNVQ, NVQ 2, intermediate 2 national qualification (Scotland) or equivalent

¹¹ ONS annual population survey cited by Nomis (Dec 2011)

¹² Cited in PUSH Policy Framework: The use of Developer Contributions to provide workforce training

¹³ DTI Small Business Survey cited by nomisweb.co.uk ONS mid-year estimates (2008)

¹⁴ ONS annual survey of hours and earnings - resident analysis (Nomis 2011)

particular measures with the Council and in some instances a financial contribution may be taken in lieu of providing specific measures.

Development Thresholds

This guidance note will only apply to proposals for development above key thresholds (all figures gross). These are set out below:

- retail, leisure and office development of 1,000 square metres or greater;
- industrial development of 2,000 square metres or greater;
- warehouse development of 4,000 square metres or greater;
- any other development likely to generate 50 full time equivalent jobs or more; and
- residential development greater than 40 units.

These threshold figures have been based on the approximate level of floorspace required to generate a minimum of 50 jobs derived from the Housing and Communities Agency's Employment Densities Guide (2010) and rounded to the nearest '000 for commercial development to establish a workable threshold.

The fifty employee threshold has been used as this is considered to be a reasonable scale of employment generation to warrant securing training measures. It also accords with the European Commission's definition of a medium sized business in terms of employment.

The threshold for residential development is based on the number of dwellings which would result in 50 economically active people¹⁵.

Local Employment and Training Measures to be secured

Where proposed development reaches the thresholds set out, the Borough Council will negotiate and seek contributions for the following types of activity. This list is indicative of the types of interventions anticipated and not exhaustive. Where appropriate the Council would work to develop an employment and skills plan in partnership with the developer which would seek to maximise benefit to both the developer and the local economy. Where this is not appropriate, financial contributions in lieu will be considered. The Borough Council will have regard to other site constraints and obligations as part of the negotiations.

The mechanism for securing an employment and skills plan or financial contribution is set out below. It is intended that developer contributions (in-kind or actual) will form part of a tailored package including resources levered in from local colleges, training providers and jobcentre plus to deliver the employment and skills plan. Where financial contributions are agreed the funds will be retained specifically for employment and skills development.

¹⁵ based on Hampshire County Council's long term projection of 1.22 economically active persons per household.

Indicative 'in-kind' measures include:

- Work placement (16-19 yrs)
- Work placement (14-16 yrs)
- Curriculum Support Activities
- Career advice
- Pre-employment training
- Work trials and Interview guarantees
- Apprenticeships
- Vocational training (NVQ)s
- Jobs advertised through local job centres
- Leadership and management training
- Supervisor training
- Health and safety
- Construction skills certificate scheme
- Support with transport, childcare and work-equipment
- Training infrastructure and equipment

These activities aim to contribute to one or more of the following priorities for Gosport:

- Increased local employment and economic activity rates of residents, especially in areas of deprivation.
- Increasing the employability of local residents, including removing barriers that prevent participation.
- Maximise the number of new jobs created in the local economy being taken up by local residents.
- Increased job density.
- Improving skills levels in both the local labour market and local workforce, with a view to increasing the productivity and competitiveness of the local economy and reducing skill gaps.
- A focus on growth sectors specifically, marine aerospace, advanced manufacturing, environmental technologies, tourism and leisure, and health and care.

Mechanism for securing Local Employment and Training Measures

At the pre-planning application stage prospective developers whose proposed development would exceed the thresholds set out above are encouraged to contact the Council to discuss potential local employment and training measures that are appropriate to the size of the proposal. In first instance the developer should contact planning services. It is then likely that planning services will refer the potential applicant to the Head of Economic Prosperity who will be able discuss in more detail the type of measures that are appropriate. If the planning application is approved the applicant will be required to enter into a section 106 Agreement with the Council to secure the contribution.

Section 106 employment and training contributions consultation

Why we are consulting

The Borough Council is considering introducing a policy guidance note based on an existing Local Plan Review policy in order to secure training and employment measures as part of new development proposals requiring planning permission. The Borough Council is therefore seeking views on its preferred approach.

Creating more jobs, a better trained workforce and removing barriers to employment for existing Gosport residents are key priorities for Gosport Borough Council. We want our existing businesses to thrive and encourage new businesses to locate to Gosport. Workforce development is essential to achieving this.

Every development creates jobs whether solely through the construction phase or additionally through the end use. The Council wishes to work in partnership with developers to maximise the benefits for the Gosport economy and its residents. The Council will work to agree a training and employment plan in the early stage of development, (ie pre-planning application stage), which will identify workforce requirements. Alongside this the Council will work with training providers and other partner organisations to attract and channel additional resources effectively.

We are seeking to implement this approach through section 106 agreements, generally identifying in-kind contributions to achieve beneficial outcomes as opposed to seeking a direct financial contribution. For further details of the scheme please follow the link
<http://www.gosport.gov.uk/sections/democratic-services/agendas-minutes/economic-development/>

Consultation Timetable

The Council will consult with existing businesses, employment and training agencies, developers and commercial agents.

The consultation period will run for 4 weeks starting Friday 27th January to Friday 24th February 2012.

Consultation Questions

Question 1

The Council wishes to work with developers to agree an employment and training plan as part of the overall development. Do you agree this is a good idea in principle?

Question 2

In developing its approach the Council has applied key thresholds above which we would seek to negotiate an employment and training plan. These are set out below. Do you think these are set at appropriate levels?

- retail, leisure and office development of 1,000 square metres or greater;
- industrial development of 2,000 square metres or greater;
- warehouse development of 4,000 square metres or greater;
- any other development likely to generate 50 full time equivalent jobs or more; and
- residential development greater than 40 units.

Question 3

The guidance provides an indicative list of the types of measures we would seek to secure. They are listed below. Do you think these are appropriate measures?

Indicative 'in-kind' measures include:

- Work placement (16-19 yrs)
- Work placement (14-16 yrs)
- Curriculum Support Activities
- Career advice
- Pre-employment training
- Work trials and Interview guarantees
- Apprenticeships
- Vocational training (NVQ)s
- Advertising jobs locally through the job centres
- Leadership and management training
- Supervisor training
- Health and safety
- Construction skills certificate scheme
- Support with transport, childcare and work-equipment
- Training infrastructure and equipment

Question 4

In developing its approach, the Council has given consideration to a number of factors. It has looked at different types of development, the number of jobs created or growth in the workforce as a result of development, alongside the direct costs to businesses in creating apprenticeships or up-skilling their existing workforce.

Evidence suggests¹ that an equivalent value of £50 per capita increase in the local workforce, appears to be a reasonable basis on which to secure a package of training measures. Do you agree with this assumption as a starting point for negotiating an employment and training plan?

Question 5

A training and employment plan may not always be appropriate. In such circumstances the Council will seek to negotiate a financial sum in lieu, specifically for employment and training in Gosport. Do you agree this is a reasonable alternative to the 'in-kind' measures?

¹ Warick Institute for Employment Research The Net Benefit to Employer Investment in Apprenticeship Training 2008
Other local authorities across Partnership for Urban South Hampshire

Agenda Item No. 7	
Board/Committee:	Economic Development Board
Date of Meeting:	26th January 2012
Title:	Tourism Partnership Arrangements
Author:	Chief Executive
Status:	For Decision

Purpose

To seek Members' approval of the proposed tourism staffing and partnership arrangements for financial year 2012/13.

Recommendation

That Members approve:

1. payment of the annual membership subscription to Tourism South East for 2012/13 at a cost of £1330.80;
2. entering into a one year Service Level Agreement with Tourism South East for the operation of the Tourist Information Centre in 2012/13 at a fixed fee of £51,547.00, with additional provision for the profit-sharing arrangement proposed at Paragraph 4.3.5 of this report
3. bringing the tourism marketing service in-house (including production of the annual Visitor Guide) in line with the proposals set out in Paragraphs 4.4.8 and 4.4.9 of this report.

1.0 BACKGROUND

- 1.1 For over a decade, the Council has contracted out its tourism marketing activities and running of the Tourist Information Centre (TIC) to Tourism South East (the regional tourist board). Two separate Service Level Agreements (SLAs) have been put in place, one for the operation and management of the Tourist Information Centre, and the other for staffing and delivery of tourism marketing activities, including the production of the annual visitor guide. Each Service Level Agreement has been for a three-year period, with the Council last agreeing to renew these SLAs with Tourism South East (TSE) in 2009.
- 1.2 Over the same period, the Council has been a member of TSE, paying an annual subscription that has enabled the Council to access discounted national marketing campaigns, research and industry training schemes.
- 1.3 With both of the current SLAs due to expire on 31st March 2012, this report provides Members with an update on the impacts of changes in national

tourism policy, an overview of the Council's existing partnership arrangements with TSE, and the rationale and recommendations for delivery of tourism services in Gosport in 2012/13 and beyond.

2.0 NATIONAL TOURISM POLICY

- 2.1 In March 2011, the 'Government Tourism Policy' was published, detailing the Government's commitment to growing the visitor economy in the UK¹. The document makes clear the Government's determination to work more closely with industry partners, modernise tourism bodies to ensure they reflect the natural geography of tourist areas, and allow business and organisations to work together in partnerships to market their area in the most effective way.
- 2.2 As a result, Government funding and support that would previously have been routed through regional tourism bodies, such as TSE, is now being directed towards a limited number of local, industry-led, Destination Management Organisations (DMOs). Administered by the national tourism body 'VisitEngland', support for DMOs is particularly targeted at those that align with the 39 English destinations that have been identified as 'attract' brands².
- 2.3 In south Hampshire there are three 'attract' brands, namely the Isle of Wight, New Forest and Portsmouth. In future, these three destinations are expected to be the focus for national marketing efforts and associated support from VisitEngland. It will be important for businesses and partners in surrounding areas, such as Gosport, to work more closely with partners in these key destinations, so as to benefit from VisitEngland support. For example, identifying and developing opportunities for joint initiatives, campaigns and marketing with emerging destination partnerships in Portsmouth will not only ensure that Gosport's tourism economy benefits from national and international marketing activity but, importantly, encourage the further development of cross-harbour visitor experiences and attractions.

3.0 GOSPORT TOURISM

- 3.1 According to recent research, the tourism sector supports 2,455 jobs in Gosport and generates £56 million of value for the local economy³. In addition to the more obvious accommodation providers, heritage and leisure attractions that are typically associated with tourism, local events, leisure marine, retail, restaurants/eateries, sport, physical activity and special interest clubs all play their part in defining the local tourism offer,

¹ Government Tourism Policy, DCMS, March 2011 (<http://www.culture.gov.uk/publications/7896.aspx>)

² Attract brands are England's best known destinations, determined by visitor numbers and/or consumer perception research (www.visitengland.org/Images/Attract%20Brands_tcm30-26766.pdf)

³ Hospitality: Driving Local Economies – A Report by the British Hospitality Association (October 2011)

helping to attract visitors whilst also providing a range of services and opportunities for local residents.

- 3.2 Gosport Borough Council has recognised the role played by tourism in supporting employment and local businesses for a number of years and was one of the first District authorities in Hampshire to establish an industry-led Tourism partnership.
- 3.3 As well as supporting the Tourism Forum and the delivery of local tourism services through its contracting arrangements with TSE, the Council has also worked in partnership with Hampshire County Council for many years and benefited from joint efforts to promote attractions and places in Hampshire. This has included profiling Gosport on the County's Visit Hampshire website⁴ and featuring Gosport museums in the 'Defence of the Realm' marketing leaflet, which helps promote defence-related heritage sites across Hampshire.
- 3.4 More recently, new opportunities to work in partnership with attractions on both sides of Portsmouth Harbour have emerged, with the launch of the 'Big Ticket' in summer 2011 an example of how individual attractions on both sides of the Harbour can work together to create and market a new visitor experience.
- 3.5 Earlier this year, the Council re-stated its commitment to realising the potential of the Gosport visitor economy, including making the most of complementary links across the Harbour and capitalising on opportunities to strengthen the sector as new developments come forward⁵.
- 3.6 If these ambitions are to be achieved then Gosport will need to be in a position to take advantage of the partnership opportunities emerging from the new national tourism policy and use its resources wisely to sustain and develop the local offer. This is important when considering future tourism partnership arrangements and the delivery of Gosport tourism services in 2012/13 and beyond.

4.0 PARTNERSHIP ARRANGEMENTS WITH TOURISM SOUTH EAST

- 4.1 As set out at Paragraph 1.0 of this report, there are three distinct elements to the Council's current partnership arrangements with Tourism South East, ie the annual membership subscription, an SLA for the operation of the Tourist Information Centre, and an SLA for the staffing and delivery of tourism marketing services. These are now considered in turn.

⁴ <http://www.visit-hampshire.co.uk/places-to-visit/the-solent/gosport>

⁵ Gosport: An Opportunity 2011-2026, Business Growth and Community Regeneration, p6

4.2 Membership of Tourism South East

- 4.2.1 Despite the changes in national tourism policy and Government support now being directed towards local DMOs, rather than regional tourist boards, Tourism South East continues to exist as a membership organisation and potential partner for local authorities and others who wish to collaborate on campaigns or outsource services.
- 4.2.2 The annual membership fee for Gosport Borough Council is approximately £1300, giving the Council discounted access to national campaigns, research and industry training initiatives of benefit to local tourism business.
- 4.2.3 In the past, the Council has taken advantage of these opportunities, benefiting from research into the tourism economy, hotel development studies and a number of campaigns, which this year have included the 2011 Family Fun and Time for Us campaigns. To date, during 2011/12, Gosport has benefited from discounts and media coverage estimated to be worth £3,300⁶, with many of TSE's activities tying in with Gosport's target campaign areas, ie History & Heritage, Family Fun and Sailing & Watersports.
- 4.2.4 In November 2011, Tourism South East confirmed that the 2012/13 membership subscription fee for Gosport Borough Council would be £1330.80, and that the following core services would be available:
- Opportunities to participate in domestic and international marketing campaigns, including Time for Us and Family Fun;
 - Access to 2012 international media initiatives and Welcome programmes;
 - Data stewarding support to ensure that local events and inspected accommodation are profiled on the Visit Hampshire website;
 - Access to training and skills programmes;
 - Access to data and discounted tourism studies and research.
- 4.2.5 Given the benefit provided to the Council from its membership of TSE to date, and the continuing value of being able to access discounted services and campaigns of relevance to Gosport's tourism economy, it is recommended that Members approve the payment of the annual membership subscription to Tourism South East for 2012/13 at a cost of £1330.80.

⁶ Letter from TSE's Head of Marketing & Membership, November 2011

4.3 Operation of the Tourist Information Centre

- 4.3.1 The Council has a three-year Service Level Agreement (SLA) with Tourism South East for the day-to-day management and operation of the Tourist Information Centre (TIC). This SLA expires on 31st March 2012.
- 4.3.2 The TIC is an important focal point for visitor information and services, and staff deal with an average of 40,000 enquiries per annum. In addition to providing a wide-ranging visitor enquiry and information service, staff handle accommodation bookings, manage ticket sales for events and tours, and sell merchandise from the TIC. Over the last 3 years, TIC staff have generated an income of approximately £10,000 per annum through the sale of merchandise, coach and theatre tickets, maps and books. The TIC also provides an outlet for the Council's own range of tourism merchandise, which is just beginning to produce a modest profit.
- 4.3.3 Staff employed at the TIC also help out at events, such as Gosport's Big Day Out, and undertake a programme of visits to improve their knowledge of the local tourism offer, build relationships with local providers, and raise awareness of what Gosport has to offer by making presentations to clubs, resident groups and students.
- 4.3.4 Maintaining a high quality and visible visitor information service at a key gateway to the Borough is considered important to support the development of the tourism economy. The quality of the brokerage and signposting service provided by TIC staff is highly valued by tourism providers and feedback from service users, including through a regular 'mystery shopping' exercise, is very positive. However, it is recognised that alternative approaches to delivering visitor information services need to be tested over the coming year, to ensure that the service remains relevant to changing visitor needs and is delivered in the most cost effective way.
- 4.3.5 In the meantime, discussions with TSE have confirmed their interest in continuing to operate the TIC on behalf of the Council during 2012/13 and a commitment to a 0% increase on the contract price has been secured. A profit sharing arrangement has also been agreed in principle with TSE for 2012/13⁷. This would see 40% of profits from all TSE merchandise, sale of tickets etc returned to Gosport Borough Council at the end of the year.
- 4.3.6 It is therefore recommended that the Council enter into a one year Service Level Agreement with Tourism South East for the operation of the Tourist Information Centre in 2012/13 at a fixed fee of £51,547.00, with additional provision for the profit-sharing arrangement proposed at Paragraph 4.3.5 above.

⁷ Email from TSE Visitor Services Manager, 16th November 2011

4.4 Tourism Marketing Services

- 4.4.1 The Council has a three-year Service Level Agreement (SLA) with TSE for staffing and delivery of tourism marketing services in Gosport that also expires on 31st March 2012. The SLA provides for 2.5 fte staff, who are employed by TSE and working out of the TSE offices in Eastleigh. Their remit is to deliver an annual Marketing Plan, comprising a range of activities that are agreed at the beginning of each year in consultation with the Council's lead officer for tourism. An annual budget of £16,000 is available for tourism marketing, the majority of which is allocated to TSE for delivery of the activities agreed in the Marketing Plan.
- 4.4.2 The activities include: production and distribution of the visitor guide, participation in national and sub-regional marketing campaigns, website and merchandise development, events and industry liaison. Wherever possible, joint campaigns, exhibitions and promotions with local attractions and other tourism partnerships are encouraged to help maximise the impact and pool resources.
- 4.4.3 Over the period of the current SLA there have been a number of changes in staffing and management arrangements for Gosport tourism. Of particular note is the additional GBC officer support allocated to support TSE staff over the last two years and help develop a number of additional tourism initiatives as part of the annual Marketing Plan. Council staff are also involved in the Hampshire Tourism Officers Forum and ongoing discussions with tourism partners from the Solent Local Enterprise Partnership.
- 4.4.4 Taking all these changes into account, staffing of the marketing and development of tourism services in Gosport over the last 2 years has cost approximately £56,000 per annum. This includes the 2.5 days of TSE staff and management time and a full time equivalent GBC officer post. Additional GBC administrative and management support has also been provided.
- 4.4.5 Having regard to the potential impact of national policy changes on local and sub-regional tourism partnership arrangements, the Council's desire to maximise the potential of the local visitor economy, and the additional staff resource required to support TSE in the delivery of tourism marketing, an internal review of the tourism marketing function was carried out during the summer of 2011, following the transfer of responsibility for tourism to the newly-formed Economic Prosperity, Tourism & Culture section.
- 4.4.6 The findings of this review confirmed that, for Gosport to successfully market its offer nationally and sub-regionally, the Council and its industry partners will need to continue to develop opportunities with Portsmouth tourism partnerships, maximise the potential of emerging links with the Isle

of Wight and continue to work with Hampshire County Council in developing a joint approach to the marketing of cultural destinations and attractions within Hampshire.

- 4.4.7 Whilst discussions with TSE have confirmed their ability to continue to support the Council in marketing of existing attractions, it has become clear that there are gaps in their capacity to support the development of partnership initiatives and new services that will enhance Gosport's tourism offer. (This is essential if Gosport is to develop the tourism economy, rather than simply market the existing offer.) Furthermore, frequent changes to TSE's staffing during the current Gosport contract have undermined the quality of the service being provided, with no evidence that the capacity or consistency of staffing will improve in the future.
- 4.4.8 It is therefore recommended that the funding allocated for delivery of tourism marketing services be used to maintain and develop in-house capacity, helping to reduce unnecessary duplication, improve the quality and range of tourism services and free up resource to allow the Council to have influence and greater flexibility in the development and delivery of new independent and partnership initiatives that will help fulfil the potential of Gosport's tourism economy.
- 4.4.9 To support bringing the tourism service in-house it is proposed that a full time officer post be created, which will result in the current temporary Tourism officer post being added to the full time establishment and provide for a budget to support development of tourism products and services to help stimulate economic growth. If supported, the creation of this full time post will be referred to Policy & Organisation Board for Decision.

5.0 Resource Implications

- 5.1 The proposals contained in this report confirms the Council's commitment to the tourism economy and for budget provision for the Tourist Information Centre and delivery of tourism services to be maintained at 2011/12 levels.
- 5.2 The re-negotiation of contract arrangements for the Tourist Information Centre provides for a profit-sharing arrangement for the sale of TSE-sourced tourism merchandise. Based on revenues generated in recent years, this suggests that a minimum of £4,000 will be returned to the Council at the end of 2012/13.

6.0 Risk Assessment

- 6.1 These proposals recognise the important role that the tourism economy plays in supporting local business and employment opportunities, and its potential for further development and growth.

- 6.2 Maintaining the Council's membership subscription to TSE will provide access to discounted and other services that are of benefit to Gosport and industry partners. To date this has provided good value and generated a positive return on the Council's investment. Cancellation of the subscription would incur additional costs to the Council and restrict access to 2012 project funding and industry training initiatives.
- 6.3 The current operating arrangements for the Tourist Information Centre ensure that a high quality and year-round visitor information and booking service is provided to support the tourism economy. The operation of the TIC also benefits local residents, with staff support for events and industry partners also important. Further work needs to be undertaken to identify the opportunities to improve visitor information and services so that they meet the needs of a changing marketplace and are delivered in the most efficient way. In the meantime, a 0% increase in operating costs has been secured and the proposed profit-sharing arrangement on TSE-sourced merchandise will generate an income of approximately £4,000 in 2012/13. It is considered prudent to maintain the current service arrangements with TSE, pending the outcome of a full review of visitor information services to be completed during 2011/13.
- 6.4 Changes in national tourism policy and the internal review of Gosport's tourism marketing services have highlighted the shortfalls in the current arrangements for delivery of this contract, and the risk this poses to the development of Gosport's visitor economy. Bringing the service in-house will minimise this risk by making use of existing expertise, reducing unnecessary duplication and helping to improve the quality and range of tourism services and partnerships.

Financial Services Comments:	Implications arising from this report are covered within the draft budget for 2012/13.
Legal Services Comments:	None for the purposes of this report
Service Improvement Plan Implications:	Contributes to EPTC/049 and EPTC/050
Corporate Plan:	Contributes to Prosperity: Attracting investment to Gosport's economy; Promoting Tourism opportunities
Risk Assessment:	See Paragraph 6.0 of this report
Background Papers:	N/a
Appendices/Enclosures:	None
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